



Welsh rates of Income Tax (WRIT)

Information for Employees

The Welsh rates of Income Tax will come into effect from 6 April 2019 – the 2019 to 2020 tax year onwards.

What this means for you

If you've been identified as a Welsh taxpayer you'll pay Welsh rates of Income Tax (WRIT) on your earnings or pension. You may pay a different rate of Income Tax from people in other parts of the UK, however this will depend on the rates set by the Welsh Government. Some of your Income Tax will be paid to the Welsh Government to directly fund services in Wales.

Residency

How to establish whether you're a Welsh taxpayer

The definition of a Welsh taxpayer depends on your main residence rather than where you work. A Welsh taxpayer is someone who is resident in the UK for tax purposes, and who has their sole or main place of residence in Wales for more of the tax year than in any other part of the UK.

Main place of residence

This is not necessarily the residence where you spend the majority of your time, it's the 'place of residence' with which you've the greatest degree of connection.

Factors illustrative of whether a place constitutes a 'main place of residence' are:

- your family home
- where you're registered to vote
- where the majority of your possessions are kept
- your correspondence address

Notifying HMRC of address changes

It's your responsibility to inform HMRC if you change address. If you move you should inform HMRC of your new address. You can do this at:
www.gov.uk/tell-hmrc-change-of-details

What are Welsh rates of Income Tax?

The Wales Act 2014 gave the Welsh Government the power to set Welsh rates of Income Tax, giving the Welsh Government greater control over a significant proportion of the Welsh budget and how it's allocated.

The Welsh rates of Income Tax will apply to all non-savings, non-dividend income.

National Insurance is not impacted by the Welsh rates of Income Tax.

Find out more at:
www.gov.uk/welsh-income-tax

The Welsh Government announced proposals for the Welsh rates for the 2019 to 2020 tax year in its draft budget in October 2018.

Find out more at:
www.gov.wales/welshtaxes

When will the Welsh rates of Income Tax start?



Welsh rates of Income Tax will start on 6 April 2019.

How will I be notified of my status?

If HMRC hold an address for you in Wales you'll be classed as a Welsh taxpayer, and your tax code will begin with the letter C to show that you're a Welsh taxpayer.

HMRC will write to potential Welsh taxpayers in November 2018.

As you pay through PAYE, HMRC will advise your employer to treat you as a Welsh taxpayer and your earnings or pension will continue to be taxed as they are now.

Appealing against your status

Your status is dependent on the address information HMRC holds. If this information is correct, and as a result you meet the criteria laid down in legislation (Wales Act 2014), then you'll not be able to appeal the status applied by HMRC.

How Welsh rates of Income Tax are calculated

The UK government will reduce the basic, higher and additional rates of Income Tax paid by Welsh taxpayers by 10p.

The Welsh Government will then set the three Welsh rates of Income Tax which, once approved by the National Assembly for Wales, will be added to the reduced UK rates.

The combination of reduced UK rates plus the Welsh rates will determine the overall rate of Income Tax paid by Welsh taxpayers.

Where to go to find out more information

For more information on the Welsh rates of Income Tax visit:
www.gov.uk/welsh-income-tax

For more information on the rate setting process and the Welsh Government's draft budget visit: www.gov.wales/welsh-taxes

You can find more information about how a tax code is worked out at:
www.gov.uk/tax-codes