

Dear Customer

Submitting PAYE Settlement Agreement (PSA) Calculations

A PAYE Settlement Agreement (PSA) is an enduring agreement that allows you to make one annual payment to cover all the tax and National Insurance due on minor, irregular or impracticable taxable expenses or benefits for your employees.

Our records show that you have a PSA and that for the 2022/23 tax year we did not receive your PSA calculations. If you have an agreement in place, you must send a calculation even if it is a nil return.

Our records show you may have already made a payment on account. However, if you pay your PSA without submitting calculations it means we can't verify what the payment is for or if it is correct.

So that we do not estimate the amount due, you should submit calculations either before or when you make payment. HMRC recommends that all calculations are sent in by 31 July following the end of the relevant tax year.

How to submit your calculations

Please submit any outstanding PSA calculations now. The easiest way to do this is online. ['Tell HMRC the value of items in your PAYE Settlement Agreement'](#) is a service for employers to submit their yearly calculations online. The PSA1 form can be submitted digitally for the 2021 to 2022 tax years onward.

To submit your calculations you will need

- your email address
- your employer reference
- the tax year of the PSA calculation
- the type of expenses and benefits, you should only report those included in the PSA
- the number of employees receiving each expense or benefit, including any employees that earn below the personal tax allowance
- the correct rate of tax for each employee (Scottish, Welsh or the rest of the UK).

If you cannot use the online form, you can contact the PSA team on 0300 322 7077 or send your calculation to:

PAYE Settlement Agreements
HM Revenue and Customs
BX9 2AN

If we do not receive calculations, we may issue a determination. A determination is an estimate of the amount of tax and NICs we believe is due which could be higher than the calculation. The legislation that allows us to make this type of determination is Regulation 110, Income Tax (PAYE) Regulations 2003 (S.I 2003 No.2682 part 6).

Please be aware your PSA liability and payment will not be available to view on your Business Tax Account.

Further information on PSA's

There is help and support with PSA's available on GOV.UK [Help with PAYE Settlement Agreement calculations — GfC1 - GOV.UK](#)