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MONEY BOX LIVE

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LEWIS: Hello. The Treasury Minister David Gauke told Parliament this afternoon that no-one who owed tax of less than £300 would be asked to pay it back. He also promised that in cases of financial hardship, the repayments of larger sums could be spread over 3 years rather than one; and he warned that claims to get tax written off because the Revenue hadn't acted on information it had been given may not succeed. Well that's the latest in the tax debacle that we've been reporting on in the last few days on the BBC. So where does his statement leave nearly 6 million taxpayers who'll be told over the next few months that Her Majesty's Revenue and Customs has helped itself to the wrong amount of tax from their pay or pension over the last two tax years? Most will be told they've paid too much tax and will be sent a rebate, but nearly one and a half million will be told the Revenue took too little and it would like them to pay up. And we now know these bills will be for at least £300. Some of these letters will arrive this week and all 5.7 million will land on doormats by Christmas. So today Money Box Live takes your questions on underpaid and overpaid tax. And maybe you want to know why the PAYE system is in such a mess and how does the Revenue get what is essentially a simple calculation wrong so often? Whatever your question about tax demands, you can call Money Box Live now - 03700 100 444. With me today to answer your questions on tax problems are John Whiting, who's Tax Policy Director at the Chartered Institute of Taxation; Jane Shillaker, a manager at the charity Tax Aid, which helps low income people with their tax problems; and Lee Healey who's Managing Director of IncomeMax, a website which advises people on claiming benefits. He's here because late claims may affect benefit claims. Our

first question is from Mike in Weston Favell. Mike, your question?

MIKE: Oh good afternoon to you. My question is really how do I avoid, or in the best case how do I put off as long as possible paying back this tax that they now say that I owe them because the mistake is all on their part?

LEWIS: Right, how much have they said you owe, Mike?

MIKE: It's about £1200 - £1100, £1200.

LEWIS: Right. Have you had one of these letters?

MIKE: I was one of the first. I had it on Tuesday 1st September.

LEWIS: I would say lucky man, but I suppose *not* lucky man.

MIKE: (*laughs*) And so how long does it go back?

LEWIS: I don't know. But what I've worked out is that because I'm retired ... I'm 72 years old, I'm retired, and apart from the state pension I've got about four pensions from different parts of working during my life. And looking back, having always done self-assessment, they then said there's no need to do it because your tax is set; your pension is going to remain basically the same. And about 2 years ago, which I hadn't noticed, one of the suppliers of my pension, they just changed the tax code saying that I was within my, whatever, £9,000 allowance ...

LEWIS: Right.

MIKE: ... so they haven't been taking any tax off. Now in their letter to me, there's no reason. It just says in this last tax year you owe us so much and from previous years you owe us so much. That's £1100, £1200, which they're going to take out in this tax year.

LEWIS: Right.

MIKE: Well that's about £80 to £90 which is nearly two weeks state pension.

LEWIS: Well yes, it's a lot of money to lose each month ...

MIKE: Yuh.

LEWIS: ... and I think a lot of people are in that position. We'll get sort of more detail in a minute, Mike, but let's just go to Elizabeth in Worcestershire who I think has also had one of these famous letters. Elizabeth?

ELIZABETH: Yes, good afternoon. Unfortunately I have. I owe apparently £1300. The reason given is that I have two employments at the same time. I am 65 and I'm still working. And both employers apparently have been applying the PAYE code giving full tax free allowance.

LEWIS: Right, so you've had your tax free allowance from both people ...

ELIZABETH: I have.

LEWIS: ... and obviously you should only have had it from one.

ELIZABETH: Yes.

LEWIS: Okay, well let's talk about Mike and Elizabeth. John Whiting first. Is this typical of the kind of people who can expect to have paid the wrong tax?

WHITING: I think in many ways these are two fairly standard scenarios as it were, if they'll forgive me for putting it like that. There will be others, but the sort of people who are going to get these letters are the sort of people for whom PAYE does not cope well; and that is somebody like Mike who's got a variety of pensions and rather

than just having one where the personal allowance, the tax free pay goes out, it has to be spread and all too often the spreading goes wrong. And, similarly, Elizabeth with two jobs. Same sort of thing.

LEWIS: And where does it go wrong? Is it the Revenue's fault? Do they not give the right information? Or is it the pension or employer, pension payer or employer who doesn't apply the code correctly?

WHITING: You can't generalise. It could be either. It could, dare I say it, sometimes be the taxpayer who hasn't filled in the data properly. *(Mike tries to ask a question)* But certainly many of the ones that I've seen are like Mike's where there's a variety of pensions. The Revenue have tried to allocate the single personal allowance around; and, particularly if they're low paid, they've tried to say oh well don't pay any tax on that and the calculations just go wrong.

LEWIS: Mike, I think you wanted to come in there?

MIKE: I think one of the easiest ways that it goes wrong is that I have four tax offices ...

WHITING: *(over)* I completely agree, Mike.

MIKE: *(over)* ... each applying a different code or different part of a code, if you like, and none of it locks up together as one.

WHITING: It's small comfort, but one way that this system will be better is that it will track people by their national insurance number rather than by effectively employer or pension provider, so tell them tomorrow.

LEWIS: Yes. We have been told, John, particularly by the Revenue, that things will get better, but there's not much evidence yet. Jane Shillaker, both these cases clearly people who had no idea they were paying the wrong amount of tax. We've heard a lot

on the BBC and we've been doing it on Money Box about this special extra statutory concession, A19. Will that apply in these cases? Can Elizabeth and Mike write back and say, 'Look, we did everything right. You got it wrong. We shouldn't have to pay this money'?

ELIZABETH: Could I just come in here? I have actually already done that.

LEWIS: Ah, you have already, Elizabeth. Well that was very quick. Okay.

ELIZABETH: I have already written to HMRC stating that I would like to make a claim under this situation.

LEWIS: Well we'll be very interested to hear how that goes on. Let Jane explain how it works and how it should work.

SHILLAKER: It's important to remember, first of all, this is a concession. There's no obligation on the Revenue to grant relief and they do set a number of hurdles for the concession. The first is that it must be them that's made a mistake and you must really be able to pinpoint some sort of error on their part. The reason for pinpointing it is because the time limit that then applies runs from the tax year in which the mistake was made. So in your case, Elizabeth, you would need to be able to demonstrate possibly when you took your second job that the Revenue were aware of the second job or should have been notified of the second job by the second employer.

ELIZABETH: Can I just say that my two jobs - my first job, I've had for the last 30 years ...

SHILLAKER: Yes.

ELIZABETH: ... and the second job, I have had for 5 years. So there's nothing new here.

SHILLAKER: Okay and were you getting the two personal allowances prior to 08/9?

ELIZABETH: They're claiming for, first of all, 2008 to 2009, and they're also claiming for 09 to 10.

SHILLAKER: Do you know if you were getting the two personal allowances in years prior to that? It's just that you may need to look back and try and work out when this problem first arose. But certainly I would say if it's been going on for a number of years, then the Revenue should have acted on it sooner.

LEWIS: And can the Revenue say though - and this is a point that's been made to me this morning by them - that Elizabeth and people in her position should have looked at the notice of coding that they got and realised something was wrong because the taxpayer also has to believe their tax is right, don't they?

SHILLAKER: Unfortunately this is the case: the Revenue do put quite a lot of responsibility on the taxpayer to be checking codings. And that brings me to another part of extra statutory concession A19 - which is that in order for the concession to apply, the taxpayer must reasonably believe that their tax affairs are in order. Now unfortunately the Revenue will tend to the view that most taxpayers would be aware they're only entitled to one personal allowance and would expect you to be checking and raising with them the issue.

LEWIS: So the Revenue can say - I mean they send out millions, in fact 26 million I think tax codes they sent out this year - that if any of those are wrong, you the taxpayer should have looked at it, worked out that it's wrong (which obviously the Revenue haven't worked out) and contacted them. So they're trying to shift the blame in that sense from the Revenue to the taxpayer.

SHILLAKER: They certainly do. What I would be inclined to do, Elizabeth ... I mean you've written already and that's good. I mean you may wish to look back, as I say, through the history and be able to point out to them. For example, each year the

Revenue is notified on an equivalent of the form P60 that you get. In the May after the end of the tax year, the Revenue are notified of your pay and tax, so you could reasonably say well for 5 years you've been getting a form every May showing that I had this second job, showing the wrong coding - if that was the case. So that would be grounds for saying that is a Revenue error. The Revenue had the chance in the past to rectify the error and it's been going on for a number of years.

ELIZABETH: Thank you.

LEWIS: Mike?

MIKE: Yeah, the one thing I would say there. I won't name the suppliers of the pension funds. On the front of the P60, it says you have received over the year so much pensionable pay as set out. On the back, there's national insurance number, the amount set out, and then the tax code, etcetera. And realistically this was just going through because the tax people had said you've no need to do anything because it's all in hand, you know it's all in control. One thing I do wish they'd put on their letter is 'sorry we've made these mistakes and for any inconvenience caused'. That would be nice.

LEWIS: *(laughs)* Yeah an apology might help, but it's still going to cost you 1200, 1300 quid.

MIKE: It's still going to cost me, yeah.

LEWIS: John Whiting?

WHITING: I mean with all of this, if you're trying to get A19, it's clearly helpful if you've got some track record of having pointed things out to the Revenue, not just sort of say it's wrong - so phone them with records or correspondence. And another thing you said in amongst your first point, Mike, was that on one of your pensions, your pension provider had changed the code. Now that may well be ...

MIKE: No, no, no, the tax office had changed the code.

WHITING: Well sorry, my point was that if that's in response to what the tax office tells them - fine. But in some cases - probably not for you or for Elizabeth - the employer or the pension provider has done something wrong. So probably very few, but there will be some situations where it's their fault and you can go back to them.

LEWIS: Who has to pay then, John?

WHITING: Well the Revenue should go first to the employer pension provider if it's their fault, and that's something that again the Revenue aren't going to point out.

LEWIS: Okay, well I think Elizabeth's already made the claim. And, Mike, it's probably worth your putting in an A19 claim. But we'd be very interested to hear over the next few months how these work out. I must put another point of view though and it's one that was made by David Gauke, the minister in the House of Commons, and one that's been made to us by William from Edinburgh who's just emailed us to say: 'People receiving a tax demand need to stop COMPLAINING' (in capital letters). 'This is tax they're due to pay. These people have had an interest free loan from the government and should stop complaining'. And we've had others, I must say in the last few days, from people saying ...

WHITING: *(over)* Yes, you can see people who've had to pay their tax - why is this?

LEWIS: Yes.

WHITING: The point I'm after - and I've certainly seen a few in the past I've tried to deal with on behalf of Tax Help for Older People - is that people genuinely didn't know. They have pointed it out that they thought they were paying less tax than they should have done. The Revenue still haven't adjusted. And when they suddenly get a bill, that strikes me as very unfair.

LEWIS: Yes unfair and difficult certainly, but that kind of point that people should pay. And David Gauke did say if we wrote it all off, it would be unfair to other taxpayers and that's why they're being ... I get the sense today certainly that the Revenue is saying it's going to be rather tougher than it was implying to us over the weekend when this story broke about this extra statutory concession. We've had two calls on this and we'll go to another one in a moment, but I just wanted to bring in Lee Healey from IncomeMax. Lee, both Elizabeth and Mike were people who might in the past perhaps have claimed benefits to help with their income. Certainly many people do that. If you've been claiming benefits and you were paying the wrong amount of tax and now you're going to pay the right amount of tax, does that undermine benefit calculations from 2 or 3 years ago?

HEALEY: Potentially. I think some of the good news about this particular PAYE situation is that it shouldn't affect anybody receiving tax credits, and obviously that's child tax credit and working tax credit.

LEWIS: Because they're worked out on your gross income before tax is deducted?

HEALEY: Absolutely, definitely. But of course the difficulty is that with the benefit system, you know how fragmented it is. The tax credit system takes into account gross income; whereas other benefits like housing benefit, council tax benefit, income support, they take into account your net earnings. So ...

LEWIS: After tax has been deducted?

HEALEY: After tax has been deducted. So I think it's conceivable that those benefits would have been calculated differently had obviously people been paying the right amount of tax in the first place, but of course there could be potential impact for people in the future if they're obviously, you know if they're earning less or if they've got more money coming in as a result.

LEWIS: Yes. I mean certainly the rules, as I understood them, were that if you got a tax rebate - and let's remember that most of the people getting these brown envelopes

will actually be given *back* money by the Revenue - that is *ignored* for benefit purposes.

HEALEY: Yes.

EDITORS NOTE: Tax refunds are not counted as income but they are counted as capital so can affect the amount of means-tested benefit that is due.

LEWIS: But what happens if you really have to pay an extra (as these people might) £1200? It affects your income in future years. And, John, you've been talking to the minister about this, I think?

WHITING: Well they've taken the attitude that it's sort of swings and roundabouts. If you had to pay last year, year before, you'd have got more benefits. Well the fact that you're having to pay next year - you'll get more benefits then. Yes, I kind of go along with that up to a point.

LEWIS: (*over*) If your circumstances haven't really changed much, yes.

WHITING: Well that's the point - if your circumstances haven't changed. Because underneath this, whereas of course tax (as we are demonstrating) can go back a few years, benefits can't - as I'm sure Lee will confirm. It's a thing that you either get it now or not.

HEALEY: Yeah, absolutely.

WHITING: But you know it's pretty rough and ready to say oh leave it out, and I would have thought, Lee, that you know circumstances will change.

HEALEY: Yeah, for sure. And I think kind of all we can really do, I think, is look to the future and say it's always good practice to speak to an expert and find out you

know what your situation and circumstances are to try and work out what you're entitled to currently.

WHITING: Certainly I was putting it to the minister that there will be some circumstances where you know it doesn't balance out and people will be out of pocket overall.

LEWIS: Yes and certainly the attitude seems, well the DWP, the Department for Work and Pensions, said to me today that they were discussing it with Her Majesty's Revenue & Customs.

WHITING: As I think we suggested they did on Money Box on Saturday, Paul.

LEWIS: *(laughs)* It was a "difficult area", but they wouldn't say more than that. But maybe we'll get an answer by next Saturday. Anyway, let's move onto our next call. Harry is calling from Manchester. Harry, your question?

HARRY: Oh it's not a question. My wife received a tax calculation in today's post and the tax calculation suggested that she had underpaid £1,500 for 2008-2009. Her first reaction was to have a heart attack, but as a chartered accountant just looked at the document and they have got her income for that year at more than double the amount that she earned, more than double the amount that was disclosed to the Revenue on her P60. So these 6 million letters that are being posted out are supposed to be rectifying errors, and everybody's assuming that their affairs were wrong before and they're being put right. But the only one of these situations that I've come across is where the tax affairs were in order and they have now been put in disorder.

LEWIS: Yes, I'm sure, Harry, that your wife has got exactly the person living with her who can sort this out ...

HARRY: *(over)* She has.

LEWIS: ... so we won't give you advice. But let's get comment on that. Jane Shillaker, is this really typical - that they're now getting things wrong when they're trying to correct them?

SHILLAKER: I'm not surprised that that might happen. It's quite possible that something will go wrong. I think the point I'd really like to stress to anybody getting one of these letters is that they should do what you've done, Harry, which is to check it very carefully indeed. Don't assume that the information contained in it is correct. I've seen letters like this in the past where spurious employments have been included, possibly through errors to do with national insurance numbers; in worst case scenarios when there's perhaps been some sort of fraud going on at the employer's. So I really would say to anybody out there who gets one of these letters, please dig back through your papers. Try and find your P60s. See whether the figures actually look right.

LEWIS: Because John, would it be too crude to say that the same computer that's made the mistakes is now churning out these reconciliations?

WHITING: Well it is all down to the same computer. But you know it's the old garbage in, garbage out. Somebody has put a bit of garbage in on behalf of Harry's wife somewhere along the line, assuming she's not holding out on Harry and actually making a bit more money than ...

LEWIS: (*laughs*) Oh no, we can't suggest that.

WHITING: We can't suggest that. But the nub of this is - and it's crucial - these are letters; these are the Revenue's calculations. These are not tax demands. So it is incumbent on the person receiving them to check, or get their spouse to check, the data that's coming through the post.

LEWIS: In a way though, that's easier said than done, isn't it? I mean I'm sure you could check it. I'm sure Jane could. I might have a go, and obviously Harry can.

WHITING: Well first things first. As I've put it to a few people, it's check the basic facts. Have they actually got the right employment? It's a trite thing, but it's fairly obvious.

LEWIS: And the right income, as in Harry's wife's case where they clearly didn't have?

WHITING: Well have they charged her for a company car and you know she gave it up 3 years ago? Back to Elizabeth: have they actually got the jobs actually right? So even without the calculation being checked, there's a lot of base data. And frankly if people cannot follow it, for heaven's sake phone the Revenue. Now you may be holding onto their phone line for a while, but in principle you know you've got to do something. If you're not happy, chase it.

LEWIS: And there is a helpline, which is on our website, but the Revenue have warned us that it is very busy and they have said please don't ring it until you get a letter. Though I must say we've had a lot of emails from people saying, 'Help, I'm really worried. I haven't had a letter yet. How will I know when I'm going to get one?' I mean is there any indication, Jane, how they're sending out these letters or when they might arrive?

SHILLAKER: All we know is that they're aiming to send out 45,000 a week between now and Christmas.

LEWIS: Well that's not enough actually. That doesn't come to 5.7 million.

SHILLAKER: Does that maths not add up?

LEWIS: No.

SHILLAKER: Right, that is slightly worrying. Maths is perhaps not my fastest point on that subject. I think all you can do, to be honest, is wait until Christmas, see

whether you've got a letter or not. If you are very concerned, I would suggest you start digging out your information now. Maybe look back at 2009-10 if you did have two jobs and look at the tax codes now and see if you know there may be a problem you can pre-empt.

WHITING: It is the multiple jobs, multiple pensions, chopping and changing jobs. It's those sort of people who are more likely to get.

LEWIS: And we have mentioned codes and we've just had an email from Kumar who says, 'You're talking about checking your code. What does this mean? What is a code? How can I check if it's right?' Is there an easy answer to that, John?

WHITING: Code, your tax code - this is what governs how much PAYE is taken from your pay or pension. What the Revenue should be doing is in the spring sending you a coding notice which tells you what your code is, how they have worked it out. It looks daunting, but it's actually quite well spelt out. And, for example, everybody at the moment below 65 is entitled to a personal allowance: £6,475. That is translated into a code of 647 - usually with a letter after it - 647L typically. Why it changes like this, I've never really worked out. But you know looking at your coding notice, seeing it's a basic personal allowance. That should do. Anything else, is there a reason for those other entries such as the company car that you don't have?

LEWIS: So people under 65 will have a code of 647L? But if they've got more one job ...

WHITING: *(over)* Well that's the start point.

LEWIS: Yes if they've got more than one job, then that should be split between them or they should have a zero code for a second or third job.

WHITING: Or Jane alluded to a lot of people on two or more jobs will get a BR, which means take off everything at basic rate for the second or third job.

LEWIS: Yes. Though I must say I had a message from someone today who said that they had had basic rate tax deducted and they should have had higher rate deducted and they owe the Revenue a great deal of money.

WHITING: Well you don't have too much sympathy.

LEWIS: No absolutely, I do. Mistakes are very common. Well thanks for your call, Harry, and earlier callers. Let's move onto John now who's calling us from Upper Denby. John, your question?

JOHN: Yes, when my £120,000 rebate arrives tomorrow or next week or something (*laughter*) how carefully do I have to check that before I bank it and start spending it? Because when the Revenue did some sending out rebates some 10, 15 years ago, they suddenly then found they'd made mistakes even though people who received the stuff had actually phoned them and tried to check that it was a genuine rebate and been told it was, and then came down on them to pay back what they'd already spent.

LEWIS: I must say you're not the first person who's said that to us. How can you check if the rebate's right? I mean that is difficult, Jane.

SHILLAKER: Yes. I mean what I would say is to think about whether you might be in a situation where a rebate is due. For example, if you've had two jobs and they've both been coded BR - in other words both of them have had basic rate tax taken off and no personal allowance has been given - that's a situation when you would expect to be getting a rebate. I would check carefully and you're absolutely right to be concerned at the possibility that they may look at it again in the future and ask you for the money back. But think about your circumstances. As I say, classically it's going to be two or three jobs or two or three pensions where no personal allowance has been allowed. Another mistake may be that if you're a pensioner, they may have allowed too much for your state pension.

LEWIS: And I think it's worth saying that the procedure as I understand it is if you are owed a rebate, you'll get a letter through the post; and then a few weeks later,

maybe less than a couple of weeks later, you'll actually get the cheque. Worth stressing the Revenue will never email you, never send a text. If they do that, it's a scam. Ignore it.

SHILLAKER: Definitely.

LEWIS: Only take account of letters that come through the post. And even then, we're warned to check the spelling and grammar is right because it still might be a con. Though whether the Revenue always gets spelling and grammar right, I don't know. John, thanks very much for your call and I hope you do get a rebate and I hope it is correct. Gill in Worthing now. Gill?

GILL: Hello. I received a letter on 15th August this year from the tax office stating that my tax code is 18Y and that I owe the sum of £108 from the previous tax year. Now I can't understand why I owe them this money. Every year I forward my P60 to the tax office, so they're fully aware of what pensions I receive. So why do I owe them this amount?

LEWIS: Well it's very hard to say, isn't it? Jane?

GILL: Yes, I know. (*laughs*) I wish I could.

SHILLAKER: So you've got three pensions. Is that including your state pension?

GILL: I have, yes.

SHILLAKER: Yes. It can be quite complicated with pensions, particularly with amounts that vary during the year. I mean the PAYE system is not perfect and even if everything is coded as well as it could be, it would still be possible to get a small underpayment. I don't know whether you're going to fall within the sort of concession that David Gauke has mentioned this afternoon where anything less than £300 is not going to be pursued. As you got your letter in August, your review may have come

through for a slightly different reason.

GILL: Yes.

LEWIS: It was £50 before this current round, we're told, and it's been raised to £300 before the announcement on Friday. So I think ...

SHILLAKER: *(over)* It might be worth drawing the Revenue's attention to that then, Gill. But all I can say otherwise is check carefully and look at the figures, but it can happen if you know the estimate that was made of your state pension or something like that wasn't absolutely spot on.

LEWIS: John?

WHITING: That would be the typical reason because of course obviously somebody who's 77 years old, you would expect to have a much higher tax code. The reason it's reduced so much is obviously because you're getting a state pension - we assume. But even that, it's come down an awful long way, so it will be interesting what's happened to the other pension as well.

GILL: Yes, for the 2009-2010 the code was 85Y.

WHITING: And now you're saying it's come down to 18?

GILL: Yeah.

WHITING: To be honest, Gill ...

LEWIS: *(over)* Is this a case where Gill should just ask what's going on really?

WHITING: Well we don't have all the data, but it's adding all three together and trying to work out the position and making sure. Very often, to be fair, they are right.

I mean I had two or three of these under my Tax Help for Older People, which I was checking last month, and of the three two were broadly right. One was definitely wrong.

LEWIS: Yes, I mean it's fair to say the Revenue does say I think 85% are correct. Or, to put it the other way, 15% are wrong. But most of them *are* right.

WHITING: I mean if Gill's in any difficulties, get them out and ...

LEWIS: And Tax Aid for Older People, Gill can go to?

WHITING: Tax Help for Older is a free phone line.

LEWIS: Tax *Help* for Older People. And, Jane, you're Tax Aid?

SHILLAKER: Tax Aid, our clients are not constrained by age. We take clients from any sort of walk of life, but we do have an income threshold of about £16,000 over which we can't generally offer any help.

LEWIS: Gill, do you have access to the internet?

GILL: Yes, I do.

LEWIS: Well if you look up those organisations - Tax Help for Older People and Tax Aid, and make sure you get the right organisation - then I think you may be able to get some help.

GILL: Oh right.

LEWIS: I'm going to move on. Thanks for your call, Gill. I'm just trying to squeeze in a call from Bridget in Canterbury. Bridget?

BRIDGET: Hello there.

LEWIS: Your question?

BRIDGET: Hi. Yes, I started a job in 2008. Unfortunately I got made redundant in November 2008. I had a company car with that job and at the end of the tax year 09 I was informed by the Inland Revenue that I had underpaid my income tax by £600, which was a bit of a shock to me.

LEWIS: Could you ask your question quickly because we're going to have to come off the air in a minute or so?

BRIDGET: Okay, right. The Inland Revenue are now deducting £20 a month from a small annuity that I get - I was widowed 5 years ago - and I just want to know is that right? Can they do that?

LEWIS: John?

WHITING: I mean this must be through, I would have thought, some formal process? Normally they would adjust the tax code and tell you. To actually sort of make an attachment to an annuity, they must have gone through ...

BRIDGET: *(over)* Yes, exactly.

WHITING: ... quite a serious process to get there. I'd have said that was very unusual and I can't quite see how they could jump straight to the annuity.

LEWIS: Very briefly, Jane?

SHILLAKER: I think unless they're actually doing it through a code that's being applied to your annuity - again, as John says ...

BRIDGET: It is.

SHILLAKER: It is through the code?

BRIDGET: It is through a code.

WHITING: Oh right.

SHILLAKER: Oh no, they are entitled to do that. They can code against any PAYE source, even if it's an underpayment arising from a previous job.

WHITING: But you should of course have had the notice saying that the code is adjusted ...

SHILLAKER: Absolutely.

WHITING: Or maybe you missed that, but that's what they should tell you and make it clear. They give you a chance to appeal hardship and spread it.

BRIDGET: Right.

LEWIS: And important to stress that tax codes and PAYE is a way of collecting tax, not assessing it; and if you can get your tax checked at the end of every whole tax year, it's worth doing that. But thanks very much for your call, Bridget. We're going to have to bring this to a close because although we've got a lot more people waiting and a lot of emails, that's all we have time for. So I'll just say my thanks to John Whiting of the Chartered Institute of Taxation; Jane Shillaker from Tax Aid; and Lee Healey from IncomeMax. Thanks to all of you for your calls and emails. It's obviously causing a lot of concern. If you get a Revenue letter, let us know and find out more from our website: bbc.co.uk/moneybox. Listen again and in a couple of days read a transcript. I'm back at noon on Saturday with Money Box where we'll be returning to the subject, I'm sure. Taking more of your calls on Money Box Live next

Wednesday afternoon. Subject: student finance. And then in two weeks we'll be answering your saving and investment questions - put off today for the tax story. Thank you very much.