

Tax codes

A plain English guide to tax codes and what clients should check.

At a glance

- HMRC tells employers which tax code to use.
- A tax code helps payroll calculate how much Income Tax to deduct.
- For the 2026 – 2027 tax year, the basic Personal Allowance is £12,570 and the emergency code is 1257L.

How a tax code works

- The numbers usually show the tax-free allowance. For example, 1257 normally means £12,570 tax-free allowance.
- The letters tell payroll how the code should be applied, such as standard allowance, marriage allowance or no tax.



Common tax code letters

Code	What it usually means
L	Standard Personal Allowance
M	Marriage Allowance received from a partner
N	Marriage Allowance transferred to a partner
T	HMRC needs to review the code and is classed as Temporary
BR	All income taxed at Basic Rate
OT	All Income taxed on the current tax rates with no tax allowance
D0	All income taxed at Higher Rate
D1	All income taxed at Additional Rate
NT	No tax deducted
K	Untaxed income is more than the allowances

Emergency tax codes

- Emergency codes can be used where HMRC does not yet have full details.
- For the 2026 – 2027 tax year, emergency codes include 1257L W1, 1257L M1 and 1257L X.
- Week 1 or Month 1 means payroll taxes the employee on that pay period only, rather than looking back across the tax year.

Tax code prefixes

Scottish and Welsh tax codes use specific regional letter prefixes added to the front of the normal code.

Scottish taxpayers have an S prefix (such as S1257L), and Welsh taxpayers have a C prefix (such as C1257L).

These letters show that income is taxed under Scottish or Welsh rates

What clients and employees should do

- Check the tax code on the payslip
- The employee should contact HMRC if they think their tax code is wrong or to ask them how they calculated it
- Employers need to send us HMRC coding notices if they receive them directly from HMRC outside the normal payroll feed

Useful links

- [Tax codes overview](#)
- [P9X tax codes from 6 April 2026](#)