



Lesson 5 Video Recap

What is ITIS? (the Income Tax Instalment Scheme)

THE ESSENTIALS



Your percentage = total estimated tax, divided by your remaining earnings for the year.



ITIS takes payments through the year, towards your estimated tax and long-term care contributions for the year.



Check your payslip each month to confirm the right amount is deducted.



Tell us if any circumstances change – it could affect your tax estimate.



Your employer does everything for you once you give them your ITIS slip.

TAKE CONTROL

Remember?



It's the law that employers deduct the

The Income Tax Instalment Scheme (ITIS) is how we collect your tax and Long-Term Care (LTC) if you are an employee. Each month, your employer deducts an amount from your salary, to pay your tax for you.

Revenue Jersey tells the employer how much to deduct using what's called an ITIS Rate. It's a percentage figure, usually between 0% and 22%.

It's the law, that employers deduct the % on your ITIS Rate and pay it to Revenue Jersey on your behalf.

HOW IT WORKS

Imagine your salary is going to be £30,000 and Revenue Jersey gives you an ITIS Rate of 10%.

It's worked out by:

1

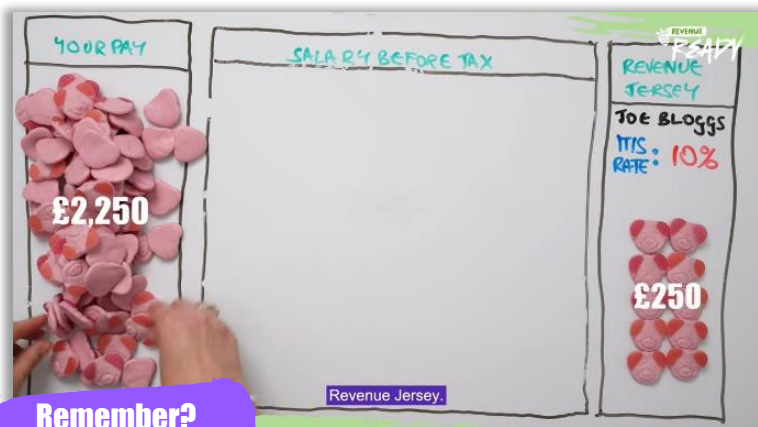
Estimating what your tax for the year would be. (If your income for the year was £30,000 it would be £3,000.)

2

Checking how much your earnings for the year will be, according to how many months in the year are left. For 12 months, this would be your full £30,000 annual salary.

3

Identifying what % of your salary, the estimated tax to pay will be $3,000/30,000 = 10\%$



You give your employer your ITIS rate slip, your employer will deduct the ITIS rate from your salary.

So, if you were given a 10% ITIS rate and your employer paid you £2,500, they would deduct £250 per month.

They pay that for you to Revenue Jersey, and it will show on your payslip.

Remember?

- ITIS is a different system for collecting tax via employers than what other countries do.
- For ITIS to be accurate it relies on you telling us if your circumstances change. Revenue Jersey can check if it will change your estimated tax for the year. Then if needed give you an updated ITIS rate for your employer.
- If you don't do this? The next year, when you get your actual tax bill, your payments may have been too much or too little to cover it.
- Check your salary slip each month. It should confirm the amounts deducted for tax, and social security contributions. Seeing lots of overtime added to your usual salary, or a bonus, will remind you to contact us.

GOOD TO KNOW

The key words are 'estimates' and 'rounding up'

THE ESSENTIALS



We always round up as people prefer to be a little over and have a credit towards next year.



The important word with all things ITIS, is 'estimated'. Say you start working in January 2025. We don't actually know you'll earn £30,000, it's only your best estimate of what you'll earn.



We don't do decimal points in our % rates.



Estimating tax is like estimating the petrol you're going to use in the year ahead.



You can keep things on track with accurate information and promptly updating Revenue Jersey if things change.

TAKE CONTROL

JAN	FEB	MARCH	APR
	?	?	?
MAY	JUNE	JUL	AUG
	?		?
SEPT	OCT	NOV	DEC
?	?	?	?

REVENUE
R24

Things may change.

Remember?

Knowing how much you're going to earn 12 months into the future, is like trying to guess how much petrol you're going to use in your car or bike for the year.

You've got an average amount you use each month, but things happen you can't predict.

There are things you can do if you want to pay as close to the correct tax as possible:

Give us the most accurate information you can.

Check each month if your wages compare are the same as you estimate. Then you can pick up any changes to what you've told us.

If you have a pay increase, bonus or start working extra shifts, get in touch and tell us your new earnings.

ITIS rates are rounded up to make it as likely as possible that your tax is completely covered by the end of the year.

If you have anything left over when you've filed your tax return and your actual tax bill is confirmed, it becomes a credit towards your estimated bill for the next year. Or you can ask for a refund.



EXAMPLE CALCULATION

Say you're earning £33,000 and your tax estimate is £3,158.35.

The example calculation shows you how the rounding of the % means you'll pay a little more than the estimate.

How we calculate your ITIS:

- Divide your 'estimated income' by 'estimated tax'
(3,158.53 / 33,000 = 9.64%)
- Round up to the closest %, in this case 10%.

It is normal to pay a little more than the estimated tax each year.

You employer would deduct 10% from your salary (from a monthly salary of £2,750, they would deduct £275) and pay it to Revenue Jersey.

By the end of December, you would have made 12 payments.

$£275 \times 12 = £3,300$, a little more than the tax estimate amount of £3,158.35

So, you will have paid £141.65 more than your *estimated* tax bill.

ITIS Estimates, Actuals, and why it pays to file early

THE ESSENTIALS



If you do find that you've not paid all your tax, we add what you owe from last year into your current ITIS rate.



The earlier you file, the more months are left in the year to spread the outstanding tax over, the smaller the extra amount per month.



Filing early makes it easier for you to pay your outstanding tax than paying a lump sum.



Tell us about changes promptly, so you don't get your actual bill and find you've not paid enough.

TAKE CONTROL

We're always saying the best way to keep ITIS payments on track, is to tell us straight away when your circumstance change. If you don't...

Remember?



1

We get your tax return with your actual circumstances and income, do your tax assessment, and your **actual bill is going to be different to the estimate.**

2

As we based your ITIS payments on your income estimate, they're not going to match the actual bill.

The good news is that ITIS is designed to be flexible. We can adjust your ITIS rate, to include credits or outstanding amounts from your actual tax bill for last year, in your ITIS rate for the current year.

You can help reduce the extra amount to be paid per month by filing your tax return as early in the year as you can.

This is because the earlier in the year, the more months are left to divide the extra amount between: £1,000 paid over **11 months is £82 per month**, but if you don't file until July and get your revised rate in late August, your extra amount over **4 months is £250 per month**.



REMEMBER THE EXAMPLE?

- Last year you'd told us you were going to earn £33,000, we estimated your tax was £3,158.35, and your ITIS rate was 10%. You submit your tax return in January, we send your tax bill in February.
- You find it's £1,000 more than estimated, - you never told us about a big one-off bonus. To deal with this, we add it to your estimated tax for the current year, say is the same as last year, £3,158.35:
- Your total tax to pay by the end of the year would now be £4,158.35. Remember to see what percentage of your income your tax is, **we divide your 'estimated tax' by your 'estimated income'** to update your rate?

There are 11 months left in the year, so this is what we do:

You made **one** payment in January, of £275. £4,158.35 less £275, leaves £3,883.35 to pay.

Your estimated salary payments are £33,000 less **one** month's salary already paid at £2,750 leaves £30,250.

Compare that to if there were 4 months left:

You made **8** payments including August, of £275. £4,158.35 less £2,200, leaves £1,958.35 to pay.

1. Your estimated salary payments are £33,000 less **8** month already paid at £2,750 leaves £11,000.
2. £1,958.35 / £11,000 makes 17.803% which we'd round up to **18%**.



Reviewing Your ITIS Rate

THE ESSENTIALS



The five things to check are: circumstances, salary, underpayments, credits, rate calculation.



Two main types of rate – full year and part year



Give your ITIS rate slip straight to your employer as soon as its right.

TAKE CONTROL

Most of us get two ITIS rates a year. These come with your notice of assessment – your bill. They also come around November for the next year, and after you've let us know about a change to your circumstances.

Remember?

FULL-YEAR

Your ITIS rate calculation is below. Notes explaining each part are overleaf.

	2026 estimated income tax and LTC	£1,644.35	Note 1
plus	Any income tax and LTC you owe from previous years	£0.00	Note 2
plus	Non-ITIS payments allocated to 2026	£0.00	Note 3
	Total A	£1,644.35 (A)	
	2026 estimated income	£20,000.00 (B)	Note 4

Your ITIS rate is therefore:

£1,644.35	(A)	
<hr/>		
£20,000.00	(B)	9%

One in November for the **full-year** ahead (because ITIS rates expire at the end of each year).

PART-YEAR

Your ITIS rate calculation is below. Notes explaining each part are overleaf.

	2026 estimated income tax and LTC balance	£1,644.35	Note 1
plus	Any income tax and LTC you owe from previous years	£0.00	Note 2
	Total A	£1,644.35 (A)	
	2026 estimated remaining earnings	£20,000.00 (B)	Note 4

Your ITIS rate is therefore:

£1,644.35	(A)	
<hr/>		
£20,000.00	(B)	9%

And one updated for the **part-year**, after you have submitted your tax return.

ITIS rates have two parts:

- the table and calculation showing how we've worked out your rate.
- the slip at the bottom to give to your employer

5 THINGS TO CHECK

1

Have your **circumstances** changed since you last filed a tax return?

Things like starting/stopping pension payments or receiving interest on savings or investments.

If they have, use the tax calculator to check if it impacts your tax. If the difference is more than say a £200, you probably want to let us know so we can re-calculate your ITIS rate to spread that difference through the year.

2

Check the **salary estimate** further down in the table. Remember, **Full-year** ITIS rates show estimated income for the whole year ahead, **Part-year** rates show remaining estimated earnings for the current year.

If your salary estimate is significantly wrong, the tax estimate will be wrong. Again, use the tax calculator to check how much it's likely to change, and if its significant:

Tell us at gov.ie/TaxRequest

3

Any **underpayments**, are shown as tax and LTC owed from previous years. If you do owe anything, it could be the reason for any rate increase.

4

Credits, (only on full-year rates) When we move payments from one tax year to another, they change from an ITIS payment to a credit, so if you had anything left over from last year it will show in this row.

5

Your ITIS rate calculation. This is the calculation for the % rate you need, to cover the estimated tax by December.

It divides the tax estimate by remaining income for the year.



Remember?