

Outcome 1 - Wage Slips & Income Tax

Bronze example

Examples...

Reid's Autos	
Payments	Deductions
Basic £943.67	Inc Tax £145.74
O/T £189.76	N.I. £89.62
	Pension £85.39
GROSS Pay	Deductions
£1133.43	£320.75
NET Pay	£812.68

Add Payments!

Add Deductions!

GROSS Pay - Deductions!

Silver example

Examples...

The table shows the Scottish Income Tax rates you pay in each band if you have a standard personal allowance of £11 500.

Brooke works in an office. She earns £27 500 in one year. She has a personal tax allowance of £11 500. How much does Brooke pay in income tax each year?

1. Calculate taxable pay
 $27\,500 - 11\,500 = £16\,000$

2. Calculate income tax to pay at basic rate
 $0.2 \times 16\,000 = £3\,200$

Gold example

Examples...

Rory is a doctor and earns £130 000 each year. He has a personal tax allowance of £1500. How much does Rory pay in income tax each year?

1. Calculate income tax to pay at basic rate
 $0.2 \times 41\,500 = £8\,300$ $43\,000 - 1500 = £41\,500$

2. Calculate income tax at higher rate
 $0.4 \times 87\,000 = £34\,800$ $130\,000 - 43\,000 = £87\,000$

3. Calculate the total tax bill
 $8\,300 + 34\,800 = £43\,100$

Bronze Questions

Calculate the missing values in the following wage slips.....

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Band	Taxable Income	tax rate
Personal allowance	Up to £11 500	0%
Basic rate	£11 501 to £43 000	20%
Higher rate	£43 001 to £150 000	40%
Additional rate	Over £150 000	45%

Silver Questions

Calculate the annual income tax bills for the following professionals...

- 1** Gary is a car salesman and earns £28 000 per year. He has a personal tax allowance of £11 500.
- 2** Henry is a librarian and earns £17 100 per year. He has a personal tax allowance of £11 500.
- 3** Mark is a businessman and earns £41 800 per year. He has a personal tax allowance of £11 500.

Gold Questions

Calculate the annual income tax bills for the following professionals...

- 1** Martin is an engineer and earns £54 900 per year. He has a personal tax allowance of £11 500.
- 2** Georgia is a solicitor and earns £88 300 per year. She has a personal tax allowance of £11 500.
- 3** Brian is a managing director and earns £180 000 per year. He does not receive a personal allowance.

Bronze Answers

1. GROSS = £696.05, Deductions = £187.28, NET = £508.77
2. GROSS = £791.97, Deductions = £196.50, NET = £595.47
3. GROSS = £925.91, Deductions = £247.98, NET = £677.93
4. GROSS = £1013.93, Deductions = £271.86, NET = £742.07
5. GROSS = £793.41, Basic = £665.57
6. Deductions = £445.84, National Insurance = £119.69

Silver Answers

1. £3300
2. £1120
3. £6060

Gold Answers

1. £11 060
2. £28 540
3. £64 900