

Income Tax/Deductions S1-S3, National 4

For the questions below: Personal Allowance = £8105. Income Tax Rate = 20%

1. For each person calculate

- (i) Their taxable income
- (ii) The amount of income tax they pay each year

(a) Jim is a teacher who earns £34500 per annum.



(b) Samia is an accountant earning £39000 per annum

(c) Ben is an engineer who earns £42000 per annum



(d) Hazel is a designer earning £31750 per annum.

(e) Claire who is a hairdresser earning £22400 per annum.

2. Andrew works as a manager in an office. He earns £39000 per annum.

- (a) Calculate his taxable income
- (b) Work out his annual income tax.
- (c) Calculate how much tax he pays per month.



3. Nadia is a psychologist earning £43000 per annum.

- (a) Calculate her taxable income
- (b) Calculate how much income tax she pays in a year.
- (c) What does she pay monthly in tax.



4. Stephen works in a bank. He earns £26000 per annum.

- (a) Calculate his taxable income.
- (b) How much tax does he pay in a year?
- (c) How much does he pay each week?



5. Neil is a personal trainer. He earns £28600 per annum.

- (a) Calculate his taxable income.
- (b) How much tax does John pay in a year?
- (c) How much tax does he pay weekly?

The tables below show annual gross pay and deductions. In each case calculate the net pay.

(a)

Gross pay	Deductions	Net pay
£34000	Income tax £5200	?
	National insurance £2860	
	Superannuation £2250	
	Total deductions	

(b)

Gross pay	Deductions	Net pay
£27400	Income tax £3859	?
	National insurance £2320	
	Union dues £ 148	
	Total deductions	

(c)

Gross pay	Deductions	Net pay
£38600	Income tax £6099	?
	National insurance £3366	
	Superannuation £2866	
	Union dues £ 188	
	Total deductions	

(d)

Gross pay	Deductions	Net pay
£29500	Income tax £4279	?
	National insurance £2365	
	Union dues £ 168	
	Total deductions	

(e)

Gross pay	Deductions	Net pay
£37225	Income tax £5824	?
	National insurance £3214.75	
	Union dues £ 144.20	
	Total deductions	

(f)

Gross pay	Deductions	Net pay
£41655	Income tax £6710	?
	National insurance £3702.05	
	Superannuation £3332.40	
	Total deductions	

3. Nargas is an architect. She earns £39950 per annum.

- (a) Calculate how much Nargas will pay in income tax each year.
 (b) Copy and complete the table below to find her net annual pay.



Gross pay	Deductions	Net pay
£39950	Income tax ?	?
	National insurance £3514.50	
	Superannuation £3196	
	Total deductions	

- (c) How much will Nargas take home each month?

4. Fintan is a mechanic. He earns £27975 per annum.

- (a) Calculate how much he will pay in income tax each year.
 (b) Copy and complete the table to find Fintan's net annual pay.



Gross pay	Deductions	Net pay
£27975	Income tax ?	?
	National insurance £2197.25	
	Union dues £ 196	
	Total deductions	

- (c) Calculate Fintan's weekly take home pay.

5. Hai Hong earns £37995 per annum.

- (a) Calculate how much she will pay annually in income tax.
 (b) Copy and complete the table to find Hai Hong's net annual pay.



Gross pay	Deductions	Net pay
£37995	Income tax ?	?
	National insurance £3299.45	
	Superannuation £3039.60	
	Union dues £ 156	
	Total deductions	

- (c) Hai Hong is paid monthly. Calculate her net monthly pay.

6. Nikki is an air stewardess who earns £42000 per annum.



- (a) Calculate Nikki's taxable income.
- (b) Calculate how much tax she will pay each **month**.
- (c) Below is shown part of Nikki's monthly payslip.
Copy and complete the payslip to find her net monthly wage.

Employee number 1650		Salary £42000
Basic pay	Deductions	
£3500	Income Tax	?
	National Insurance	
	Superannuation	
		£311.67
		£280.85

7. Assad is a manager in a supermarket. He earns £43200 per annum.



- (a) Calculate Assad's taxable income.
- (b) Calculate how much tax Assad will pay each **month**.
- (c) Below is shown part of Assad's monthly payslip.
Copy and complete the payslip to find his net monthly wage.

Employee Assad Akhtar		Salary £43200
Basic pay	Deductions	
£3600	Income Tax	?
	National Insurance	
	Superannuation	
		£322.85
		£252.10

8. Aisha works as a baker. She earns £25200 per annum.



- (a) Calculate Aisha's taxable income.
- (b) Calculate how much tax she will pay each **month**.
- (c) Below is shown part of Aisha's monthly payslip.
Copy and complete the payslip to find her net monthly wage.

Employee Aisha Keys		Salary £25200
Basic pay	Deductions	
£2100	Income Tax	?
	National Insurance	
	Union fees	
		£156.75
		£ 15.50

Use the following information for the calculations below.

Personal allowance: £8105

Tax bands:

Taxable Income	Tax rate
£0 - £37400	20%
£37401 - £150 000	40%
> £150 000	45%

Note: For someone earning over £100 000 there is no personal allowance.

9. Mark is a doctor. He earns £96 000 per annum.

- Calculate his taxable income.
- Calculate how much tax Mark pays at 20%
- Calculate how much tax he pays at 40%
- Find the total amount of tax Mark pays in a year.



10. Sinead is a lawyer. She earns £74 400 per annum.

- Calculate her taxable income.
- Calculate how much tax Sinead pays at 20%
- Calculate how much tax she pays at 40%
- Find the total amount of tax Sinead pays in a **month**.



11. Gideon is a merchant banker. He earns £276 000 per annum.

- Calculate how much tax Gideon pays at 20%.
- Calculate how much tax he pays at 40%
- Calculate how much tax he pays at 45%
- Calculate Gideon's total **monthly tax bill**.



12. A dentist earns £84 480 per annum.

- Calculate his taxable income.
- Calculate how much tax he pays at 20%
- Calculate how much tax he pays at 40%
- Find the total amount of tax the dentist pays in a year.



13. Brian is a corporate accountant. He earns £186 000 per annum.

- Calculate how much tax Brian pays at 20%.
- Calculate how much tax he pays at 40%
- Calculate how much tax he pays at 45%
- Calculate Brian's total **monthly tax bill**.



14. The table below shows different people and their annual salaries.

Calculate the total amount of income tax each person will pay in a **month**.

<p>(a) Soap star Salary £160 000</p> 	<p>(b) Theatre actor Salary £88 000</p> 	<p>(c) Scientist Salary £84 240</p> 	<p>(d) Army Officer Salary £89 000</p> 
<p>(e) MP Salary £65 500</p> 	<p>(f) Investment banker Salary £720 000</p> 	<p>(g) Surgeon Salary £125 000</p> 	<p>(h) Head teacher Salary £92 000</p> 
<p>(i) Clown Salary £48 000</p> 	<p>(j) Judge Salary £188 500</p> 	<p>(k) Football player Salary £685 750</p> 	<p>(l) Pilot Salary £114 799</p> 