



Tax calculations (2012-13)

Name _____ Date _____



If it's not too taxing, fill out tables 1 & 2 to work out the take-home pay for these people (before National Insurance (NI) is deducted).

These formulae might be useful:

Taxable amount @ 20% = Gross income – Tax free allowance

Tax payable = (Taxable amount @ 20%) x 20 / 100

Weekly Net income = Net Income / 52

Amount liable for NI = Gross income – allowance before NI

NI payable = Amount liable for NI x 12 / 100

Annual net income = Gross income – Tax payable – NI payable

1)

Gross income per annum	**Tax Free Allowance	Taxable Amount @ 20%	Tax Payable	Net Income	Weekly Net Income
£12000	£8105				

2)

Gross income per annum	**Tax Free Allowance	Taxable Amount @ 20%	Tax Payable	Net Income	Weekly Net Income
£25000	£8105				

Calculate the Net income for these people after tax and National Insurance.

3)

Gross Income	**Tax Free Allowance	Taxable Amount @ 20%	Tax Payable	** Allowance before NI	** Amount liable for NI (12%)	NI payable	Annual Net Income
£17000	8105			£7592			



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4) **Tax free allowance / NI liability/allowance based on 2012-13 rates. See <http://www.hmrc.gov.uk/rates/it.htm> and <http://www.hmrc.gov.uk/rates/nic.htm> for more info. Allowance before NI is Primary Threshold £139 per week x 52

Gross Income	**Tax Free Allowance	Taxable Amount @ 20%	Tax Payable	** Allowance before NI	** Amount liable for NI (12%)	NI payable	Annual Net Income
£25000	£8105			£7592			

5) The following person earns £6 per hour and works 40 hours per week. Work out their yearly income and fill in the table.

Gross Income	Tax Free Allowance	Taxable Amount @ 20%	Tax Payable	Allowance before National Insurance	Amount liable for national insurance (12%)	National insurance payable	Annual Net Income
	£8105			£7592			

6) This person earns £10 per hour for a 35 hour week plus 5 hours overtime at "time and a half" rate.

Gross Income	Tax Free Allowance	Taxable Amount @ 20%	Tax Payable	Allowance before National Insurance	Amount liable for national insurance (12%)	National insurance payable	Annual Net Income
	£8105			£7592			

7) Why does the Government give people a tax free allowance?

8) What have you noticed about the percentage of wages that people pay in tax as they earn more?
