

TAX A

Income tax is used to finance government expenditure. It is based on the amount you earn and usually deducted before you receive your pay packet. A certain amount of your income is not taxed - this is known as your personal tax allowance. The tax office will inform your employer of your personal tax allowance so that your allowance can be deducted from your gross pay to find your taxable income.

Information from the Inland Revenue for the Tax Year 2008 - 2009

Basic rate	20%	£0 to £34 800
Higher rate	40%	over £34 800

The standard personal tax allowance for 2008 - 2009 is £6035.

The personal tax allowance varies according to circumstance.

Taxable income = Gross income - Personal tax allowance

Tax = Tax at basic rate + Tax at higher rate

Example Tax at basic rate only

Mrs Marsh earns £6.75 an hour. She works 22 hours per week.

Her personal allowance is £6035. What is her weekly wage?

How much does she earn per year? What is her taxable income?

What is her tax bill for the tax year 2008 – 2009?

Answer

Weekly wage = $£6.75 \times 22 = £148.50$ Amount earned in 1 year = $52 \times £148.50 = £7722$

Taxable income = Gross income - Personal tax allowance = $£7722 - £6035 = £1687$

Tax at basic rate 20% on £1687 = £337.40

Total tax due = £337.40.

Example Tax at basic rate only

Mr Brown earns an annual salary of £16 500.

His personal tax allowance for the year is £9030.

What is his total tax bill for the tax year 2008 - 2009?

What is his monthly tax bill for the tax year 2008 - 2009?

What is his weekly tax bill for the tax year 2008 - 2009?

Answer

Taxable income = Gross income - Personal tax allowance = $£16500 - £9030 = £7470$

Tax at the basic rate 20% on £7470 = £1494 per year

Monthly tax = $£1494 \div 12 = £124.50$

Weekly tax = $£1494 \div 52 = £28.73$



TAX A Exercise**Information from the Inland Revenue for the Tax Year 2008 - 2009**

Basic rate	20%	£0 to £34 800
Higher rate	40%	over £34 800

The standard personal tax allowance for 2008 - 2009 is £6035.

The personal tax allowance varies according to circumstance.

Taxable income = Gross income - Personal tax allowance

Tax = Tax at basic rate + Tax at higher rate

Some to try:

On a separate sheet of paper choose an advertisement, cut it out neatly and stick it at the top of the page.

Select **one** of these personal tax allowances £6035, £6955, £7550 or £9030.
Underneath your advertisement write Personal Tax Allowance _____

Using the examples as a guide calculate :- Taxable income
Income tax per year (at the basic rate)
Monthly tax
Weekly tax



ADMINISTRATOR**PR and Supplies (c£21k)**

Join us in establishing a 1st Class event management service in a dynamic and challenging company. Excellent organisation skills, computer literacy and the ability to work flexibly and get results are required. Further training will be given to enable you to provide a range of public relations activities. For an application pack write to: Personnel, Amy Flynn Services, 159 Brook Street, London NE1 4FX

Office Assistant

Small travel company needs general office help. Requires confidence on the telephone and computer experience.

20 hours per week Mon-Fri £7.90 per hour. Call Amy on 0234 45634

EXCLUSIVE DESIGNER SWIMWEAR

An exciting opportunity to join a leading designer swimwear retailer. The successful candidate will be self-motivated and confident with a proven track record in sales. Full training will be given.

Salary package up to £25 600 depending on previous experience.

Please quote reference number: QT75190 and fax your CV to Sally Hall on 0236 45621

Credit Controller £21 000

Excellent career opportunity with manufacturing market leader. Candidates must have experience of high volume telephone and postal chasing and be able to work under pressure. Interested? Ring Ed on 0236 217890

LEGAL CASHIER**Salary £29 000 pa**

Experienced Legal Cashier needed for busy cash office. You should have comprehensive knowledge of Solicitors Accounts Rules and Legal Aid accounting as well as standard book-keeping skills.

Apply to: James Thorpe, Smart and Partners,
124 Queen Anne Road, London NE5 3XY

IT Support

AGF provides market intelligence to the mobile phone industry world-wide. AGF require a full-time IT Support Assistant to be involved in network support, product design and trouble-shooting.

You will have IT and computing skills including: PC configuration, Windows applications, MS Office and HTML. Graduate preferred. Enthusiasm, initiative and the ability to learn quickly are valued as highly as skills and experience.

Salary: £24k (negotiable)
Send CV with covering letter to:

Sandy Jackson fax: 0236 754 802
AFG
Cheshire House e-mail
Fadiham jacksons@afg.
Kent
KF7 3AM

No agencies

BRANCH ASSISTANTS**(£17 800 pa)**

Two vacancies in busy building society. Duties include cashiering, customer service and general admin.
9 am - 5 pm Mon to Fri and alternative Saturdays.

For further information ring Mandy 0236 774 569

Careers in Accounts**Accounts Trainee****£16 000**

High profile sports promotions company require a trainee to work in their accounts team. Experience not essential. Must be enthusiastic and keen to learn.

Accounts Assistant**£20 500**

Creative design company seek lively accounts assistant. You will have at least one year's experience in accounts. Training and support provided. Friendly working atmosphere.

Accounts Team Leader**£25 000**

Experienced ledger clerk required. Package includes flexible working hours, bonus, pension and 25 days holiday. Ideally you should have experience of working for a large company.

For further details and application forms ring
Ben on 0236 894321. (Answer phone after 6 pm)



TAX B**Information from the Inland Revenue for the Tax Year 2008 - 2009**

Basic rate	20%	£0 to £34 800
Higher rate	40%	over £34 800

The standard personal tax allowance for 2008 - 2009 is £6035.

The personal tax allowance varies according to circumstance.

Taxable income = Gross income - Personal tax allowance

Tax = Tax at basic rate + Tax at higher rate

Example Tax at basic rate and higher rate

Mr White earns an annual salary of £42 500.

His personal tax allowance for the year is £6035.

What is his total tax bill for the tax year 2008 - 2009?

What is his monthly tax bill for the tax year 2008 - 2009?

What is his weekly tax bill for the tax year 2008 - 2009?

Answer

Taxable income = Gross income - Personal tax allowance = £42 500 - £6035 = £36 465

Income taxable at the higher rate = £36 465 - £34 800 = £1 665

Tax at the basic rate 20% on £34 800 = £6960

Tax at the higher rate 40% on £1 665 = £666

Total tax due = £6960 + £666 = £7626

Monthly tax = £7626 ÷ 12 = £635.50

Weekly tax = £7626 ÷ 52 = £146.65

TAX B Exercise

On a separate sheet of paper choose an advertisement, cut it out neatly and stick it at the top of the page.

Select **one** of these personal tax allowances £6035, £6955, £7550 or £9030.

Underneath your advertisement write Personal Tax Allowance _____

Using the above example as a guide, calculate:-

- Taxable income
- Income taxable at the higher rate
- Tax at the basic rate
- Tax at the higher rate
- Total tax due
- Monthly tax
- Weekly tax



Ravensbrook College IT Centre of Excellence

Manager (Post No. 0237)
Salary c£48 000

Exciting new challenge to develop a new business opportunity. Ravensbrook College has succeeded in a bid for government funding to establish and manage an IT Centre of Excellence. This centre will deliver high level IT skills training in a purpose built new centre.

Are you dynamic, highly motivated and committed to success?

You will need an in-depth knowledge of the major impact the technical revolution has on the way business works and how IT must be fully utilised as a business tool. Your experience should include strategic and operational planning, marketing and maximising the effective use of funding.

Taxation Controller

Local **£43 000**

Qualified Accountant or ATII required for this reputable finance organisation. Experience of producing and submitting tax returns within a professional or commercial organisation would be ideal for this challenging role.

Information Technology Distributed Services Manager

To manage networks and desk top devices

Package up to £42 650

The Council is undertaking a major upgrade of its data, telephone desktop services. In parallel, NT is being rolled out to support all LANS. CA'a UNICENTER TNG is being implemented to manage all networks and devices.

This exciting work requires a dynamic manager to lead a team of technicians in delivering a 1st Class service to implement and support PCs, data and telephone networks. You must have excellent team management and customer skills as well as a technical background in TCP/IP, NT and Windows technologies.

London and Regions

Property Investment Division

Two senior managerial positions c£54 000 pa

The independent International Investment Advisors, London and Regions, are looking to establish an Investments Properties division to increase the availability of prime investment properties to investors.

Candidates should have proven experience of sourcing and developing prime residential and commercial properties. Experience of international investor requirements and property markets is essential and extensive existing network of contacts and clients.

OPPORTUNITIES IN BANKING

Business Developer

c£75 000

Leading European Bank seeks to appoint a highly capable and motivated person. Applicants should already have sound experience from within another Cash Management provider and be comfortable with dealing with clients at the highest level. Considerable scope will be afforded to the appointee to utilise judgement, expertise and negotiating skills. Possible fixed term contract.

Business Analyst

Neg from £48 000

The equities division of a prestigious International Bank requires an experienced business analyst to support a major project to build a global research database. The successful applicant will have a good understanding of the information flow requirements of an equity research operation, experience of dealing with the research and data needs of institutional clients and knowledge of desktop applications in stockbroking or fund management. Excellent communication skills and the willingness to travel are essential.

Newly Qualified Accountant

to £41 000

World-renowned International Bank seeks a newly qualified Accountant (ACCA/CIMA). The successful candidate will have experience of the financial services sector, good related IT knowledge, strong inter-personal skills and the ability to operate successfully in a team environment.



TAX CHECK USING A SPREADSHEET

To calculate the annual tax bill:-

Find the taxable income.

Taxable Income = Total Salary – Personal Tax Allowance

A If taxable income is **under £34 800** to find the tax due:-

Tax at 20% = Taxable income*20%

Example – Mrs Marsh

	A	B	C	D
1	Gross pay	Tax allowance	Taxable pay	Tax at basic rate
2	£7722.00	£6035.00	£1687.00	£337.40

with formulae

	A	B	C	D
1	Gross pay	Tax allowance	Taxable pay	Tax at basic rate
2	$6.75*22*52$	£6035.00	=A2-B2	=C2*20%

Example – Mr Brown

	A	B	C	D
1	Gross pay	Tax allowance	Taxable pay	Tax at basic rate
2	£16500.00	£9030.00	£7470.00	£1494.00

with formulae

	A	B	C	D
1	Gross pay	Tax allowance	Taxable pay	Tax at basic rate
2	£16500	£9030.00	=A2-B2	=C2*20%



To calculate the annual tax bill:-

Find the taxable income.

Taxable Income = Total Salary – Personal Tax Allowance**B** If taxable income is **over £34 800** to find tax due:-

Income taxed at higher rate = Taxable income - £34 800 = D

Tax at 40% = D * 40% = F

Tax at 20% = £34 800 * 20% = £6960 = E

Total tax due = E + F = G

Example – Mr White

	A	B	C	D	E	F	G
1	Gross	Tax	Taxable	Income for	Tax at	Tax at	Total
2	pay	allowance	income	higher rate	basic rate	higher rate	Tax
3	£42500	£6035	£36465	£1665	£6960.00	£666.00	£7626.00

with formulae

	A	B	C	D	E	F	G
1	Gross	Tax	Taxable	Income for	Tax at	Tax at	Total
2	pay	allowance	income	higher rate	basic rate	higher rate	Tax
3	£42500	£6035	=A3-B3	=C3-34800	=34800*20%	=D3*40%	=E3+F3

