**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.

###  Income Tax in the Tax Year 2014 – 2015

#  Basic rate 20% £0 to £31 865

 **Higher rate 40% £31 866 to £150 000**

 **Additional rate 45% over £150 000**

The standard personal tax allowance for **2014 – 2015** is **£10 000**.

 The personal tax allowance varies according to circumstance.

 **Taxable income** = Gross income - Personal tax allowance

 **Tax** = Tax at basic rate + Tax at higher rate + Tax at additional rate

**Example Tax at basic rate only**

Mrs Marsh earns £8.90 an hour. She works 25 hours per week.

Her personal allowance is £10 000. 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 2014 – 2015?

# Answer

Weekly wage = £8.90  25 = £222.50
Amount earned in 1 year = 52  £222.50 = £11 570

Taxable income = Gross income - Personal tax allowance = £11 570 – £10 000 = £1570

Tax at basic rate 20% on £1570 = £314

Total tax due = £314.

**Example Tax at basic rate only**

Mr Brown earns an annual salary of £16 500.

His personal tax allowance for the year is £10 500.

What is his total tax bill for the tax year 2014 – 2015?

What is his monthly tax bill for the tax year 2014 – 2015?

What is his weekly tax bill for the tax year 2014 – 2015?

**Answer**

Taxable income = Gross income - Personal tax allowance = £16 500 – £10 500 = £6000

Tax at the basic rate 20% on £6000 = £1200 per year

Monthly tax = £1200 ÷ 12 = £100

Weekly tax = £1200 ÷ 52 = £23.08

**Exercise A Tax at basic rate only**

###  Income Tax in the Tax Year 2014 – 2015

#  Basic rate 20% £0 to £31 865

 **Higher rate 40% £31 866 to £150 000**

 **Additional rate 45% over £150 000**

###  The standard personal tax allowance for 2014 – 2015 is £10 000.

###  The personal tax allowance varies according to circumstance.

 **Taxable income** = Gross income - Personal tax allowance

 **Tax** = Tax at basic rate + Tax at higher rate + Tax at additional 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 £10 000, £10 500 or £10 660.

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

**TAX B**

**Office Assistant**

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

20 hours per week Mon-Fri £9.70 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

###### 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

**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

##### 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

**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

#### 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)

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

#### IT Support

###  Income Tax in the Tax Year 2014 – 2015

#  Basic rate 20% £0 to £31 865

 **Higher rate 40% £31 866 to £150 000**

 **Additional rate 45% over £150 000**

###  The standard personal tax allowance for 2014 – 2015 is £10 000.

###  The personal tax allowance varies according to circumstance.

 **Taxable income** = Gross income - Personal tax allowance

 **Tax** = Tax at basic rate + Tax at higher rate + Tax at additional rate

**Example Tax at basic rate and higher rate**

Mr White earns an annual salary of £52 500.

His personal tax allowance for the year is £10 000.

What is his total tax bill for the tax year 2014 – 2015?

What is his monthly tax bill for the tax year 2014 – 2015?

What is his weekly tax bill for the tax year 2014 – 2015?

**Answer**

Taxable income = Gross income - Personal tax allowance = £52 500 – £10 000 = £42 500

Income taxable at the higher rate = £42 500 – £31 865 = £10 635

Tax at the basic rate 20% on £31 865 = £6373

Tax at the higher rate 40% on £10 635 = £4254

Total tax due = £6373 + £4254 = £10 627

Monthly tax = £10 627 ÷ 12 = £885.58

Weekly tax = £10 627 ÷ 52 = £204.37

**Exercise B TAX at the basic and higher rates**

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 £10 000, £10 500 or £10 660.

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

###### London and Regions

###### Property Investment Division

###### Two senior managerial positions c£64 000 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.

##### 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.

**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 £56 000

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 £48 950

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.

Information Technology Distributed Services Manager

To manage networks and desk top devices

**Package up to £51 650**

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/UP, NT and Windows technologies.

##### Taxation Controller

##### Local £49 500

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.

**TAX C**

###  Income Tax in the Tax Year 2014 – 2015

#  Basic rate 20% £0 to £31 865

 **Higher rate 40% £31 866 to £150 000**

 **Additional rate 45% over £150 000**

###  The standard personal tax allowance for 2014 – 2015 is £10 000.

###  The personal tax allowance varies according to circumstance.

 For very large incomes above £150 000, the personal allowance is zero.

 **Tax** = Tax at basic rate + Tax at higher rate + Tax at additional rate

**Example Tax at basic rate, higher rate and additional rate**

Ms Green earns an annual salary of £225 000.

Her personal tax allowance for the year is £0.

What is her total tax bill for the tax year 2014 – 2015?

What is her monthly tax bill for the tax year 2014 – 2015?

What is her weekly tax bill for the tax year 2014 – 2015?

**Answer**

Income taxable at the additional rate = £225 000 – £150 000 = £75 000

Income taxable at the higher rate = £150 000 – £31 865 = £118 135

Tax at the basic rate = 20% of £31 865 = £6373

Tax at the higher rate = 40% of £118 135 = £47 254

Tax at the additional rate = 45% of £75 000 = £33 750

Total tax due = £6373 + £47 254 + £33 750 = £87 377

Monthly tax = £87 377 ÷ 12 = £7281.42

Weekly tax = £87 377 ÷ 52 = £1680.33

**Exercise C Tax at the basic, higher and additional rates**

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

Assume a personal allowance of £0.

Using the above example as a guide, calculate:- Income taxable at the higher rate

 Tax at the basic rate

 Tax at the higher rate

 Total tax due

 Monthly tax

 Weekly tax

###### Retail Operations Director - Fashion

###### Salary c£150 000 pa

Are you focused on fashion, driven to achieve results and motivated by knowing that your team are creating the ultimate commercial offering on the high street?

The ultimate opportunity is here for you to take control of one of the biggest high street brands in the fashion industry. You will be responsible for inspiring millions of customers to experience shopping in new and innovative ways, at the forefront of fashion.

Apply immediately with your CV in Word format.

##### International Business Development Director

**Reference** 0598427 Salary £180 000

Job Details: Working for a global FTSE 100 support services group, you will source and secure new international contracts in the power sector.
You will target the development of an international project portfolio with power generation clients across the Eastern Hemisphere and report directly to the Vice President of Business Development.

The Person: With a degree in engineering, you will have a proven track record of high value power contracts. You will have the commercial skills to negotiate high value contracts in multi-cultural environments. Flexibility to travel internationally from a home base is essential.

In the first instance please forward CV by post or e-mail.

**Senior Manager of Credit Portfolio Modelling Consultancy**

###### Salary £155 000 Location London

One of the biggest names in the world of professional services requires an individual to manage a team of quantitative analysts and advisors.
You must have a 1st class degree in a quantitative subject, post degree qualifications (MSc or PhD) and significant knowledge of Credit portfolio Modelling gained from a major financial institution.
Apply immediately by sending your CV.

##### Project Director - Rail

##### Salary £160 000

To lead a team of home office and field staff on a major rail project.

Requirements: Civil engineering degree, exceptional interpersonal skills, ability to operate in partnershipwith senior representatives of client organisations.
Commercially astute, you will be a 1st class communicator capable of leading a multi-faceted team in a cohesive focussed manner.

Please forward CV by e-mail including your current remuneration package.

##### International Sales Director Salary £170 000

Global supplier of mechanical components, supplying to the defence and aerospace sectors are looking to recruit an International Sales Director.

Reporting to the UK Managing Director, you will have responsibility to build a team to deliver agreed sales objectives and goals. You will identify new clients and opportunities whilst maximizing revenue from current clients.

You must have a proven record of high profile successful delivery of a sales function. Please forward CV by post or e-mail.

##### International Sales and Marketing Director

**Reference** 0598428 **Salary** £175 000

Due to expansion, a distributor of non-food products to the UK Healthcare, Industrial and Retail sector require an International Sales & Marketing Director.

Ideally degree educated, you will have a track record of delivering sales targets across the UK with an ambition to operate in a European market. A first class communicator, you will have experience of a diverse range of 'routes to market'.

In the first instance, please forward CV by post or email.

**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 £31 865** 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** | £11 570.00 | £10000.00 | £1570.00 | £314.00 |

 with formulae

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **A** | **B** | **C** | **D** |
| **1** | Gross pay | Tax allowance | Taxable pay | Tax at basic rate |
| **2** | 8.90\*25\*52 | £10000.00 | =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 | £10500.00 | £6000.00 | £1200.00 |

 with formulae

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **A** | **B** | **C** | **D** |
| **1** | Gross pay | Tax allowance | Taxable pay | Tax at basic rate |
| **2** | £16500.00 | £10500.00 | =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 **between £31 865 and £150 000** to find tax due:-

 Income taxed at higher rate = Taxable income – £31 865 = D

 Tax at 40% = D \* 40% = F

 Tax at 20% = £31 865 \* 20% = £6373 = 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** | £52500 | £10000 | £42500 | £10635 | £6373.00 | £4254.00 | £10627.00 |

 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** | £52500 | £10000 | =A3-B3 | =C3-31865 | =31865\*20% | =D3\*40% | =E3+F3 |

**C** If taxable income is **above £150 000** to find tax due:-

Income taxed at additonal rate = Income – £150 000 = B
Income taxed at higher rate = £150 000 – £31 865 = £118 135 = C

 Tax at 20% = £31 865 \* 20% = £6373 = D

 Tax at 40% = C \* 40% = E
 Tax at 45% = B \* 45% = F

 Total tax due = D + E + F = G

**Example – Ms Green**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **A** | **B** | **C** | **D** | **E** | **F** | **G** |
| **1** | Gross | Income for | Income for | Tax at | Tax at | Tax at | Total |
| **2** | pay | additional rate | higher rate | basic rate | higher rate | additional rate | Tax |
| **3** | £225000 | £75000 | £118135 | £6373 | £47254 | £33750 | £87377 |

 with formulae

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **A** | **B** | **C** | **D** | **E** | **F** | **G** |
| **1** | Gross | Income for | Income for | Tax at | Tax at | Tax at | Total |
| **2** | pay | additional rate | higher rate | basic rate | higher rate | additional rate | Tax |
| **3** | 225000 | =A3-150000 | =150000-31865 | 31865\*20% | =C3\*40% | =B3\*50% | =D3+E3+F3 |