

Functional Skills Maths | Level 1 and 2 Income Tax Worksheet

Use the following table of Income Tax Bands to support you in the answering of the questions:

Band	Taxable Income	Tax Rate
Personal Allowance	Up to £12,570	0%
Basic Rate	£12,571 to £50,270	20%
Higher Rate	£50,271 to £125,140	40%
Additional Rate	Over £125,140	45%

1. Sam has just started a new job. They will be earning £15,000 per year. How much Income Tax will they pay on this?

a. Work out much is Sam's taxable pay.

b. Work out 20% of Sam's taxable pay.

2. Lewis has just had a pay rise. Last year he earned £22,500 and this year he will earn £25,000. How much more Income Tax will he pay?

- a. Work out Lewis's old taxable pay.

- b. Work out 20% of Lewis' old taxable pay.

- c. Work out Lewis' new taxable pay.

- d. Work out 20% of Lewis' new taxable pay.

- e. How much more tax will he pay?

3. Melinda is self-employed. She needs to file a tax return. In the last year she has earned £65,000. How much Income Tax should she pay?

a. How much did Melinda earn in the Higher Rate tax band?

b. How much tax did she pay on this amount?

c. How much did Melinda earn at the Basic Rate tax band?

d. How much tax did she pay on this amount?

e. How much Income Tax does Melinda pay in total?

4. Ahmed sees the following job advertisement.

Junior Marketing Executive wanted.

£25 / hr

35 hrs / week

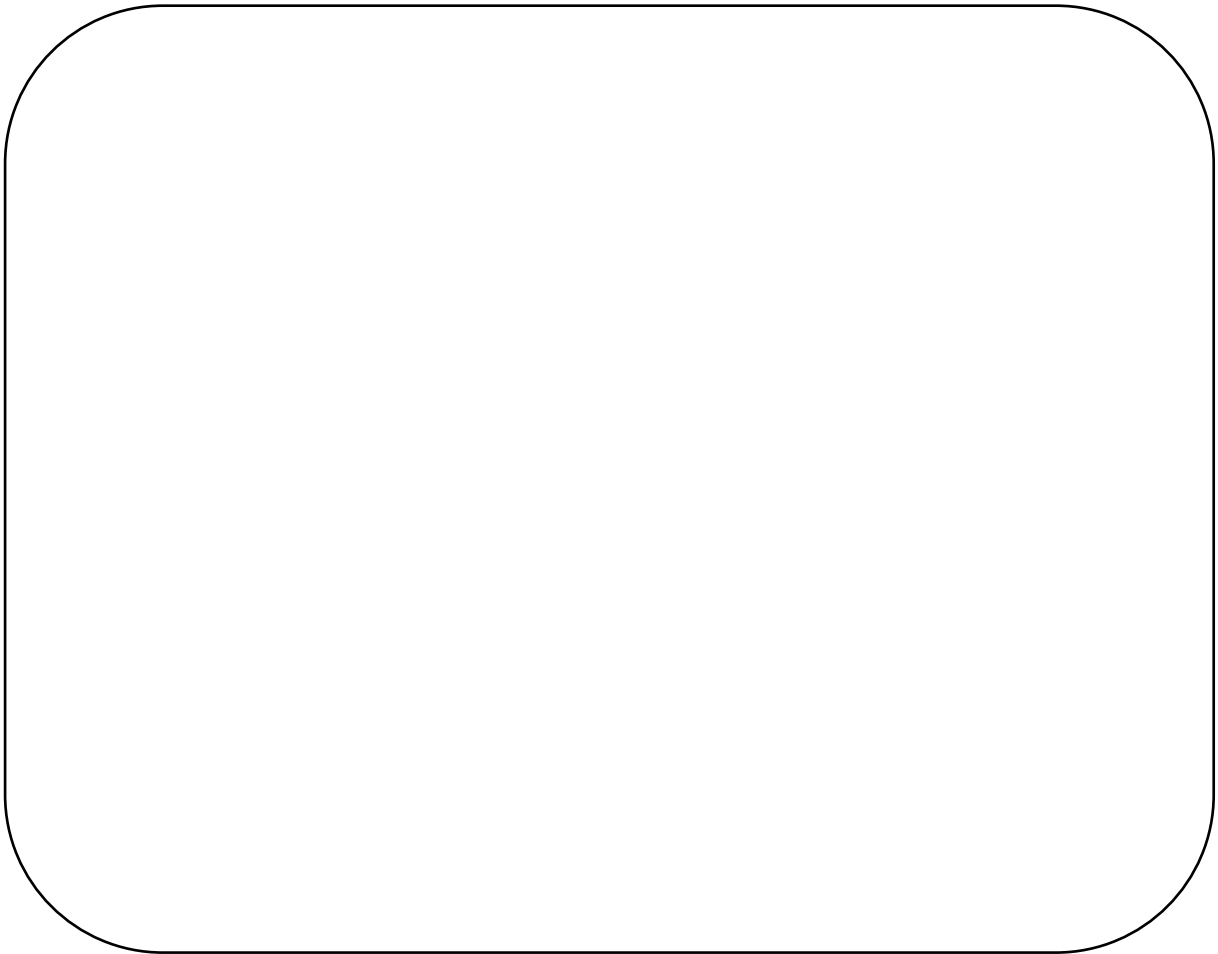
Visit our webpage to apply.

a. What would the annual salary of this job be?

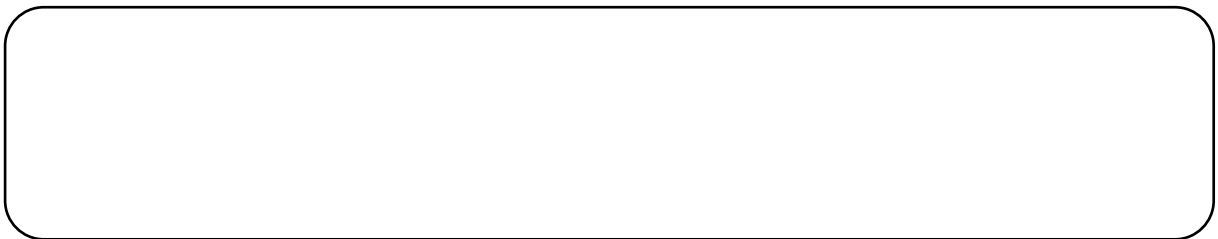
b. How much Income Tax would Ahmed have to pay?

5. Ben earns £75,000 a year. How much Income Tax should he pay each month?

a. How much Income Tax should he pay in total?



b. How much Income Tax should he pay each month?



6. Imelda sees the following headline in the paper.

**Personal Income Tax Allowance To Be
Increased**

From April it will be £15,000

Imelda currently earns £31,000.

How much less tax will she need to pay in the next tax year?

7. The Government announces that the tax rate at the Basic Rate will increase to 25%.

Setsuko earns £16,000 per year.

How much Income Tax will she have to pay?

8. Jose earns £55,000.

How much more Income Tax will he have to pay if the Basic Rate increases to 25% and the Higher Rate stays the same?

Answers

1a. £2430

1b. £486

2a. £9930

2b. £1986

2c. £12,430

2d. £2468

2e. £500

3a. £14,730

3b. £5892

3c. £33700

3d. £7540

3e. £13,432

4a. £45,500

4b. £6586

5a. £17,432

5b. £1452.67

6. £486

7. £857.50

8. £1885