

Income Tax Codes

Tax codes show

Most common code is

Tax codes go up if
or go down if

National Insurance Codes & Rates

Weekly pay	£827+	
	£827	
	£155	

Class 1:

Class 2:

Class 3:

Class 4:

Income Tax Rates

£150 000+		
£150 000		
£43 000		
£11 000		

History of Income Tax

1799

1816

1842

FACT:

Topic 8: Pay and Tax

Received P45

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Received P60

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- Based on
- Collected

PAYE
()

Self-Assessment Tax Form
Paper Form:
Online Form:

Tax Year:

Income Tax

National Insurance

Paid By:

Extra Notes...

National Insurance Codes & Rates

Weekly pay	£827+	2%
	£827	12%
	£155	0%

- Class 1:** Paid directly and automatically by employers
- Class 2:** Self-Employed earning less than £8000
- Class 3:** Voluntary to fill gaps for pension contributions
- Class 4:** Self-Employed earning more than £8000

Income Tax Rates

Higher and Additional Rate tax payers may need to complete self-assessment tax forms

£150 000+	Additional Rate	45%
£150 000	Higher Rate	40%
£43 000	Basic Rate	20%
£11 000	Personal Allowance	0%

Income Tax Codes

- Tax codes show how much tax-free allowance you have (÷10)
- Most common code is **1100L**
- Tax codes **go up** if you pay for things that are tax free or **go down** if you get a company car

History of Income Tax

- 1799**
Income tax introduced to raise money for a war
- 1816**
Income tax abolished
- 1842**
Income tax reintroduced
- FACT:**
Income tax is **STILL** temporary

Topic 8: Pay and Tax

P45
Received at the end of the tax year.

- Final tax code
- Total amount earned in that tax year

P60
Received when an employee leaves an employer

- Tax code
- Total pay
- Income tax and NI

- Based on income
- Collected by HMRC

PAYE
(Pay As You Earn)

Self-Assessment Tax Form
Paper Form: Due 31st Oct
Online Form: Due 31st Jan

Tax Year: 6th April - 5th April

Income Tax

National Insurance

Paid By: all 16+ year olds who are in work

Running Public Services e.g. schools

National Health Service (NHS)

Providing state benefits

Providing a state pension

Running the armed forces

State benefits for the unemployed

Extra Notes...