

Annual Salary

1

- a) Dora receives a monthly salary of £1,524
Calculate Dora's annual gross pay.

£18,288

- b) Ron receives annual gross pay of £15,948
Calculate Ron's monthly salary.

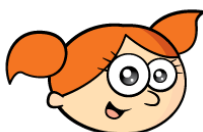
£1,329

2

Income tax is paid on annual salaries greater than £12,570
Here are the monthly salaries of four people.



Dexter
£1,040



Alex
£2,387



Whitney
£999



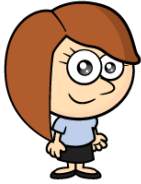
Amir
£1,050

Who will have to pay income tax?

$$£12,570 \div 12 = £1,047.50$$

Alex and Amir

3



Rosie earns £19,682 in a year.

Income tax is not paid on the first £12,570

a) How much will Rosie pay income tax on?

£7,112

b) Rosie has to pay 20% income tax on everything above the £12,570 personal allowance.

How much income tax will Rosie pay?

£7,112



£1,422.40

c) Calculate Rosie's annual take-home pay.

$$£7,112 - £1,422.40 = £5,689.60$$

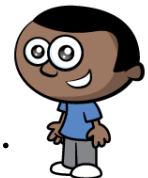
$$£5,689.60 + £12,570 = £18,259.60$$

£18,259.60

4

Mo is paid a monthly wage of £2,540

Calculate Mo's monthly take-home pay after tax.



$$\text{Annual pay} = £30,480$$

$$\text{Income tax paid} = £3,582$$

$$\text{Annual take home pay} = £26,898$$

£2,241.50