

Calculators are permitted but working must be shown.**Essential knowledge:**

1. Write an explanation for each of these terms or phrases:

- | | |
|------------------|----------------------------|
| a. Gross pay | f. Superannuation |
| b. Deductions | g. Taxable Income |
| c. Net pay | h. National Insurance (NI) |
| d. Tax Allowance | i. Tax credits |
| e. Income Tax | j. Child benefit |

2. Calculate Alan's net pay using his payslip below.

Name A. Bridge	Employee number 173	NI number AB43865A	Month number 2
Basic pay £2462.96	Overtime £62.58	Bonus £43.07	Gross pay
Income tax £447.86	NI £175.20	Pension £142.64	Total deductions
			Net pay

3. The table shows the income tax rates for different taxable incomes for 2016–17.

Band	Taxable income	Scottish tax rate
Personal Allowance	Up to £11,500	0%
Basic rate	£11,501 to £43,000	20%
Higher rate	£43,001 to £150,000	40%
Additional rate	over £150,000	45%

Copy and complete the tax calculations below:

Erica (taxable income £30453)

$$30453 - 11500 = 18953 \times 0.2 = \text{£} \underline{\hspace{2cm}}$$

Flo (taxable income £46320)

$$46320 - 43000 = 3320 \times \underline{\hspace{1cm}} = \text{£}$$

$$43000 - 11500 = 31500 \times 0.2 = \text{£}$$

$$\text{Total income tax} = \text{£}$$

Harry (taxable income £164500)

$$164500 - 150000 = 14500 \times \underline{\hspace{1cm}} = \text{£}$$

$$150000 - 43000 = \underline{\hspace{2cm}} \times \underline{\hspace{1cm}} = \text{£}$$

$$43000 - 11500 = 31500 \times 0.2 = \text{£}$$

$$\text{Total income tax} = \text{£}$$

Unit level:

4. The table gives the National Insurance Contributions.
Calculate the amount these workers pay in National Insurance contributions each week.

Earnings (per week)	Rate
Less than £107	0%
£107 - £817	12%
Greater than £817	2%

- (a) Brian, £256 per week (b) Carol, £875 per week

5. Calculate the four missing amounts from Bob's payslip:

Payments				Deductions	
Description	Hours	Rate (per hour)	Amount	Description	Amount
Basic Pay	35	£ <input type="text"/>	£314.30	PAYE	£57.25
Overtime	5	£ <input type="text"/>	£67.35	National Insurance	£12.38
Overtime (Sunday)	6	£17.96	£ <input type="text"/>		
WK/MNTH	Date	Dept	Employee No	Employee Name	Net Pay
Feb - 12	28 - Feb - 12	IT	1981	Bob Brown	£ <input type="text"/>

6. Mrs. and Mr. Winterbottom have three children (aged 6, 9 and 11). They earn £15900 and £15499.20 **per year** respectively and are entitled to £40.25 in tax credits **per month**. They claim child benefit which gives them £89.70 **per month** for their oldest child and £59.37 **per month** for **each** of their other children.

- (a) Calculate the Winterbottom's total **monthly** income.

The table below shows the Winterbottom's family expenditure each month.

Outgoings	Amount	Outgoings	Amount
Mortgage	£515	Car loan	£241
Gas/electricity	£117	Insurance	£67
Council tax	£132	Food	£440
TV/phone/internet	£73	Petrol	£200

- (b) Copy and complete the correct statement below to describe the financial position of the Winterbottom family each month:

A surplus of £ _____ each month

OR

A deficit of £ _____ each month

7. The following table shows the pension contributions (as a percentage) taken from serving police officers.

Tier 1: Staff on a basic annual salary of £25,000 or less.

Tier 2: Staff on a basic annual salary of more than £25,000 but less than £75,000.

Tier 3: Staff on a basic annual salary of £75,000 or more.

Tier	Total Officer Contributions
1	10.7 %
2	11.5 %
3	12.0 %

What is the pension contribution of a Sergeant earning £41,532?

Assessment level:

8. John Ross works for a company selling windows. He is paid a basic monthly salary of £400 plus 5% commission on all his sales **above** £5000. In March, John Ross sells £25000 worth of new windows. His monthly deductions are 12% of his gross income. Calculate JR's net income for March.

9. Helen works in a supermarket. She is paid £7.60 per hour for a basic week of 24 hours. She is paid at time and a half for any overtime that she works. One week Helen earned £262.20. How many hours of overtime did she work that week?

10. Max Factor sells cosmetics. She earns a basic pay plus Commission of 3%. Her payslip for a week in April is only partially complete.

Name	Employee No.	Tax Code	Week Ending
J. Simmons	551	720L	15/02/2013
Basic Pay	Bonus	Commission	Gross Pay
£191.50	£0.00		
Nat. Insurance	Income Tax	Pension	Deductions
£27.86	£64.59	£27.53	
			Net Pay
			£352.02

Calculate Max's sales for that week.