

# Income Tax for Employees

Net Tax Calculations Worksheet

Solutions



# Sample Questions

## Question 1

Azfar works in an insurance company. He is single and earns €25,000 per year. His Standard Rate Cut-Off Point (SRCOP) is €40,000. He is entitled to an Employee PAYE Credit of €1,775 and a Personal Credit (Single Person) of €1,775. Calculate his net tax.

|                         | €              | €              |
|-------------------------|----------------|----------------|
| €25,000 × 20%           |                | <u>5,000</u>   |
| <b>Gross Tax</b>        |                | 5,000          |
| <b>Less Tax Credits</b> |                |                |
| Employee PAYE           | 1,775          |                |
| Single Person           | <u>+ 1,775</u> | <u>- 3,550</u> |
| <b>Net Tax</b>          |                | 1,450          |

| Workings |
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## Question 2

Kevin works in a marketing firm. He is single and earns €800 on the first week of the year. His Standard Rate Cut-Off Point (SRCOP) is €40,000. He is entitled to an Employee PAYE Credit at €1,775 and a Personal Credit (Single Person) of €1,775. Calculate his net tax.

|                         | €              | €              |
|-------------------------|----------------|----------------|
| €769.23 × 20%           | 153.85         |                |
| €30.77 × 40%            | <u>+ 12.31</u> |                |
| <b>Gross Tax</b>        |                | 166.16         |
| <b>Less Tax Credits</b> |                |                |
| Employee PAYE           | 34.13          |                |
| Single Person           | <u>+ 34.13</u> | <u>- 68.26</u> |
| <b>Net Tax</b>          |                | 97.90          |

| Workings |
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## Additional Questions

### Question 1

Sophia is single. She has a salary of €28,000 per year and is entitled to the Employee PAYE Credit and the Personal Credit (Single Person). Calculate her net tax.

|                         | €               | €               |
|-------------------------|-----------------|-----------------|
| €28,000 x 20%           |                 | <u>5,600.00</u> |
| <b>Gross Tax</b>        |                 | 5,600.00        |
| <b>Less Tax Credits</b> |                 |                 |
| Employee PAYE Credit    | 1,775.00        |                 |
| Single Person Credit    | <u>1,775.00</u> | <u>3,550.00</u> |
| <b>Net Tax</b>          |                 | 2,050.00        |

#### Workings

### Question 2

James is married. His spouse is not currently working. He has a salary of €85,000 per year and is entitled to the Employee PAYE Credit and the Personal Credit (Married Person). Calculate his net tax.

|                         | €                | €               |
|-------------------------|------------------|-----------------|
| €49,000 x 20%           | 9,800.00         |                 |
| €36,000 x 40%           | <u>14,400.00</u> |                 |
| <b>Gross Tax</b>        |                  | 24,200.00       |
| <b>Less Tax Credits</b> |                  |                 |
| Employee PAYE Credit    | 1,775.00         |                 |
| Married Person Credit   | <u>3,550.00</u>  | <u>5,325.00</u> |
| <b>Net Tax</b>          |                  | 18,875.00       |

#### Workings

### Question 3

Aisha is single. She was paid €2,800 per month and is taxed on a month 1 basis. She is entitled to an Employee PAYE Credit and a Personal Credit (Single Person). Calculate her net tax.

|                         | €             | €             |
|-------------------------|---------------|---------------|
| €2,800 x 20%            |               | <u>560.00</u> |
| <b>Gross Tax</b>        |               | 560.00        |
| <b>Less Tax Credits</b> |               |               |
| Employee PAYE Credit    | 147.92        |               |
| Single Person Credit    | <u>147.92</u> | <u>295.83</u> |
| <b>Net Tax</b>          |               | 264.17        |

#### Workings

### Question 4

Rowan is in a civil partnership. His partner is not currently working. Rowan earns €5,250 per month and is taxed on a month 1 basis. He is entitled to an Employee Credit and a Personal Tax Credit (Civil Partnership). Calculate his net tax.

|                         | €             | €             |
|-------------------------|---------------|---------------|
| €4,083.33 x 20%         | 816.67        |               |
| €1,166.67 x 40%         | <u>466.67</u> |               |
| <b>Gross Tax</b>        |               | 1,283.33      |
| <b>Less Tax Credits</b> |               |               |
| Employee PAYE Credit    | 147.92        |               |
| Married Person Credit   | <u>295.83</u> | <u>443.75</u> |
| <b>Net Tax</b>          |               | 839.58        |

#### Workings

### Question 5

Ayoub is single. He was paid €500 on the first week of June and is taxed on a week 1 basis. Ayoub is entitled to the Employee PAYE Credit and the Personal Credit (Single Person). Calculate his net tax.

|                         | €            | €             |
|-------------------------|--------------|---------------|
| €500 x 20%              |              | <u>100.00</u> |
| <b>Gross Tax</b>        |              | 100.00        |
| <b>Less Tax Credits</b> |              |               |
| Employee PAYE Credit    | 34.13        |               |
| Single Person Credit    | <u>34.13</u> | <u>68.27</u>  |
| <b>Net Tax</b>          |              | 31.73         |

| Workings |
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### Question 6

Molly is married and her spouse is not currently working. She was paid €1,500 on the first week of April and is taxed on a week 1 basis. Molly is entitled to a Employee PAYE Credit and a Personal Credit (Married Person). Calculate her net tax.

|                         | €             | €             |
|-------------------------|---------------|---------------|
| €942.31 x 20%           | 188.46        |               |
| €557.69 x 40%           | <u>223.08</u> |               |
| <b>Gross Tax</b>        |               | 411.54        |
| <b>Less Tax Credits</b> |               |               |
| Employee PAYE Credit    | 34.13         |               |
| Married Person Credit   | <u>68.27</u>  | <u>102.40</u> |
| <b>Net Tax</b>          |               | 309.13        |

| Workings |
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