

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 €42,000. He is entitled to an Employee PAYE Credit of €1,875 and a Personal Credit (Single Person) of €1,875. Calculate his net tax.

	€	€
€25,000 × 20%		<u>5,000</u>
Gross Tax		5,000
Less Tax Credits		
Employee PAYE	1,875	
Single Person	<u>+ 1,875</u>	<u>- 3,750</u>
Net Tax		1,250

Workings

Question 2

Kevin works in a marketing firm. He is single and earns €900 on the first week of the year. His Standard Rate Cut-Off Point (SRCOP) is €42,000. He is entitled to an Employee PAYE Credit at €1,875 and a Personal Credit (Single Person) of €1,875. Calculate his net tax.

	€	€
€807.69 × 20%	161.54	
€92.31 × 40%	<u>+ 36.92</u>	
Gross Tax		198.46
Less Tax Credits		
Employee PAYE	36.06	
Single Person	<u>+ 36.06</u>	<u>- 72.12</u>
Net Tax		126.34

Workings

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>
Gross Tax		5,600.00
Less Tax Credits		
Employee PAYE Credit	1,875.00	
Single Person Credit	<u>1,875.00</u>	<u>3,750.00</u>
Net Tax		1,850.00

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.

	€	€
€51,000 x 20%	10,200.00	
€34,000 x 40%	<u>13,600.00</u>	
Gross Tax		23,800.00
Less Tax Credits		
Employee PAYE Credit	1,875.00	
Married Person Credit	<u>3,750.00</u>	<u>5,625.00</u>
Net Tax		18,175.00

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>
Gross Tax		560.00
Less Tax Credits		
Employee PAYE Credit	156.25	
Single Person Credit	<u>156.25</u>	<u>312.50</u>
Net Tax		247.50

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.

	€	€
€4,250 x 20%	850.00	
€1,000 x 40%	<u>400.00</u>	
Gross Tax		1,250.00
Less Tax Credits		
Employee PAYE Credit	156.25	
Married Person Credit	<u>312.50</u>	<u>468.75</u>
Net Tax		781.25

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>
Gross Tax		100.00
Less Tax Credits		
Employee PAYE Credit	36.06	
Single Person Credit	<u>36.06</u>	<u>72.12</u>
Net Tax		27.88

Workings

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.

	€	€
€980.77 x 20%	196.15	
€519.23 x 40%	<u>207.69</u>	
Gross Tax		403.85
Less Tax Credits		
Employee PAYE Credit	36.06	
Married Person Credit	<u>72.12</u>	<u>108.18</u>
Net Tax		295.67

Workings