



LITWW—Developing Skills

Types of Taxations in the UK	
Income Tax	This is the tax levied directly on personal income. The amount of income tax you pay depends on two things: How much of your income is above your Personal Allowance How much of your income falls within each taxband
National Insurance Contributions	You pay this in order to qualify for certain benefits and State Pension. Anyone over 16 , earning £190 or more each week, or is self-employed and has a profit of more than £6,725 a year is expected to pay National Insurance .
Consumption Tax (VAT)	It is found on most goods and services, with the standard VAT rate being 20% . In this category, you'll find goods such as alcoholic drinks, chocolate, prams and pushchairs, and taxi fares. There's a reduced rate of 5% levied on children's car seats, electricity, gas, heating oil and solid fuel, and mobility aids for the elderly, among other things. The zero-rated products include books, meat and poultry, fruit and vegetables, and household water, etc.
Excise Duty	These are charged on things such as alcohol, tobacco, betting, and vehicles as well as the producer of these goods being charged. Excise duties are usually imposed in addition to an indirect tax such as VAT. The excise tax is included in the final sale price of the product, meaning that the consumer pays indirectly. Excise is used as a deterrent towards three broad categories of harm: <ul style="list-style-type: none"> • Health risks from abusing toxic substances e.g. tobacco or alcohol • Environmental damage e.g. fossil fuels • Socially damaging/morally objectionable activity e.g. gambling or soliciting
Corporation Tax	This is tax on company profit so you'll have to pay if you're doing business as: <ul style="list-style-type: none"> • A limited company • A foreign company with a UK branch or office • A club, co-operation, or other unincorporated association e.g. a sports club From 1 st April 2017, the normal rate of corporation tax is 19% , this tax can be confusing as it must be paid before you file your company tax return, which leaves many businesses with two accounting periods, making it harder to keep an overview.
Stamp Duty	The Stamp Duty Land Tax (SDLT) has to be paid if you buy a property or land over £125,000 for residential properties and £150,000 for non-residential land and properties . The amount paid is dependent on the value of the property, but first time buyers maybe exempt from this tax.

How is income tax calculated.

- As an employee:
- You pay 0% on earnings up to £12,570* for 2022-23
 - Then you pay 20% on anything you earn between £12,570 and £50,270
 - You'll pay 40% income tax on earnings between £50,271 to £150,000
 - If you earn £150,001 and over you pay 45% tax.

For example, if you earn £52,000 a year, you pay:

- Nothing on the first £12,570
- 20% on the next £37,700
- 40% on the next £2,000.

Therefore you would expect to pay

- £8,300 per year / £692 per month

How is National Insurance calculated.

- As an employee:
- You pay National Insurance contributions if you earn more than £190 a week before tax you pay 13.25% of your earnings above this limit and up to £967 a week the rate drops to 3.25% of your earnings over £967 a week.

For example, if you earn £1,000 a week before tax, you pay:

- Nothing on the first £190
- 13.25% (£102.95) on the next £777
- 3.25% (£1.07) on the next £33.

Therefore you would expect to pay

- £104.02 per week / £450.75 per month

Labour Market Information

*LMI obtained from the Office for National Statistics and Gov.uk. Poster last updated August 2020
** Data used in this poster covers the period April - June 2020 and includes furloughed workers

National Careers Service

Sheffield City Region LEP

Barnsley, Doncaster, Rotherham & Sheffield



16-64 year old population = 1,175,600
Total population = 1,877,000

Full-Time Salary



UK Average - £30,414
LEP Average - £27,071

Self-Employment



109,400 people in the region are self-employed

Apprenticeships

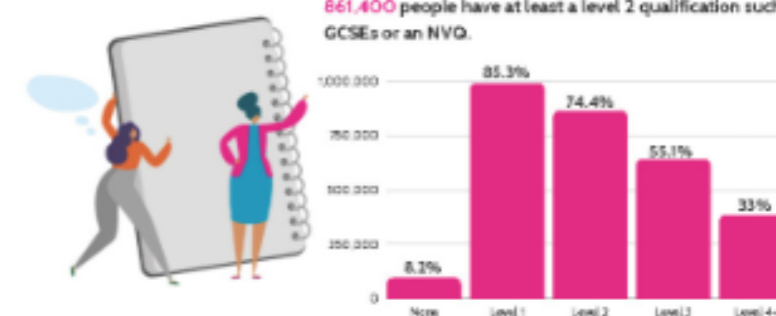
There are approximately 1,208 live vacancies within a 40 mile radius of Sheffield, including...

- Fashion E-Commerce Digital Marketer
- Teaching Assistant
- Real Estate
- Legal Administration
- Sales & Retail
- Science Technician
- Finance and Insurance
- Childcare & Education
- Healthcare
- Animal Care

Plus many more! Find local opportunities on www.apprenticeships.gov.uk/

Qualification levels

861,400 people have at least a level 2 qualification such as GCSEs or an NVQ.



Where do people work right now?

Most jobs

- Wholesale & Retail - 119,000 (15.8%)
- Health & Social Care - 117,000 (15.6%)
- Manufacturing - 92,000 (12.2%)
- Education - 76,000 (10.1%)
- Administration - 57,000 (7.6%)

Fewest jobs

- Finance & Insurance - 17,000 (2.3%)
- Real Estate - 8,000 (1.1%)
- Water, Sewerage & Waste - 5,000 (0.7%)
- Electricity, Gas & Air - 2,250 (0.3%)
- Mining, Quarrying & Utilities - 500 (0.1%)

Growth Sectors

- Advanced Manufacturing
- Health and Social Care
- Wholesale and Retail
- Leisure and Tourism
- Transport

What are some of the region's big name employers?



Need careers advice? Call us on 0800 100 900, contact us [online](#) or find us on Facebook, Twitter and The Student Room.

LITWW—Developing Skills

Managing Personal Finance




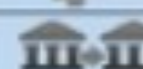


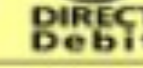
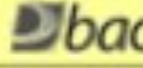




Sources of Income  <ul style="list-style-type: none"> ⇒ Wages ⇒ Benefits ⇒ Pensions ⇒ Dividends on shares ⇒ Interest on savings 	Types of Expenditure Needs (Essential) vs Wants (Non—Essential) Main personal expenditure: food, rent, clothes, travel, leisure, entertainment and consumables Mandatory = have to pay by law. (e.g. council tax, TV licence)
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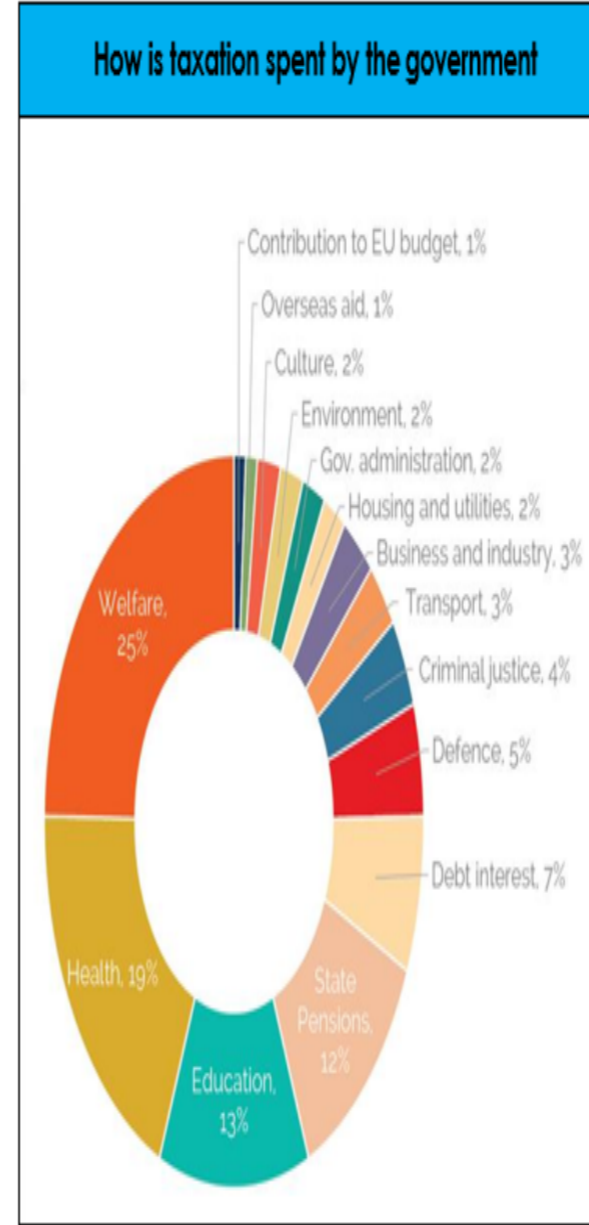
Balancing Income and Expenditure		
Record and balance finances so you can: <ul style="list-style-type: none"> • Keep accurate records • Avoid problems like debt • Spread expenditure evenly • Increase opportunities for saving 	Ways of recording finance: <ul style="list-style-type: none"> • Create a budget or balance sheet • Online or on paper • Check statements 	Reducing Expenditure: Plan carefully to reduce expenditure and meet mandatory and essential expenses. <ul style="list-style-type: none"> • Food—make lists, buy own brands. • Transport—Travel off peak, use bus or walk. • Home—Switch things off, keep cold air out.

Problems with overspending (expenditure > income)
 If you spend more than you earn you must act. Not paying bills can have serious consequences and lead to:

- debt
- non-payment of rent
- cutting off utilities
- poor credit score
- court
- increased interest charges

If you don't have savings you may need to borrow to cover mandatory and essential expenses.

Ways to Receive Money	Cash		Some jobs pay cash when part-time or paid daily.
	Cheque		A promise to pay—takes 3-5 days to clear.
	PayPal		Internet payment company. Works like a bank transfer.
	Bank Transfer		Most full-time work and benefits are paid this way. E.g. BACs.
Electronic Payment Methods	Standing order		A regular payment of the same amount to a person or business. E.g. Rent, gym membership.
	Direct Debit		A regular payment of various amounts to a person or business. E.g. Utilities (gas, electric, phone bill).
	BACs		Standard bank transfer. Payments are made within 3 working days.
	Faster Payment Service		Transfer money within 2 hours if both banks are part of the Faster Payment Service.
	CHAPS		Guarantees same day payment before 2pm. Expensive.
Card Payments	Debit card		Your money, directly from your bank account.
	Credit card		Borrowing from the bank. Pay off the full amount at the end of the month to avoid paying interest.
	Store card		Like a credit card but linked to a particular store.



What do National Insurance Contributions go towards

- State retirement pension;
- Bereavement benefits for spouse/civil partner;
- Contribution-based Jobseeker's allowance;
- Contribution-based Employment and Support Allowance.
- The NHS

National Insurance payments cannot be used directly to fund general government spending.

What happens if I don't pay Income Tax

Most people pay Income Tax through PAYE. This is the system your employer or pension provider uses to take Income Tax before they pay your wages or pension.

If your employer makes a mistake and under pays your tax, you could be made to repay that amount through the next years PAYE if the amount is under £3,000 and you earn under £30,000 per year.

In some very limited circumstances, it may be possible for HMRC to write off the debt, or, if your employer or pension payer is at fault, to collect the tax from them instead.

If you are a self-employed person, you are responsible for filing your tax returns each year with the HMRC. Failure to do so or filing late or inaccurate returns can result in a HMRC Enquiry.

If the enquiry find you are guilty of deliberately misleading or falsify your tax record you can be prosecuted for fraud.

In most cases you will be given a bill for the unpaid tax and a set time frame to pay it back.

What happens if I don't pay National Insurance contributions

Most people pay National Insurance through PAYE. This is the system your employer or pension provider uses to take National Insurance contributions before they pay your wages or pension.

If your employer makes a mistake and under pays your national insurance, they can be fined and expected to make up the payments. You are not responsible if this is not paid.

If you do not pay any national insurance, then you may not be entitled to benefit pays mends which are considered "contributory Benefits" such as:

- Unemployment benefits, in the form of Jobseeker's Allowance (JSA) and Employment and Support Allowance (ESA)
- Maternity Allowance, if you don't qualify for statutory maternity pay
- Bereavement benefits (Bereavement Allowance, Bereavement Payment and Widowed Parent's Allowance)
- Incapacity Benefit, if you face long term unemployment because of illness or disability.

It does not affect your ability to apply for Universal Credit, PIP, Pensions or access to the NHS.