

Example 1**Teacher at Point 5 on Main Grade Scale - in STSA pension scheme and with standard tax code****A Back Pay paid in March 2023**

		2022/23	2023/24
		£	£
Gross Salary		42,336	47,803 *
Less pension contributions	9.70%	-4,107	-4,637
Taxable Salary		38,229	43,166
Back Pay due (net of pension contribution)	7%	2,676	
Taxable Pay including back pay		<u>40,905</u>	<u>43,166</u>

Tax Payable

Personal Allowance	12570	0	12,570	0
Next £2,161 at 19%	2161	411	2,161	411
Next £10,955 at 20%	10955	2,191	10,955	2,191
Next £17,973 at 21%	1521947	3,196	17,480	3,671
Balance at 41% (2023/24 - 42%)		0		0
Class 1 NIC at 13.25% (2023/24, 12%)		5,933		5,736
Back Pay saving**		-178		
Total		<u>11,553</u>		<u>12,009</u>

Total tax payable over 2 years**£23,562****B Back Pay paid in April or May 2023**

		2022/23	2023/24
		£	£
Gross Salary		42336	47803 *
Less pension contributions	9.70%	-4107	-4637
Taxable Salary		38229	43166
Back Pay due (net of pension contribution)	7%	0	2676
Taxable Pay including back pay		<u>38229</u>	<u>45842</u>

Tax Payable

Personal Allowance	12570	0	12570	0
Next £2,161 at 19%	2161	411	2161	411
Next £10,955 at 20%	10955	2191	10955	2191
Next £17,973 at 21%	12543.41	2634	17973	3774
Balance at 41% (2023/24 - 42%)		0	2183	917
Class 1 NIC at 13.25% (2023/24, 12%)		5,610		6,029
Back Pay saving**				-223
Total		<u>10846</u>		<u>13099</u>

Total tax payable over 2 years **£23,945**

Difference in tax payable due to later payment of back pay **£382**

* Represents 75% of annual pay prior to 2% increment and 25% after.

** Back Pay NIC saving arises because the employee's NIC charge reduces from 13.25% to 3.25% (2023/24 from 12% to 2%) for amounts over £4,189 per month

Example 2**Teacher at Point 3 on Main Grade Scale - in STSA pension scheme and with standard tax code****A Back Pay paid in March 2023**

		2022/23		2023/24
		£		£
Gross Salary		37,713		42,584 *
Less pension contributions	8.70%	-3,281		-3,705
Taxable Salary		34,432		38,879
Back Pay due (net of pension contribution)	7%	2,410		
Taxable Pay including back pay		<u>36,842</u>		<u>38,879</u>

Tax Payable

Personal Allowance	12570	0	12,570	0
Next £2,161 at 19%	2161	411	2,161	411
Next £10,955 at 20%	10955	2,191	10,955	2,191
Next £17,973 at 21%	11,156	2,343	13,193	2,771
Balance at 41% (2023/24 - 42%)		0		0
Class 1 NIC at 13.25% (2023/24, 12%)		5,295		5,110
Back Pay saving**		<u>-121</u>		
Total		<u>10,120</u>		<u>10,483</u>

Total tax payable over 2 years**£20,602****B Back Pay paid in April or May 2023**

		2022/23		2023/24
		£		£
Gross Salary		37713		42584 *
Less pension contributions	8.70%	-3281		-3705
Taxable Salary		34432		38879
Back Pay due (net of pension contribution)	7%	0		2410
Taxable Pay including back pay		<u>34432</u>		<u>41289</u>

Tax Payable

Personal Allowance	12570	0	12,570	0
Next £2,161 at 19%	2161	411	2,161	411
Next £10,955 at 20%	10955	2191	10,955	2191
Next £17,973 at 21%	8745.969	1837	15603	3277
Balance at 41% (2023/24 - 42%)		0	0	0
Class 1 NIC at 13.25% (2023/24, 12%)		4,997		5,380
Back Pay saving**				-161
Total		<u>9436</u>		<u>11098</u>

Total tax payable over 2 years **£20,533**

Difference in tax payable due to later payment of back pay **-£69**

Note - Effect will be similarly neutral for members below this scale point.

* Represents 75% of annual pay prior to 2% increment and 25% after.

** Back Pay NIC saving arises because the employee's NIC charge reduces from 13.25% to 3.25% (2023/24 from 12% to 2%) for amounts over £4,189 per month

Example 3**Principal Teacher at Point 1 on Scale - in STSA pension scheme and with standard tax code**

A	Back Pay paid in March 2023		2022/23		2023/24	
			£		£	
Gross Salary			46,158		52,118	*
Less pension contributions	9.70%		-4,477	10.4%	-5,420	
Taxable Salary			41,681		46,698	
Back Pay due (net of pension contribution)	7%		2,918			
Taxable Pay including back pay			<u>44,598</u>		<u>46,698</u>	
Tax Payable						
Personal Allowance	12570	0	12,570	0		
Next £2,161 at 19%	2161	411	2,161	411		
Next £10,955 at 20%	10955	2,191	10,955	2,191		
Next £17,973 at 21%	17,973	3,774	17,973	3,774		
Balance at 41% (2023/24 - 42%)	939	385	3,039	1,276		
Class 1 NIC at 13.25% (2023/24, 12%)			6,468		6,254	
Less upper element at 3.25%					-15	
Back Pay saving			-232			
Total			<u>12,998</u>		<u>13,891</u>	
Total tax payable over 2 years					£26,889	
B	Back Pay paid in April or May 2023		2022/23		2023/24	
			£		£	
Gross Salary			46158		52118	*
Less pension contributions	9.70%		-4477	10.4%	-5,420	
Taxable Salary			41681		46698	
Back Pay due (net of pension contribution)	7%		0		2918	
Taxable Pay including back pay			<u>41681</u>		<u>49615</u>	

Tax Payable

Personal Allowance	12,570	0	12,570	0
Next £2,161 at 19%	2,161	411	2,161	411
Next £10,955 at 20%	10,955	2191	10,955	2191
Next £17,973 at 21%	15,995	3359	17,973	3774
Balance at 41% (2023/24 - 42%)	0	0	5,956	2502
Class 1 NIC at 13.25% (2023/24, 12%)		6,116		6,571
Less upper element at 3.25%				-15
Back Pay saving				-264
Total		<u>12077</u>		<u>15170</u>

Total tax payable over 2 years **£27,246**

Difference in tax payable due to later payment of back pay **£357**

* Represents 75% of annual pay prior to 2% increment and 25% after.

** Back Pay NIC saving arises because the employee's NIC charge reduces from 13.25% to 3.25% (2023/24 from 12% to 2%) for amounts over £4,189 per month

Example 4**Principal Teacher at Point 3 on Scale - in STSA pension scheme and with standard tax code**

A	Back Pay paid in March 2023				
		2022/23		2023/24	
		£		£	
Gross Salary		49,989		56,440	
Less pension contributions	10.40%	-5,199	10.4%	-5,870	
Taxable Salary		44,790		50,570	
Back Pay due (net of pension contribution)	7%	3,135			
Taxable Pay including back pay		<u>47,925</u>		<u>50,570</u>	
 Tax Payable					
Personal Allowance	12570	0	12,570	0	
Next £2,161 at 19%	2161	411	2,161	411	
Next £10,955 at 20%	10955	2,191	10,955	2,191	
Next £17,973 at 21%	17,973	3,774	17,973	3,774	
Balance at 41% (2023/24 - 42%)	4,266	1,749	6,911	2,903	
Class 1 NIC at 13.25% (2023/24, 12%)		7,000		6,773	
Less upper element at 3.25%				-51	
Back Pay saving**		-282			
Total		<u>14,844</u>		<u>16,000</u>	
Total tax payable over 2 years				£30,844	

B	Back Pay paid in April or May 2023				
		2022/23		2023/24	
		£		£	
Gross Salary		49989		56440	
Less pension contributions	10.40%	-5199	10.4%	-5,870	
Taxable Salary		44790		50570	
Back Pay due (net of pension contribution)	7%	0		3135	
Taxable Pay including back pay		<u>44790</u>		<u>53706</u>	

Tax Payable

Personal Allowance	12,570	0	12,570	0
Next £2,161 at 19%	2,161	411	2,161	411
Next £10,955 at 20%	10,955	2191	10,955	2191
Next £17,973 at 21%	17,973	3774	17,973	3774
Balance at 41% (2023/24 - 42%)	1,131	464	10,047	4220
Class 1 NIC at 13.25% (2023/24, 12%)		6,624		7,114
Less upper element at 3.25%				-51
Back Pay saving**				-284
Total		<u>13464</u>		<u>17374</u>

Total tax payable over 2 years **£30,838**

Difference in tax payable due to later payment of back pay **-£6**

Note - Effect will be similarly neutral for members above this scale point.

* Represents 75% of annual pay prior to 2% increment and 25% after.

** Back Pay NIC saving arises because the employee's NIC charge reduces from 13.25% to 3.25% (2023/24 from 12% to 2%) for amounts over £4,189 per month