

P60

Your P60 is a statement which shows how much you have earned and how much you have paid in tax during the year.

Your P60 will show your **tax code, national insurance number, tax paid, income and national insurance contributions** from April 5th of the previous year until April 6th of the current year.

P45

You will get a P45 when you stop working for a company, get laid off or quit for any reason, such as being fired.

Your P45 will show various pieces of information including your PAYE reference code and how much you earned and paid in tax during the tax year.

Q: Which of the following are important tax documents that Jack may receive by virtue of being an employee?

- A P60 and P45.
- B P60 and P90.
- C P45 and P75.
- D P75 and P90.

Tax Rates:

Income Tax

- Basic 20%,
- Higher 40%

VAT

- 20%

Personal Allowance:

Everybody is allowed to earn a certain amount of income before they start to pay tax.

This is known as the 'personal allowance', and the standard personal allowance for 2017/18 is £11,500

Effect of a stronger pound on UK businesses?

- S Stronger**
- P Pound**
- I Imports**
- C Cheaper**
- E Exports**
- D Dearer**

A stronger pound makes it cheaper to pay for imports, but exports will seem more expensive to overseas customers

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Impact of an appreciation on business (Currency increases in value against other currency)

If there is an increase in the value of the Pound the impact will be:

- Exports will be more expensive. This will lead to lower demand for UK exports or firms will have to reduce their profit margin.
- Imports will be cheaper.
- The import of raw materials will be cheaper.

Effect of exchange rate falling (Currency reduces in value against other currency)

- If there is a fall in the value of the Pound it will:
- make UK exports cheaper,
- it will make imports into the UK more expensive.

Q: If the pound sterling strengthens against the yen then?

A exports to Japan become more expensive.

B imports from Japan become more expensive.

C interest rates in the UK will fall.

D more tourists will visit the UK from Japan.