

Self Assessment Success 2019/20

Introduction: Restricted Personal Allowance

Jane has earned income of £140,000. Calculate her personal allowance for the tax year 2019/20.

£140,000 is greater than £100,000.

$£140,000 - £100,000 = £40,000$

$£40,000 / 2 = £20,000$

$£12,500 - £20,000 = (£7,500)$

Personal Allowance can't be a negative, so personal allowance is zero.

Claire has earned income of £112,560. Calculate her personal allowance for the tax year 2019/20.

£112,560 is greater than £100,000.

$£112,560 - £100,000 = £12,560$

$£12,560 / 2 = £6,280$

$£12,500 - £6,280 = £6,220$

Personal Allowance is £6,220