



Lesson 3

Using the Tax Calculator

You'll almost always pay the marginal rate, but you may get to a stage, perhaps after children are grown up, when you have a senior well-paid job and just your Personal Allowance, when it may work out you'd pay more on marginal rate than with standard. If that happened you would just pay 20% standard.

To help show you how the tax you pay may go up and down through your life, we're going to use Revenue Jersey's tax calculator.

Get into pairs / either work on your laptops or choose some pairs to do demonstrations on screen:

Student 1: Read the instructions for circumstances A-D

Student 2: Complete the instructions on screen

TASK

Go to gov.je/TaxCalculator. You'll always have a few initial settings to check on the calculator before you enter your income:

Tax Calculator

Select the year

2024 2025

Number of full days in Jersey

From: 01/01/2025 To: 31/12/2025 Reset dates: Reset

Select how you'd like to enter your figures

Total Monthly Weekly

Are you married or in a Civil Partnership?

Yes No

- 1. Select the right year** you want to get an estimate for. This is important as the personal allowances usually change each year, so it will affect how accurate the results are.
- 2. Number of days in Jersey** – unless you've just moved into the island, you won't need to touch this – even if you're at Uni you still would be classed as fully resident in Jersey.
- 3. How you want to enter your figures** – usually easier to do a total for the year so leave as it is.
- 4. Marital status** – which does affect your liability for a couple of allowances.

A

Early career salary – simple

- Type or use the slider to enter an income of £35,000.
- You can see there are other sections here, we will look at them later, but for now we're using the calculator to compare standard and marginal rate.

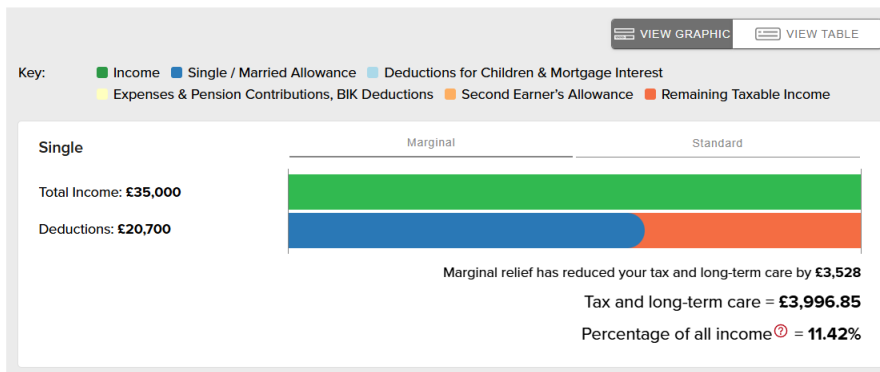
Are you married or in a Civil Partnership?
 Yes No

Your income

Salary income

Use sliders or enter your figures in the boxes.

- Scroll down the calculator to see the tax result in the table.



- The green bar represents your total income before allowances and deductions.
- The multi-coloured bar below shows the portion of your income that is taxable to the right, in orange.
- From the left going across, you can see the allowances and deductions that have reduced how much of your income you have to pay tax on.
- Look at the **Key** to see which allowance etc the different colours represent.
- Roll across the bar and you can see how much £ each of the allowances etc are.



B Single with child

- Scroll back up slightly, under optional questions answer **Yes** to 'dependent children'.
- Enter 1 child.
- Tick the reduce allowances box, this is so you can share the allowance with your child's other parent.
- If you are using the 2025 allowance year, you'd enter 1360, and then 2625, to claim half.

Do you have dependent children? Yes No

Number of children:

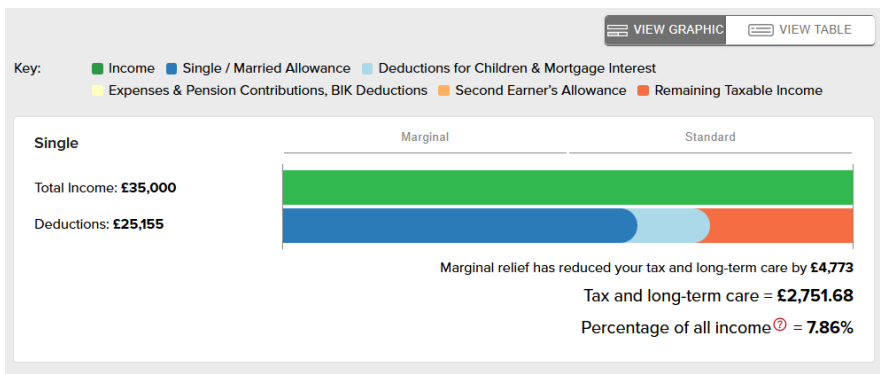
Reduce child allowances

Child allowance:

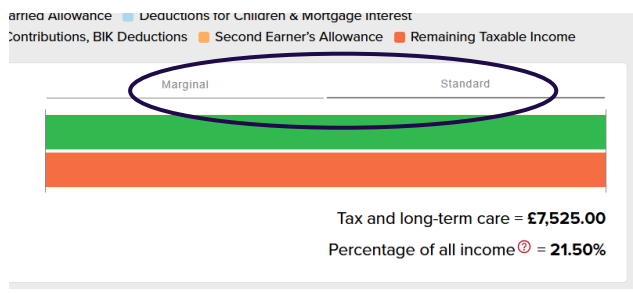
Additional allowance:

If there is a partner you share allowances with, you would generally halve them, so you both can pay a bit less tax.

- Scroll back down and look at the tax.
- Note the reduction that the claim for a child as a **single** parent makes to the tax. You can see the extra allowance reducing your remaining taxable income (the bit in orange).




To compare standard and marginal is simple, click the words in grey just above the coloured bars:






C Higher Income and children

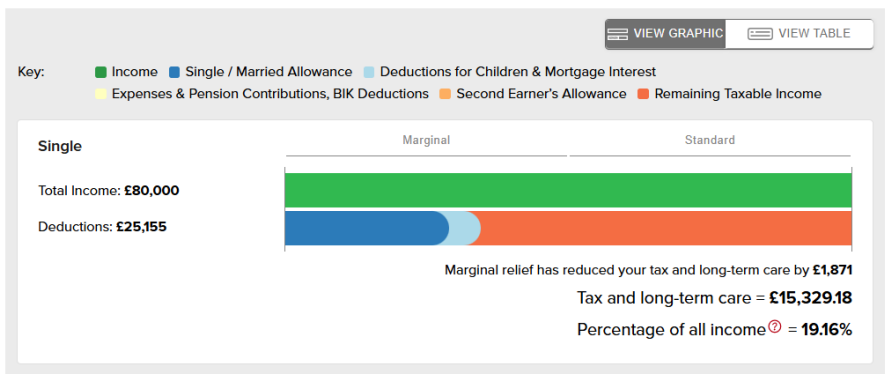
→ Now try increasing the income to £80,000.

Your income 

Use sliders or enter your figures in the boxes.

Salary income 

→ Scroll down to see the results:



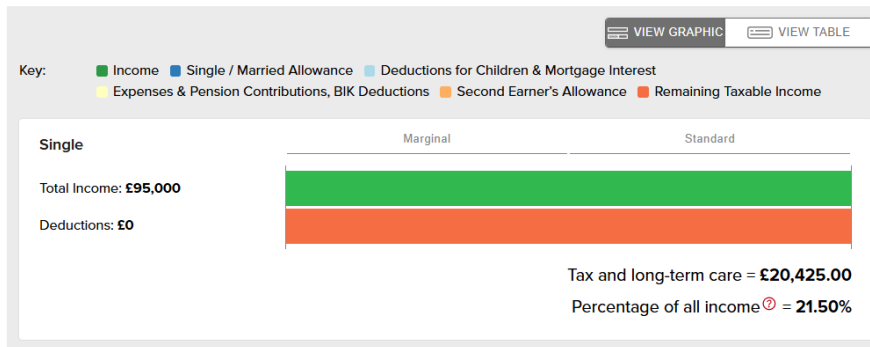
→ It's now **JUST** switched back to marginal – 26% tax (plus LTC) on what's left over after your allowances and reliefs, you are close now to paying standard though, 19.16%.

D Your child grown up, and salary increase

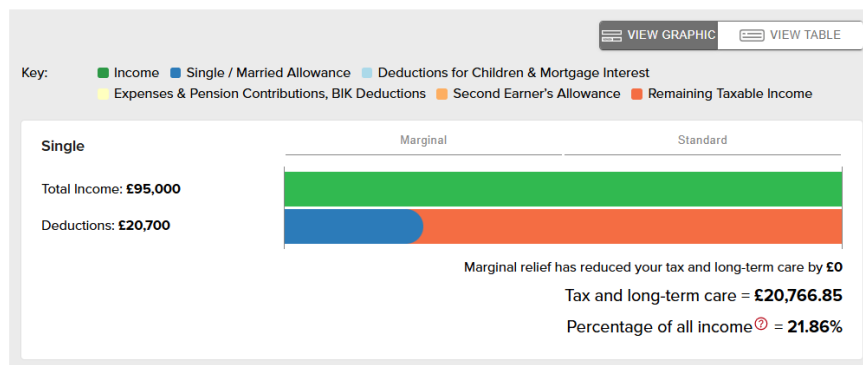
→ Change no. of dependent children 0

Number of children

- Back close to the top of the screen, set salary to £95,000
- View the table.
- It has switched to **standard rate**, you finally hit it, you can tell, as you now have no allowances and reliefs showing.



→ But check what you'd pay in marginal.



→ It's not by much, less than £300 in it – even on £95,000. So you can see, you really have to be earning a lot to pay marginal rate. But it is possible.