



Freephone

0800 915 4604

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Personal Allowances	2023/2024£	2022/2023£
Personal allowance (1)	12,570	12,570
Income Limit For Personal Allowance (Born after 5 April 1948)	100,000	100,000
Income Limit for Personal Allowance (Born before 6 April 1948)	31,400	31,400
Income Limit for Married couples allowance (2)	31,400	31,400
Married couples allowance (maximum allowance)	10375	9415
Married couples allowance (minimum allowance) (3)	4010	3640
Blind Person's Allowance	2870	2600

(1) Since 2016/17 everyone is entitled to the same personal allowance and income limit, irrespective of age.

(2) These allowances reduce where the income is above the income limit by £1 for every £2 of income above the £31,400 limit.

(3) Tax relief for the Married Couple's Allowance is given at the rate of 10 percent. Available to a qualifying individual born before 6th April 1935 or over

Income Tax Rates and Bands		2023/24£	2022/2023£
Basic rate	20%	0 - 37,700	0 - 37,700
Higher rate	40%	37,700 – 125,140	37,701-150,000
Additional rate	45%	Over 125,140	Over 150,000



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National Insurance Contributions for Sole Traders		2023/24£	2022/23£
Class 2		3.45 per week	3.15 per week
Class 2	Earnings Exception Limit	12,570 per annum	6725 per annum
Class 4	Lower profits limit	12,570 per annum	11908 per annum
	Upper profits limit	50,270 per annum	50,270 per annum
	Rate between upper and lower profits limit	9%	10.25
	Rate above upper profits limit	2%	3.25

TAX SHEET 2023/24

Calculation of estimated monthly tax 2023/24 (£)

This can be used as a guide to how much you need to put aside for tax and national insurance within your business and household budget. There is an example on page 3/4 of this fact sheet. There is no provision for Additional Rate if income is greater than £125,140 (taxed at 45%) - please speak to an accountant.			
Your monthly business income or 'drawings'		A	
Multiply by 12 to get the annual figure		B	
Tax allowance (refer to personal allowances)		C	
Taxable amount (B-C)		D	
First £37,700 of D x 20%		E	
D - £37,700 (if answer is greater than 0) x 40%		F	
E + F = estimated tax liability		G	
Divide G by 12 to get monthly amount		H	
The calculated figure in H is your 'estimated monthly Income tax amount'			
Calculation of estimated National Insurance Contributions 2023/24(£)			
Class 2 - Use a flat-rate of £3.45 per week (£14.95 per month) for your class 2 National Insurance figure.			
Class 4			
1	Figure B from the tax calculation table above (If above the maximum of £50,270 then insert £50,270)		I
2	Less £12,570		J

3	$J \times 9\%$ = rate payable between upper and lower limits		K
4	Figure B from above minus £50,270 (if figure is less than 0 insert 0)		L
5	$L \times 2\%$ = rate payable above upper limit		M
6	$K + M$ = total annual class 4 contributions		N
7	Divide N by 12 to get monthly amount		O
The calculated figure in O is your 'estimated monthly National Insurance Class 4 amount'			

TAX SHEET 2023/24

This is an example of the calculation for tax and national insurance where you have worked through your business budget and your monthly drawings is £3,950.

1	Your monthly business income or 'drawings'	3,950	A
2	Multiply by 12 to get the annual figure	47,400	B
3	Tax allowance (refer to personal allowances)	12570	C
4	Taxable amount (B-C)	34830	D
5	First - £37,700 of D x 20% (£34,830 X20%)	6966	E
6	D - £37,700 (if answer is greater than 0) x 40%	0	F
7	$E + F$ = estimated tax liability	6966	G
8	Divide G by 12 to get monthly amount	580.50	H

The calculated figure in H of £580.50 is your 'estimated monthly Income tax amount'



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Calculation of estimated National Insurance Contributions 2023/24(£)

Class 2

Use a flat-rate of £3.45 per week (£14.95 per month) for your class 2 National Insurance figure.

To calculate your class 4 National Insurance liability, you can use the guide below.

Class 4			
1	Figure B from above (If above the maximum of £50,270 then insert -£50,270)	47,400	I
2	Less £12,570	34,830	J
3	J x 9% = rate payable between upper and lower limits	3,134.70	K
4	Figure B from above minus £50,270 (if less than 0 insert 0)	Nil	L
5	L x 2%= rate payable above upper limit	Nil	M
6	K + M = total annual class 4 contributions	3,134.70	N
7	Divide N by 12 to get monthly amount	261.23	O

The calculated figure in O of £261.23 is your 'estimated monthly National Insurance Class 4 amount'

TAX SHEET 2023/24

Corporation Tax	2023/24	2022/23
Small profits rate £0 – £50,000	19%	19%
Main Rate £50,000-250,000	25%	19%

Value Added Tax (VAT)	2023/2024	2022/23
Standard Rate	20%	20%
Reduced Rate	5%	5%



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Zero Rate	0%	0%
Registration Level	85,000	85,000
De-registration	83,000	83,000

National Insurance Contributions Class 1	2023/2024	2022/23
Directors and employees		
Lower earnings limit primary Class 1	£123 per week	£123 per week
Upper earnings limit primary Class 1	£967 per week	£967 per week
Primary threshold	£242 per week	£242 per week
Secondary threshold	£175 per week	£175 per week
Rates		
Class 1 rate between primary threshold and upper	12%	13.25%
Class 1 rate above upper earnings limit	2%	3.25%
Class 1A rate on employer provided benefits	13.8%	15.05%
Employers rates		
Secondary class 1 rate above second threshold	13.8%	13.8%

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