

TAX AND NI ON SALARIES 2020/21

The table below shows the position for director shareholders taking a low salary from their company to minimise tax and NI liabilities for 2020/21

	<u>Allowances and thresholds</u>	<u>Director's annual salary</u>		
		£12,500	£9,500	£8,788
Personal allowance	£12,500			
NI primary threshold	£9,500			
NI secondary threshold	£8,788			
employment allowance	£3,000			
Director's tax payable		-	-	-
Director's NI payable		£360	-	-
Employers' NI payable		£512	£98	-
Director's net pay		£12,140	£9,500	£8,788
Net cost of salary to company before tax relief if the employment allowance applies		£12,500	£9,500	£8,788
Net cost of salary to company before tax relief if the employment allowance does not apply		£13,012	£9,598	£8,788