

P60 analysis

Perplexity.ai

Source: <https://www.perplexity.ai/search/if-i-am-a-uk-taxpayer-with-a-n-kDtCRmN5SkaTADoOS2kUYA>

Overview

This analysis covers four consecutive tax years, providing insights into the changes in gross pay, tax deductions, and National Insurance contributions.

Gross Pay and Deductions

Tax Year	Gross Pay (£)	Tax Deducted (£)	NI Contributions (£)
2019-2020	75,000.00	16,620.00	4,914.00
2020-2021	75,000.00	16,620.00	4,942.56
2021-2022	75,000.00	16,620.00	4,316.04
2022-2023	77,625.00	17,945.00	4,545.12

Year-on-Year Changes

Table 2: Year-on-Year Percentage Changes

Tax Year	Gross Pay Change (%)	Tax Change (%)	NI Change (%)
2020-2021	0.0	0.00	0.58
2021-2022	0.0	0.00	-12.68
2022-2023	3.5	7.97	5.31

Key Observations

1. Gross Pay:

- Remained constant at £75,000.00 for three consecutive years.
- Increased by 3.5% in 2022-2023 to £77,625.00.

2. Tax Deductions:

- Stable at £16,620.00 for three years.
- Increased by 7.97% in 2022-2023, outpacing the gross pay increase.

3. National Insurance Contributions:

- Showed fluctuations over the years.
- Notably decreased by 12.68% in 2021-2022 before increasing again in 2022-2023.

Analysis

1. **Income Stability:** Your gross pay remained stable for three years, indicating a consistent income level. The 3.5% increase in 2022-2023 suggests a positive change, potentially due to a raise or additional responsibilities.
2. **Tax Burden:** The significant increase in tax deductions (7.97%) in 2022-2023, compared to the 3.5% gross pay increase, indicates you may have moved into a higher tax bracket for part of your income.
3. **NI Contributions:** The fluctuations in NI contributions, especially the decrease in 2021-2022, could be due to changes in NI thresholds or rates. The subsequent increase in 2022-2023 aligns with the rise in gross pay.
4. **Overall Trend:** The data shows a pattern of stability followed by growth in the most recent tax year. This suggests a positive trajectory in your earnings, albeit with a proportionally higher increase in deductions.

Conclusion

Your financial situation, as reflected in these P60s, shows stability with recent growth. The increase in gross pay in 2022-2023 is a positive sign, though it's accompanied by higher deductions. This pattern is typical as income rises, often resulting in a higher proportion of earnings being subject to tax and NI contributions.