

A table to show the total tax paid in 2016-17 when a director extracts the available profits of £50,000 by a series of different mixes of salary and dividends.

	Net Profits	Salary	PAYE Paid	Ees Paid	Net Pay	Ers Paid	Profits post Salary	Corp Tax Payable	Profits Avail for Div	Salary Rec'd	Dividends Rec'd	Additional Tax Paid	Total Tax Paid	Net Income Rec'd
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Net Profits of £50,000 taken out by:														
[No £3,000 Employers Allowance]														
£45,000 Salary + £nil Dividends	50,000	45,000	7,196	4,233	33,571	5,091	0	0	0	45,000	0	0	16,519	33,481
£25,000 Salary + Dividends	50,000	25,000	2,798	2,033	20,169	2,331	22,669	4,534	18,135	25,000	18,135	1,021	12,716	37,284
£13,104 Salary + Dividends	50,000	13,104	419	605	12,080	689	36,207	7,241	28,966	13,104	28,966	1,799	10,754	39,246
£11,000 Salary + Dividends	50,000	11,000	0	353	10,647	399	38,601	7,720	30,881	11,000	30,881	1,941	10,413	39,587
£nil Salary + Dividends	50,000	0	0	0	0	0	50,000	10,000	40,000	0	40,000	1,800	11,800	38,200
													Maximum Tax Difference	<u>4,719</u>

	Net Profits	Salary	PAYE Paid	Ees Paid	Net Pay	Ers Paid	Profits post Salary	Corp Tax Payable	Profits Avail for Div	Salary Rec'd	Dividends Rec'd	Additional Tax Paid	Total Tax Paid	Net Income Rec'd
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Net Profits of £50,000 taken out by:														
[With £3,000 Employers Allowance]														
£45,000 Salary + £nil Dividends	50,000	47,500	8,196	4,283	35,021	2,436	65	13	52	47,500	52	0	14,927	35,073
£25,000 Salary + Dividends	50,000	25,000	2,798	2,033	20,169	0	25,000	5,000	20,000	25,000	20,000	1,021	10,852	39,148
£13,104 Salary + Dividends	50,000	13,104	419	605	12,080	0	36,896	7,379	29,517	13,104	29,517	1,841	10,244	39,756
£11,000 Salary + Dividends	50,000	11,000	0	353	10,647	0	39,000	7,800	31,200	11,000	31,200	1,965	10,118	39,882
£nil Salary + Dividends	50,000	0	0	0	0	0	50,000	10,000	40,000	0	40,000	1,800	11,800	38,200
													Maximum Tax Difference	<u>3,127</u>

Both models assume a full tax allowance of £11,000 is available and no other income is applicable.