**Income Tax 2023/24**

This guide to income tax due on pension income can be used where the total gross pension income does not exceed £100,000 per annum and where there is entitlement to the full personal (tax-free) allowance of £12,570 in 2023/24.

For pension incomes in excess of £100,000 please use the gov.uk or Which? websites to calculate the income tax payable. Links to these are provided in the course.

First, there are two steps to follow:

* Which nation in the UK do you reside in?
* Which income range (as set out in the tables below) does your gross pension income fall into?

Once you have identified the appropriate gross income range the calculation of income tax due is very simple.

**England, Wales and Northern Ireland**

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| **Annual Pension Income** | **Income Tax Payable** |
| Up to £12,570 | £0 |
| Over £12,570 and up to £50,270 | Income above £12,570 x 20% e.g. if income is £30,000 then tax = £17,430 x 20% = £3,486 |
| Over £50,270 and up to £100,000 | £7,540 **plus** income above £50,270 x 40% e.g. if income is £75,000 then tax = £7,540 + (£24,730 x 40%) = £7,540 + £9,892 = £17,432 |

**Scotland**

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| **Annual Pension Income** | **Income Tax Payable** |
| Up to £12,570 | £0 |
| Over £12,570 and up to £14,732 | Income above £12,570 x 19% e.g. if income is £14,000 then tax = £1,430 x 19% = £271.70 |
| Over £14,732 and up to £25,688 | £410.78 **plus** income above £14,732 x 20% e.g. if income is £18,000 then tax = £410.78 + (£3,268 x 20%) = £410.78 + £653.60 = £1,064.38 |
| Over £25,688 and up to £43,662 | £2,601.98 **plus** income above £25,688 x 21% e.g. if income is £35,000 then tax = £2,601.98 + (£9,312 x 21%) = £2,601.98 + £1955.52 = £4,557.50 |
| Over £43,662 and up to £100,000 | £6,376.52 **plus** income above £43,662 x 42% e.g. if income is £75,000 then tax = £6,376.52 + (£31,338 x 42%) = £6,376.52 + £13,161.96 = £19,538.48 |