

Five Point Quiz

1. What is the highest rate of 'tax' in the UK?
2. Take a family with 2 children (for the purposes of this illustration it is a single-earner family with the father as breadwinner, mother at home caring for 2 children under 4). The father has a median wage which is approx £33,000, they rent a small three-bed house. The family need a car (the grandmother is getting old and needs to be visited more often) and they work out that to meet the purchase, running and maintenance costs of a car the father needs to bring in an extra £3k a year. The father decides he can work extra hours to bring home extra income but how much will he have to earn gross to bring home £3k net?
3. What is the highest income level a family can access UC a) if they are renting and have 3 children b) if they have a mortgage and have 3 children?
4. Let's take another family. Again a one-earner family. Father (main breadwinner) is a Head of Department at a secondary school earning £50k salary, mother at home looking after 3 children. He has been offered a promotion as Deputy Head at another school a bit further away. He will have extra responsibility, have to travel further but will have a wage increase of an extra £10k. How much of that £10k increase does he bring home as disposable income? What difference does it make if the mother goes out to work instead?
5. Where on the income distribution does a family with 3 children on £50k lie? (Start to lose child benefit) Top 10% decile, 20%, 30%, 50% or lower?