

## **PAYE and NICs**

Zhi will have to pay PAYE and Nle of £5,724 electronically on 22 January 2017 to HMRC in respect of his two employees for the tax month running from 6 December 2016 to 5 January 2017.

This includes amounts for bonuses which Zhi was planning to pay to his two employees on 1 January 2017, but could delay payment until 10 January 2017. The bonuses are in respect of the year ended 31 December 2016, and they will be treated as being received on whichever is the date of payment.

The first employee has a gross annual salary of £20,000 and is to be paid a bonus of £1,500. The second employee has a gross annual salary of £55,000 and is to be paid a bonus of £5,000.

**(d) Calculate the amount by which Zhi's PAYE and NICs due on 22 January 2017 will be reduced if he delays the payment of employee bonuses until 10 January 2017, and state when the postponed amount will be payable.**

Note: Your calculations should be based on annual income tax and NIC thresholds.  
(3 marks)