

### Activity | Fill in the gaps using the word bank to show your understanding of deductions

When Darren gets a job as a lawyer and is told his annual salary, each month he works out his (1)..... by taking his total annual salary and dividing it by 12. There are then several (2)....., which are amounts of money taken away from gross pay. The biggest deduction is usually (3) ....., which is a tax that goes up the more he earns. This is known as a (4)..... This is collected and spent on things like the NHS, (5).....

Because Darren has been to university and took out a (6)....., he will need to pay chunks of this out on a monthly basis; he also chose to get a (7)....., which means he has a way of saving money for later in life.

Finally he is left with his (8)..... which is a very important number because it's the amount that comes into his bank account. He will then use this number to help him budget!

#### Wordbank

progressive tax

education and transport

deductions

monthly gross pay

net pay

pension

student loan

income tax