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Personal Incomes Statistics 2010-11

Tables 3.1-3.10



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About these statistics

This is a National Statistics publication produced by HM Revenue and Customs (HMRC). For more information on National Statistics and governance of statistics produced by public bodies please see the UK Statistics Authority website (www.statisticsauthority.gov.uk).

The tables in this publication provide detailed breakdowns of individuals liable to UK income tax (taxpayers) and their incomes using sample based estimates.

New or updated statistics in this release

2010-11 SPI

Table 3.1

Feedback received from the user survey of Personal Incomes Statistics showed that users would like extra percentile points added to Table 3.1. As a result, an extra table, 3.1a, including more percentile points is available at: <http://www.hmrc.gov.uk/statistics/income-by-year/table3-1a.xls>

Note this extra table is not available in Annex A as part of this release.

Results from the user survey and HMRC's response are available at: <http://www.hmrc.gov.uk/statistics/personal-incomes/survey2010-11.pdf>

Table 3.4

A new marginal tax rate has been added onto the table 3.4 to reflect the change of legislation. The additional rate of tax was introduced in April 2010.

Tables 3.11 to 3.15a for 2010-11 will be published in January 2013.

2011-12 SPI

National Statistics from SPI survey data for 2011-12 are scheduled to be released in December 2013 and January 2014. In accordance with the Code of Practice for Official Statistics, the exact date of publication will be given not less than one calendar month before publication on both the HMRC website and Office for National Statistics publication hub.

Delay to the 2008-09 SPI

The 2008-09 SPI is still unavailable but HMRC remains committed to producing the 2008-09 SPI and National Statistics tables 3.1 to 3.15a for 2008-09 and will announce their publication dates as soon as they have been confirmed.

SECTION 1: Introduction and background information

What is the Survey of Personal Incomes?

The Survey of Personal Incomes (SPI) is based on information held by HMRC on individuals who could be liable to UK income tax. It is carried out annually by HMRC and covers income assessable to tax for each tax year.

Uses of the SPI

The SPI is compiled to provide a quantified evidence base from which to cost proposed changes to tax rates, personal allowances and other tax reliefs for Treasury Ministers. It is used to inform policy decisions within HMRC and the Treasury, as well as for tax modelling and forecasting purposes. In addition, it is used to provide summary information for the National Accounts that are prepared by the Office for National Statistics. Finally, it is used to provide information to Members of Parliament, other Government Departments, companies, organisations and individuals.

Sample Design

HMRC holds information about individuals who could be liable to UK income tax in three operational computer systems.

1. The National Insurance and PAYE Service (NPS) system covers all employees and occupational pension recipients with a Pay-As-You-Earn (PAYE) record. NPS replaced the Computerisation of PAYE (COP) system. The 2010-11 SPI is the second SPI produced using data sourced from NPS. The 2008-09 SPI will use NPS data when compiled.
2. The Computerised Environment for Self Assessment (CESA) system covers people with self-employment, rental or untaxed investment income. It also covers directors, those subject to higher rate tax and other people with complex tax affairs. Where people have both NPS and CESA records, their CESA record is selected because it provides a more complete picture of their taxable income.
3. The Claims system covers people without NPS or CESA records who have had too much tax deducted at source and claim a repayment.

Separate samples are drawn from each of these systems and then joined together to create the SPI.

For more information about how the SPI is constructed, its coverage and methodological changes from previous SPIs, please see Annex B.

What does this publication tell me?

All the statistics in this publication provide detailed information on individuals liable to UK income tax and their incomes, including gender, age, income source, income by source and tax distribution.

Tables are based on a sample of administrative data for the relevant tax year. Tax liabilities are modelled using the HM Revenue and Customs Personal Tax Model. Methods used to calculate income tax liabilities are described in Annex B of the latest Income Tax Liabilities Statistics bulletin available at: <http://www.hmrc.gov.uk/statistics/tax-statistics/liabilities.pdf>

Who might be interested?

These tables would be of interest to policy makers in government, academics, journalists, 'think-tanks' and other research bodies. They would be of use to individuals or organisations interested in the distributions of numbers and amounts of personal incomes, for example by taxpayer marginal rate or income band. Users may also like to view the tables on Income Tax Liabilities which are available at: <http://www.hmrc.gov.uk/statistics/tax-statistics.htm>

User engagement

We are committed to providing impartial quality statistics that meet our users' needs. We encourage our users to engage with us so we can improve our official statistics and identify gaps in the statistics that we produce.

Comments or queries on these statistics can be sent to the statistical contacts named at the end of this section, or through the feedback form link below. We will review user comments on a quarterly basis and use this information to influence the development of our official statistics. We will summarise and publish user comments at regular intervals.

<http://www.hmrc.gov.uk/statistics/feedback.htm>

We also encourage users to participate in a Personal Incomes Statistics survey which can be found at the following link:

https://www.surveymonkey.com/s/Personal_Incomes

The results from the user survey held between February and May 2012 are available at:

<http://www.hmrc.gov.uk/statistics/personal-incomes/survey2010-11.pdf>

All data derived from the survey are the property of HM Revenue & Customs, not the third party technology provider, and will not be divulged or shared with any third parties. Some data may be disclosed in response to a Freedom of Information request, but any personal data will be protected in accordance with our obligations under the Data Protection Act.

Publication and revision strategy

These statistics are published annually, usually in December/January. Release dates will be announced on the UK Statistics Hub and the HMRC National Statistics website ([Scheduled updates](#)).

Any delays to the publication date will be announced on the HMRC National Statistics website ([Announcements](#)).

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Any media enquiries should be directed to the HMRC Press Office contacts listed on the front page of this release.

SECTION 2: Personal Incomes statistics

The statistics in Section 2 provide analyses of the incomes of UK taxpayers and the income tax to which they are liable for the 2010-11 tax year based on tables 3.1 to 3.10 in Annex A. These tables are derived from the annual Survey of Personal Incomes where the latest tax year is 2010-11. Data sources and methods are described in more detail in Annex B.

Summary of key statistics

The key findings for 2010-11:

- There were 31.3 million individual income taxpayers; 17.4 million were male and 13.8 million were female. (Table 3.2)
- Total income was approximately £857 billion and the total tax liabilities were around £152 billion. (Table 3.3)
- Of the 31.3 million taxpayers, 87% (27.1 million taxpayers) were liable at the basic rate, 10% (3.0 million taxpayers) liable at the higher rate, 2% (0.6 million taxpayers) liable at the “savers” rate and 1% were liable at each of the starting rate (0.3 million taxpayers) and additional rate (0.2 million taxpayers). (Table 3.4)
- Total income comprises earned income and investment income, of which: (Table 3.5 and 3.6)
 - Self employment income: £72.5 billion (8%)
 - Employment income £616.0 billion (72%)
 - Pension income £110.0 billion (13%)
 - Investment income £58.6 billion (7%)

Compared to 2009-10:

- The total number of taxpayers has risen by 0.7 million; males are up by 0.3 million and females by 0.3 million.
- Taxpayers’ total income has fallen by £12 billion and total tax has fallen by £2 billion.
- The average amount of total income has fallen by £1,000 and the average amount of total tax has fallen by £180.

Individual figures have been rounded independently to three significant figures. Therefore, the sum of component items may not necessarily add to the totals shown.

Table 3.1 – Percentile points for total income before and after tax, 1992-93 to 2010-11

Taxpayers only

This table shows how the income distribution of individual taxpayers has changed over time.

For total income before and after tax, it shows the median value, such that as many taxpayers have a higher value as a lower value, the interquartile range (from 1999-00 onwards, the 25th percentile to 75th percentile) and the values for the upper and lower 1%, 5% and 10% of the taxpayer population.

Figure 2.1 shows that median income before tax increased every year between 1992-93 and 2009-10, from £11,500 to £19,600 before falling in 2010-11 by 1% from £19,600 to £19,500.

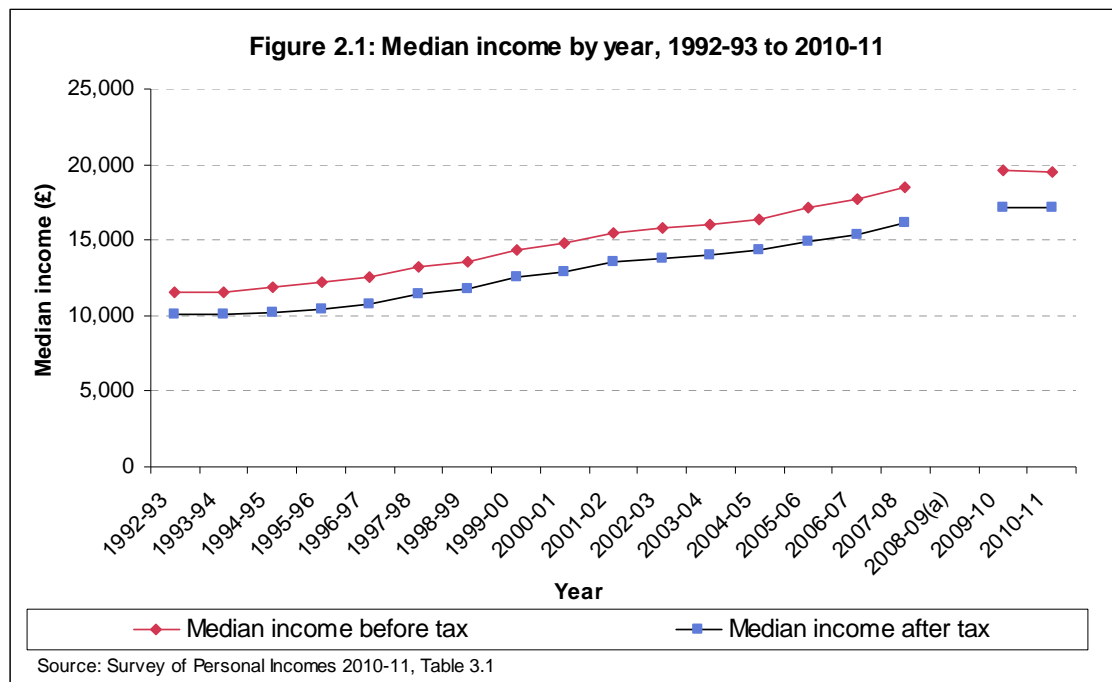


Figure 2.2 illustrates the incomes of taxpayers at the top and bottom of the income distribution. The income level of 99th percentile has increased 123% from £62,800 in 1992-93 to £140,000 in 2010-11. For those at the 1st percentile, income has increased 85% over the same period, from £3,630 to £6,730 while the personal allowance increased 88% from £3,445 to £6,475. Median income has increased 70% from £11,500 to £19,500.

With the exception of the 75th percentile which has remained constant, all percentiles of income in Table 3.1 have fallen between 2009-10 and 2010-11. This is the first year that none of the percentiles of total income for taxpayers has increased since 1992-93. Taxpayer numbers have increased from 30.6 million in 2009-10 to 31.3 million in 2010-11, this reflects year on year changes to the actual level of incomes in the UK economy, the freezing of the personal allowance between 2009-10 and 2010-11 and an enhancement to the SPI imputation methodology for bank and building society interest to reflect better the numbers and levels of savings income among the lowest income taxpayers.

The freezing of the personal allowance for 2010-11 at the 2009-10 level and the enhancement to the SPI imputation methodology will both lead to more taxpayers in 2010-11, with the increased numbers being observed at the lower end of the income distribution. This would have an effect of reducing percentile point values for total income in Table 3.1. The size of each of these effects has not been estimated as part of this statistical release.

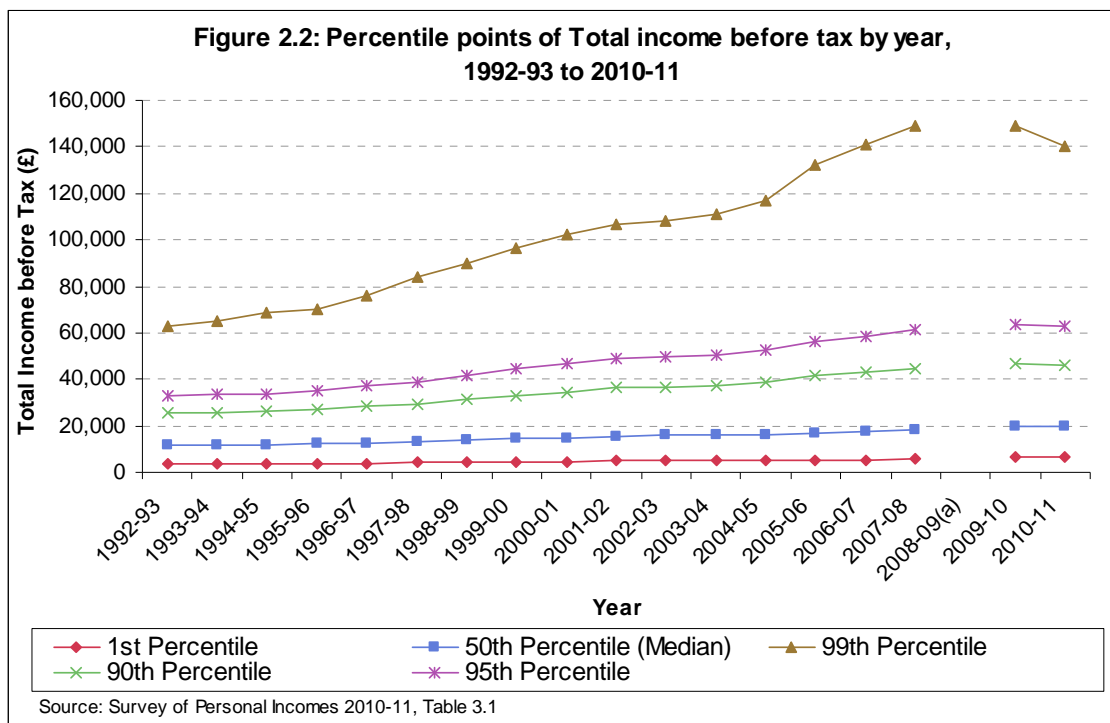


Figure 2.3 shows that in 2010-11, 10% of taxpayers have an income before tax of less than £9,350, while the median income is £19,500. At the upper end of the distribution, 10% of taxpayers have an income before tax of more than £46,300.

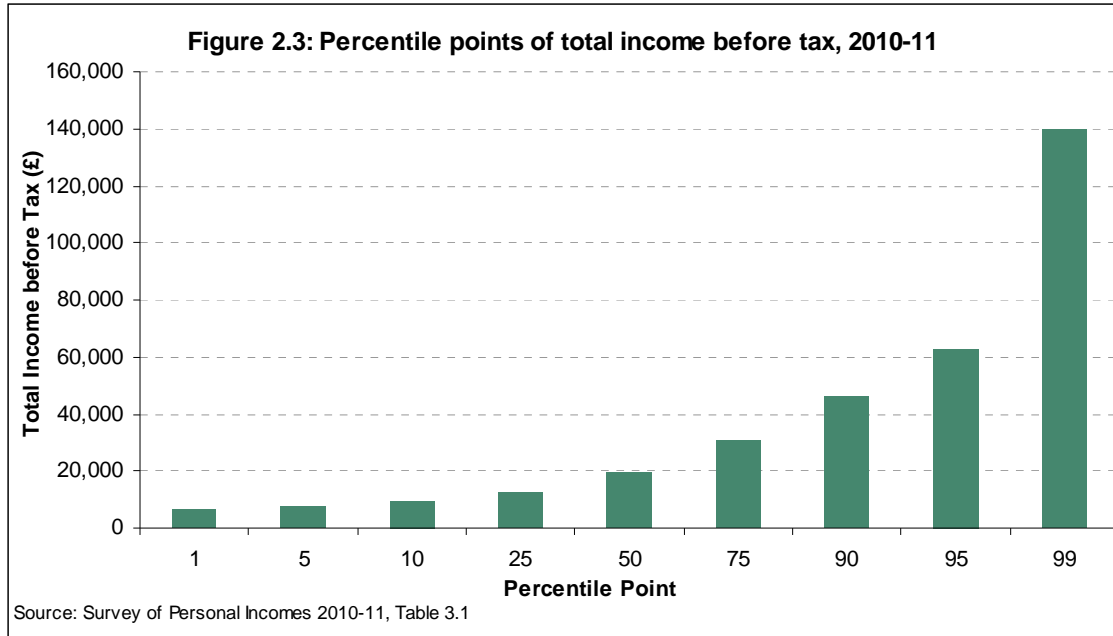


Table 3.1a, Percentile points from 1 to 99 for total income before and after tax, 1999-00 to 2010-11 is available at:

<http://www.hmrc.gov.uk/statistics/income-by-year/table3-1a.xls>

Table 3.2 – Distribution of median and mean income and tax by age range and gender, 2010-11
Taxpayers only

This table provides estimates by age and gender of taxpayer numbers and the mean and median values of tax and income before tax.

Figures 2.4 and 2.5 show that there were more male than female taxpayers in every age range and males had higher median income throughout. Note that this relates to total income for the tax year and comprises earned income and investment income. The survey has no information on hours worked and alternative working patterns, e.g. part-time. Across all age ranges, median income was £22,200 for males and £16,700 for females.

Figure 2.4 shows that the number of male taxpayers peaks at the 40-44 age range for males (1.86 million) and 45-49 age range for females (1.59 million).

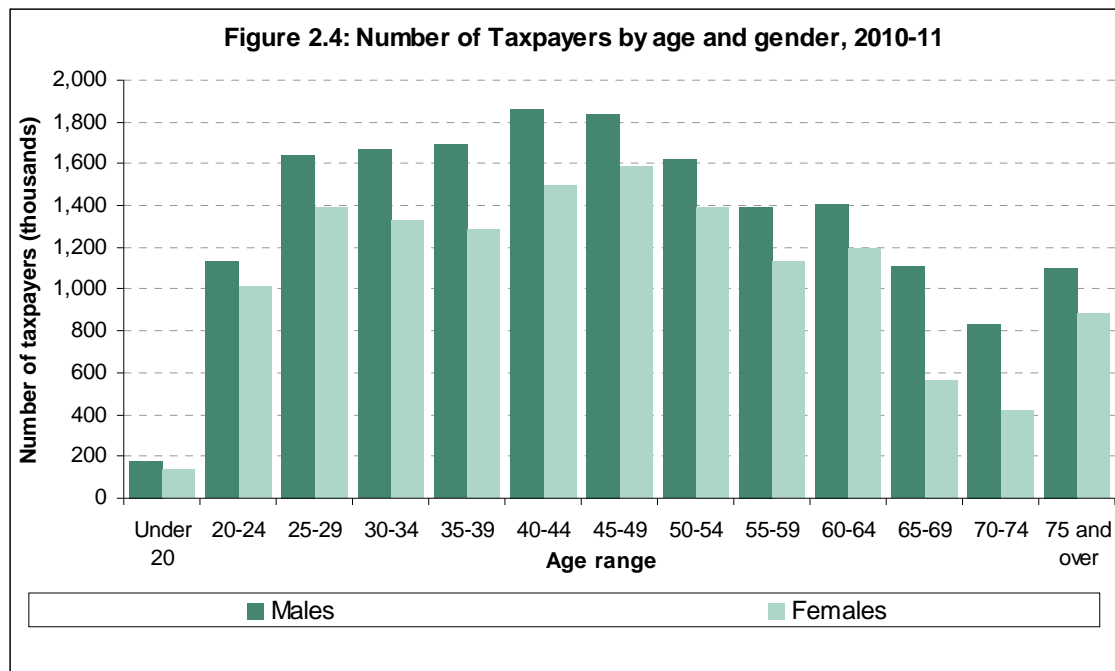


Figure 2.5 shows that male median income peaked at the 45-49 age range (£28,500), while the peak for females was reached at the 30-34 age range (£20,200).

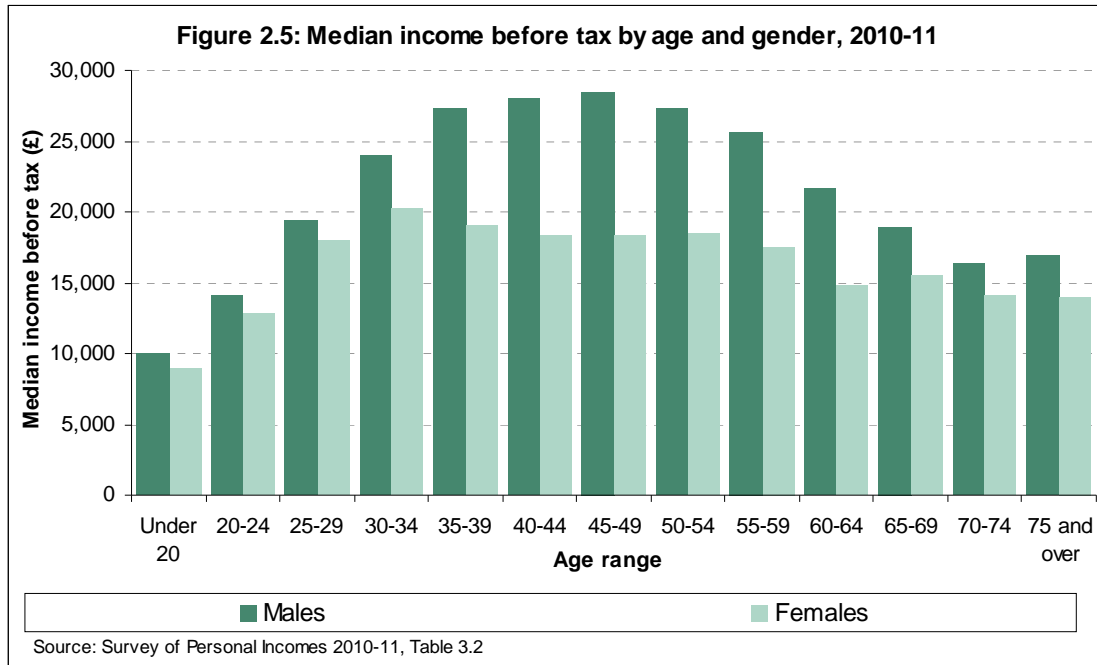


Table 3.3 – Distribution of total income before and after tax by gender, 2010-11
Taxpayers only

This table provides estimates by gender and range of total income (before and after tax) of taxpayer numbers, amounts of total income before and after tax and of total tax liabilities.

Figures 2.6, 2.7 and 2.8 show, by gender and range of total income before tax, the number of taxpayers, amount of total income before tax and amount of total tax.

They show that the relatively small number of taxpayers with total income over £50,000 account for a significant proportion of total income and an even greater proportion of total tax. More information on percentile shares of total income and tax are given in [Table 2.4](#).

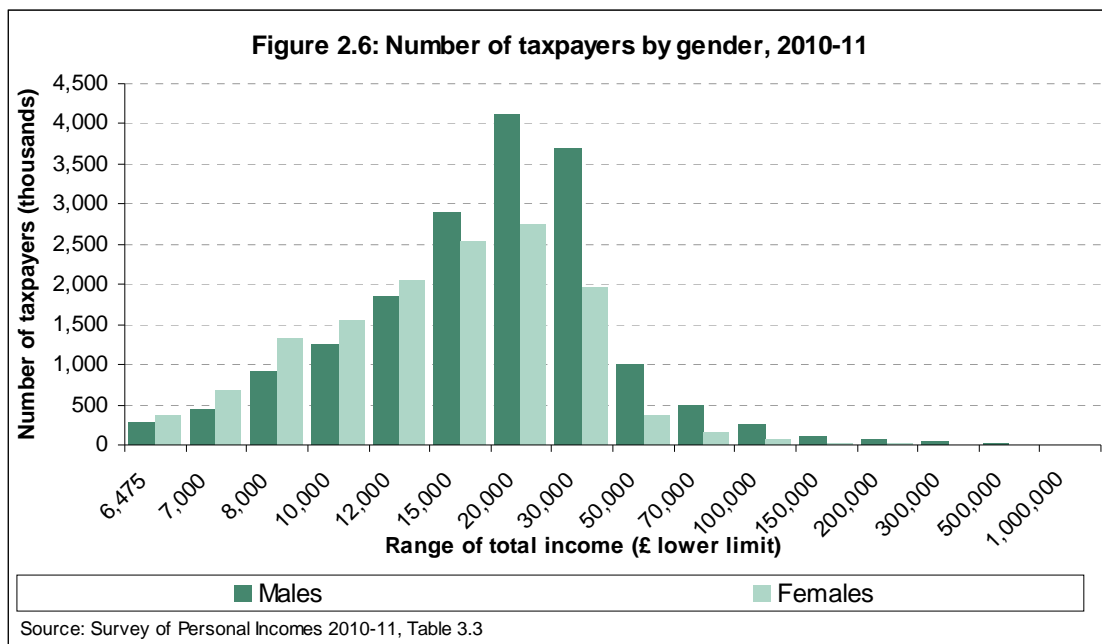
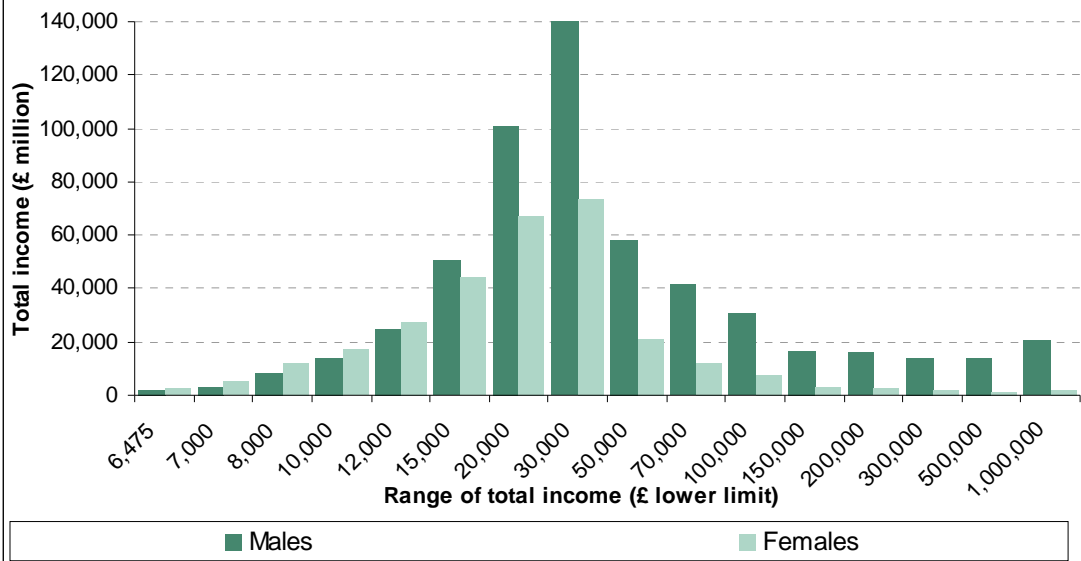
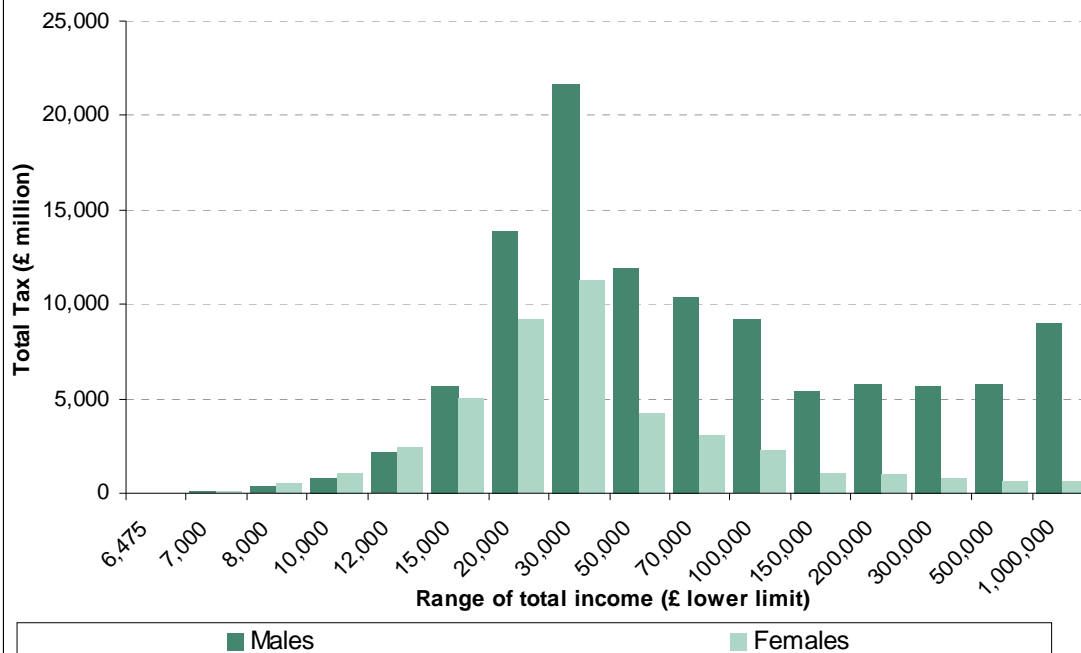


Figure 2.7: Total income before tax by gender, 2010-11



Source: Survey of Personal Incomes 2010-11, Table 3.3

Figure 2.8: Total Tax by gender, 2010-11



Source: Survey of Personal Incomes 2010-11, Table 3.3

Table 3.4 – Income tax liabilities of starting, “savers”, basic, higher and additional rate taxpayers, by largest source of income 2010-11

Taxpayers only

This table categorises taxpayers by their highest marginal rate of income tax, range of total income and largest source of income, showing the number of taxpayers and amount of tax.

Taxpayers liable at the starting rate only are taxed only on savings income up to the starting rate limit. They may also have non-savings income, but as the first slice of income to be charged to income tax, this will all have been sheltered by personal allowances, deductions and reliefs.

A new additional rate of tax was introduced in April 2010. For more information about this new marginal rate and taxpayers’ behavioural responses to it, please see Annex B of the latest Income Tax Liabilities Statistics bulletin, available at:

<http://www.hmrc.gov.uk/statistics/tax-statistics/liabilities.pdf>

Most taxpayers (27.1 million, 87%) are basic rate taxpayers and account for £68.6 billion (45%) of tax. Higher rate taxpayers (3.0 million, 10%) account for £47.7 billion (31%) of tax. Additional rate taxpayers (0.2 million, 1%) account for £34.5 billion (23%) of tax.

Figure 2.9 shows that most basic, higher and additional rate taxpayers have employment income as their largest source. For most taxpayers liable at the “savers” rate, investment income is their largest source while for taxpayers liable at the starting rate, 68% have pension income or investment income as their largest source.

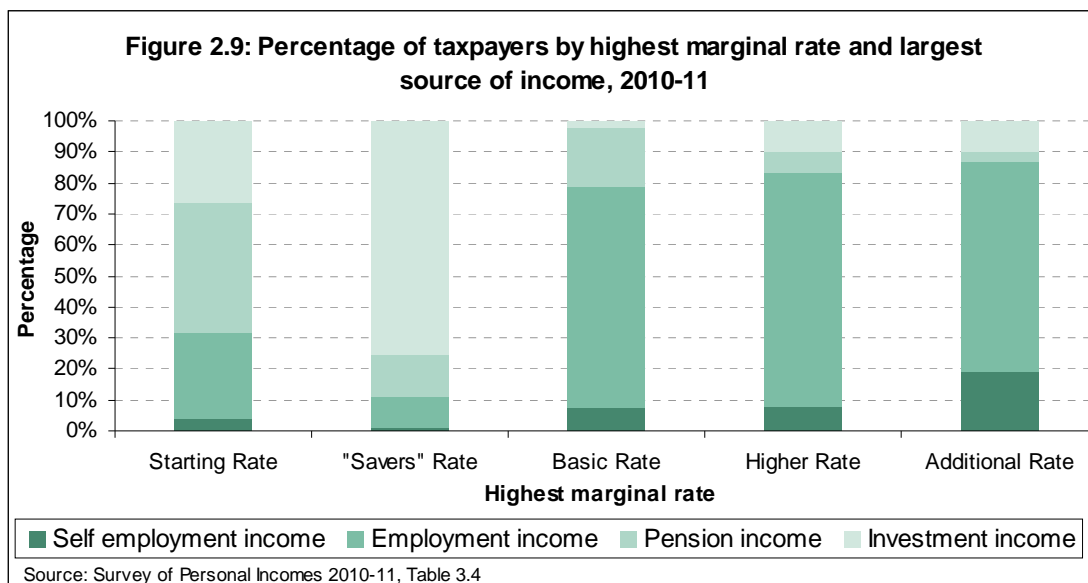


Figure 2.10 shows that among additional rate taxpayers, a higher than average proportion of tax comes from those whose main source is investment or self employment income. Among basic rate taxpayers, those with pension income as the largest source (Figure 2.9) account for proportionately less of the total tax (Figure 2.10). At the “savers” rate, almost all of the tax comes from those with investment income as the largest source. At the starting rate, the share of tax (73%) is noticeably higher than the proportion of taxpayers (28%) with investment income as the largest source.

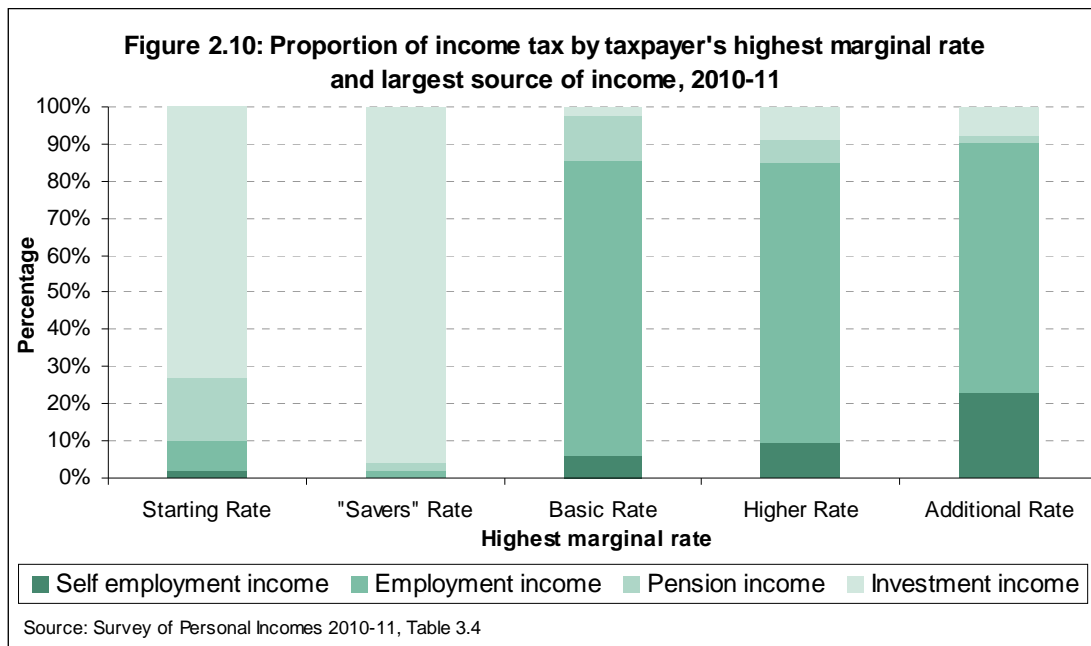


Table 3.5 – Income and deductions 2010-11
Taxpayers only

This table shows, for ranges of total income, how total income comprises earned and investment income, the levels of deductions and reliefs and personal allowances set against that income, the income tax arising and the amount of income after tax. The table also shows the ratio of tax liabilities to total income as the average rate of tax, the share of total income in each income range and the percentage of total income that is accounted for by earned/investment income and sheltered by deductions and reliefs.

Figure 2.11 shows that almost all taxpayers have some earned income and more than 70% have some investment income in each income range. At the upper end of the income distribution, more than 80% have investment income. Under 30% of taxpayers with total income below £20,000 have any deductions and reliefs and the proportion declines as income falls. In contrast, for incomes over £50,000, 80% or more taxpayers have some deductions and reliefs. For 2010-11 the personal allowance was reduced by £1 for every £2 of taxable income over £100,000 until fully withdrawn, regardless of the individual's age. Therefore not all taxpayers will have received a personal allowance.

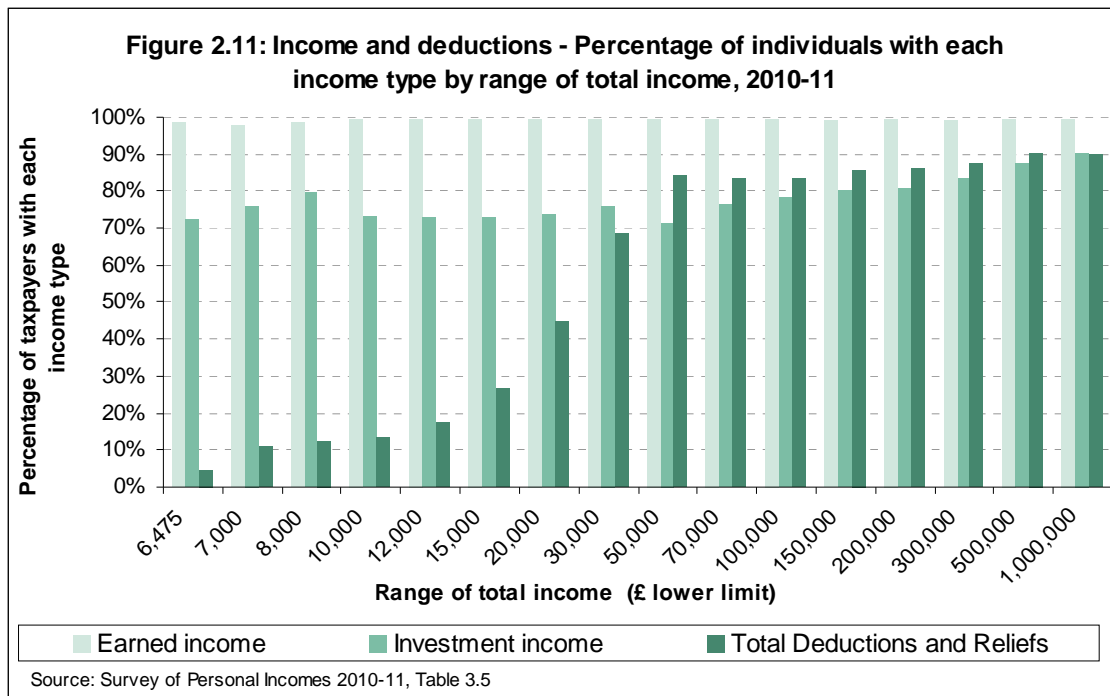


Figure 2.12 shows that earned income is the largest component of total income, but it accounts for a decreasing share as total income increases. It also shows that among the highest incomes, investment income accounts for a higher proportion of total income. The proportion of total income sheltered by deductions and reliefs is small at 3.2% on average; 1% or less for incomes under £15,000 and no more than 7.5% in the higher income ranges. The ratio of tax to total income increases with income level, reflecting higher tax rates, but will fall short of the highest marginal rate that applies to that income level due to the varying rates of income tax that apply by type of income, income sheltered by deductions and reliefs and by personal allowances.

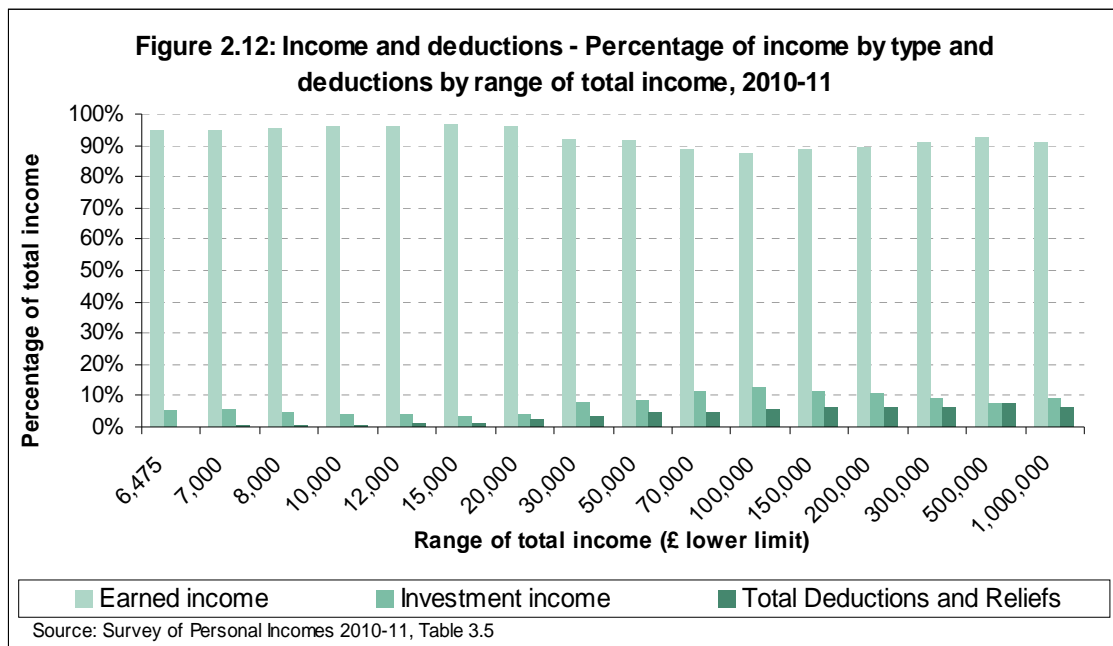


Table 3.6 – Earned income 2010-11

Taxpayers only

This table shows the types of income that comprise total earned income for taxpayers in each range of total income, the level, average amount and percentage share by type of income along with the percentage of total earned income in each total income range.

Figure 2.13 shows that in all income ranges taxpayers with earned income are most likely to have employment income, ranging from just under 60% to almost 90%.

The proportion with self employment income is around 10% for income ranges from £10,000 to £70,000 but then rises in higher income ranges to reach over 40% where total income exceeds £1 million. For income ranges below £10,000, the proportion with self employment income rises (as income falls) to over 20% in the income range from £6,475 to £7,000.

About 19% of taxpayers with earned income have National Insurance pension income and 24% have other pension income. These proportions peak for the total income range from £10,000 to £12,000 at 37% and 40% respectively, coinciding with the lowest proportion (58%) having employment income, highlighting the position of state pensioners and others with pension income within the overall taxpayer income distribution. As taxpayers can have more than one type of earned income, the proportions in Figure 2.13 can sum to more than 100%.

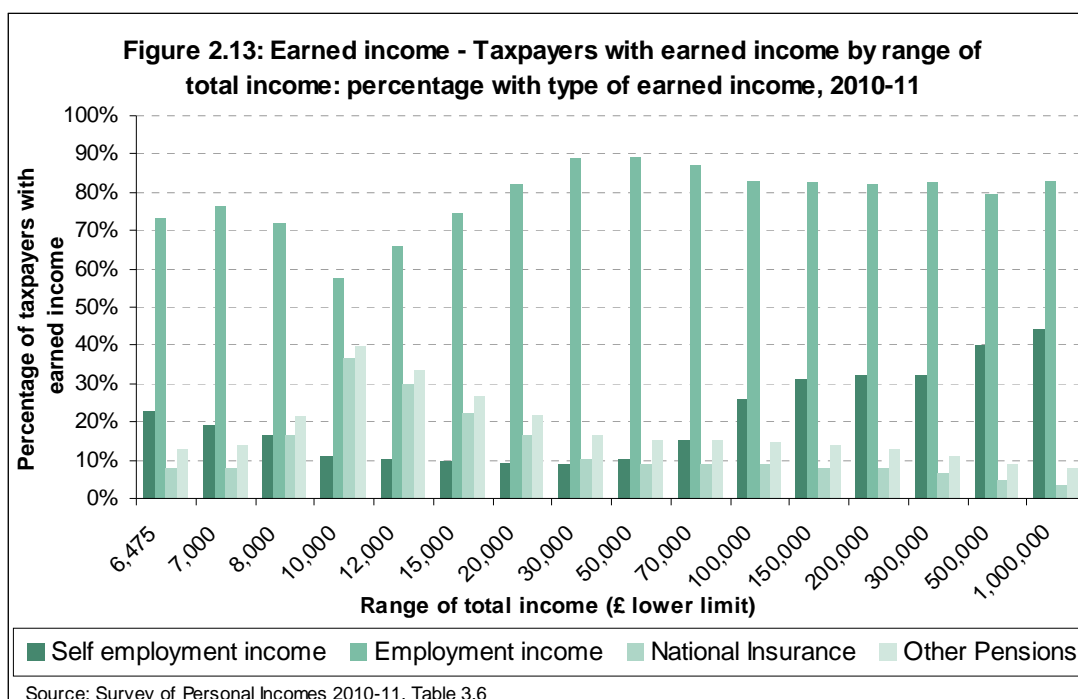


Figure 2.14 shows the percentage share of earned income attributable to the four component categories. Employment income is the largest in each income range. Pensions (National Insurance and other pensions) account for significant shares of the overall amount where total income is between £8,000 and £20,000. The share due to self employment income peaks at 30%, where total income exceeds £500,000. The share increases as total income rises from £30,000 and also rises as total income falls from £12,000 to the personal allowance.

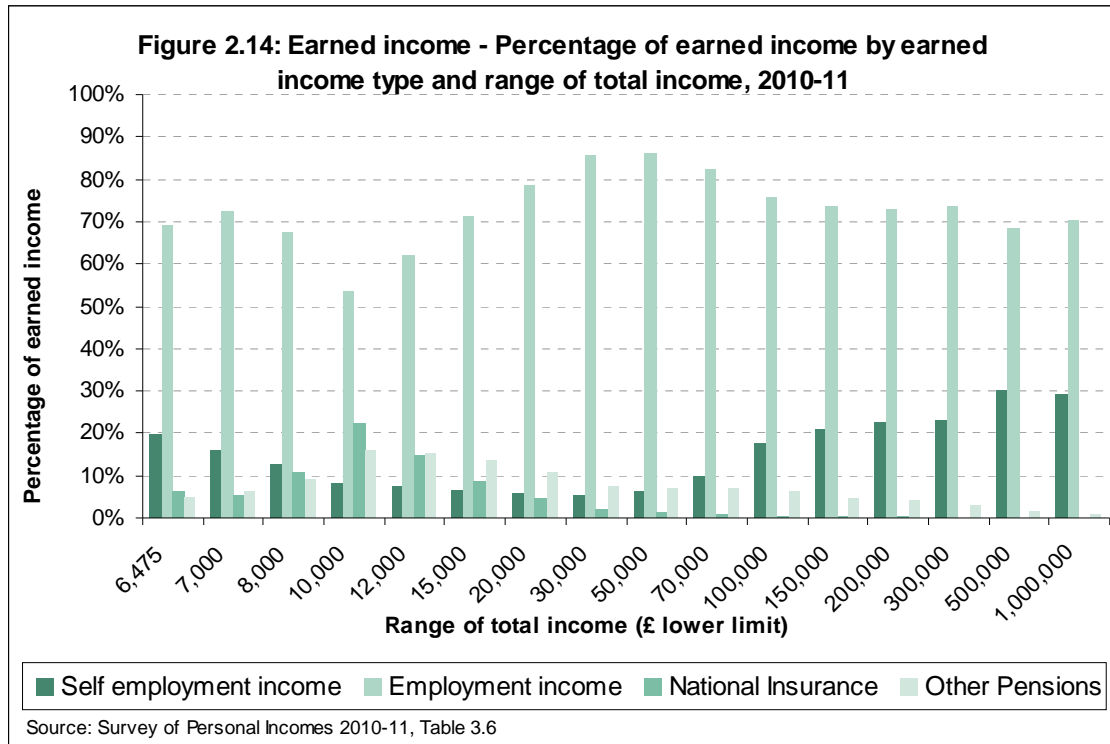


Table 3.7 – Investment income 2010-11

Taxpayers only

This table shows the types of income that comprise total investment income for taxpayers in each range of total income, the level, average amount and percentage share by type of investment income along with the share of total investment income in each range of total income.

Figure 2.15 shows that 90% or more of taxpayers with investment income have interest if their total income is less than £30,000. The proportion declines for higher levels of total income but remains above 80% throughout. Less than 20% have dividend income if their total income is less than £30,000, but for higher incomes the proportion grows to 65% or more. The proportion of individuals with property income is less than 5% in income ranges below £30,000 but rises with higher incomes to exceed 20%. Other investment income, relatively rare where total income is less than £50,000, is present in more than half of cases with total income of £500,000 or more. As taxpayers can have more than one type of investment income, the proportions can sum to more than 100%.

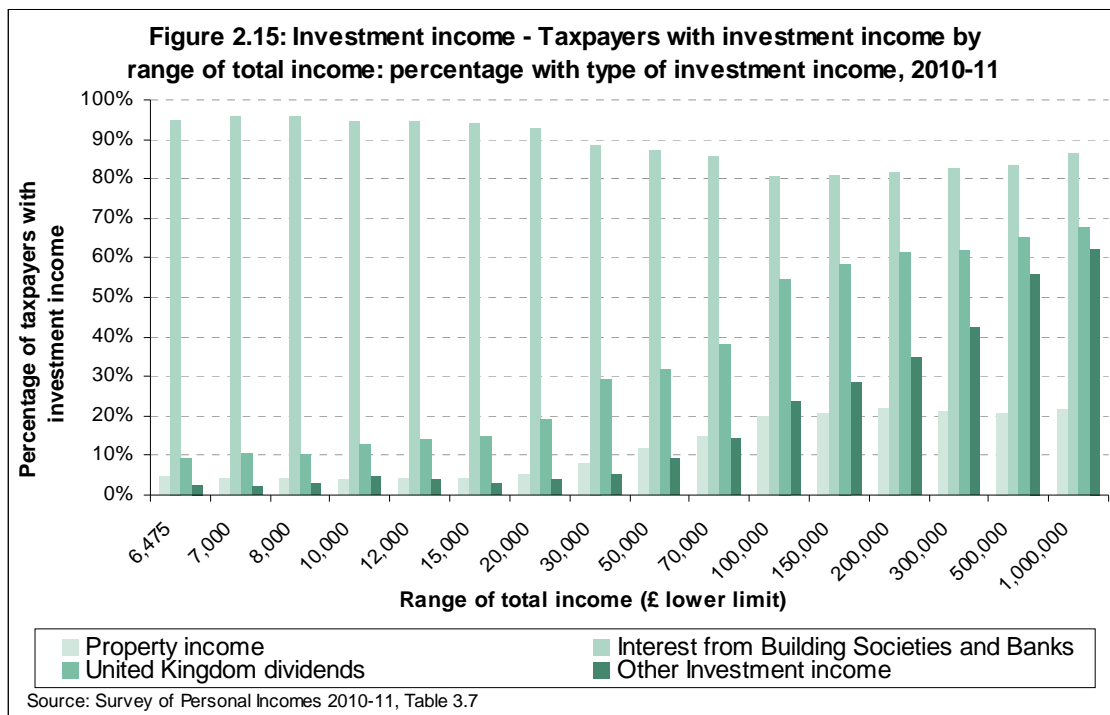


Figure 2.16 shows the percentage share of investment income attributable to each income type. For total incomes above £20,000, more than 50% of investment income is due to dividends. In contrast, for total incomes below £12,000, they account for under 30%.

Interest accounts for as much as 46% of investment income where total income is between the personal allowance and £15,000 but falls to 10% or less in the highest income ranges. Property income progressively declines as a share of investment income from more than 30% at lower income levels to 11% for total incomes of £1 million or more.

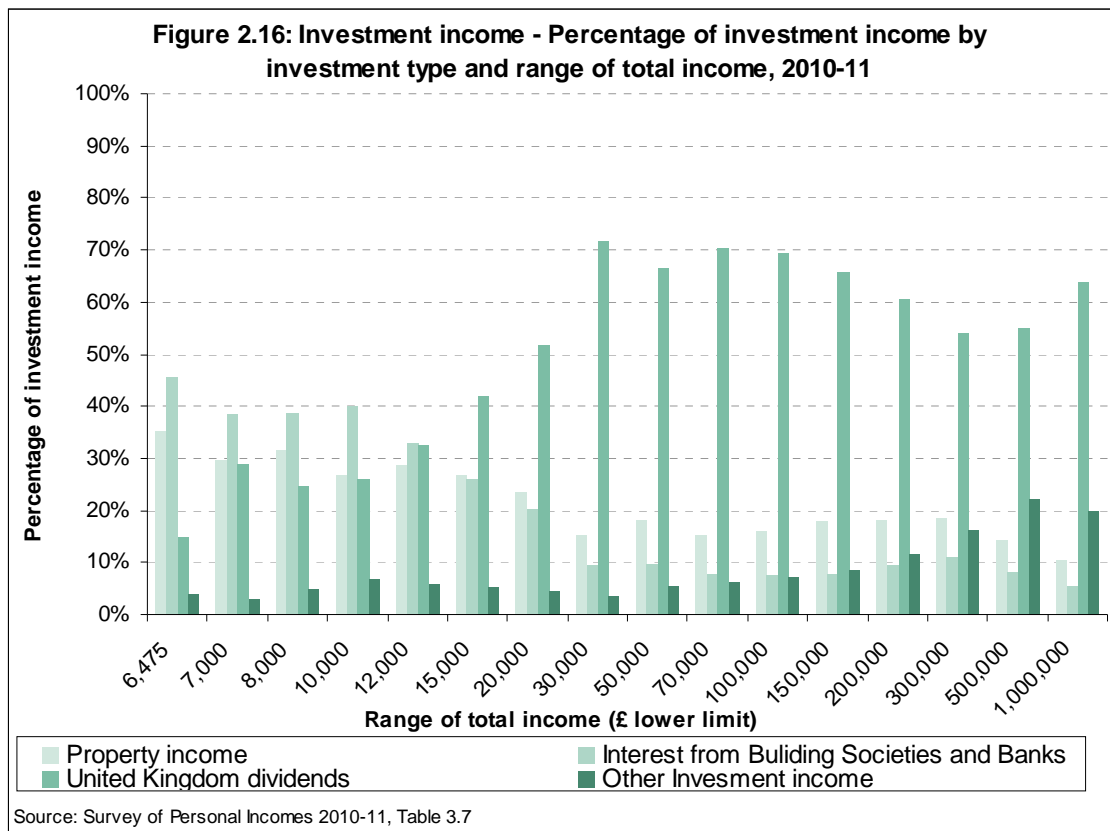


Table 3.8 – Deductions and Reliefs 2010-11

Taxpayers only

This table shows the types of deductions and reliefs set against total income by taxpayers in each range of total income.

Deductions and reliefs are the amounts deducted from total income, along with personal allowances to arrive at the amount of taxable income subject to an income tax charge. This includes amounts for contributions to occupational and personal pensions, and a variety of other deductions and reliefs including charitable giving and loss relief etc.

It shows the size and relative importance of each relief type by income range and the share of total deductions and reliefs that arise in each total income range.

Occupational and Personal Pension contributions are imputed onto the sample records for many individuals within the SPI in order to get a full estimate of total income for all cases. Consequently, distributions by total income range should be viewed as indicative (see Annex B)

Figure 2.17 shows the proportion of taxpayers with relief for contributions to occupational pensions varies across ranges of total income from 40% to 70%. The likelihood of having such a relief exceeds 50% where total income is below £50,000 or above £100,000.

The proportion of taxpayers with relief for personal pension contributions varies between 20% and just over 50%. It falls below 30% for total income below £8,000, in the income range from £20,000 to £50,000 and for incomes above £1 million.

The proportion of taxpayers with relief for other interest, charges and deductions is below 15% in income ranges below £50,000. The proportion rises steeply with income and exceeds 50% for total incomes in excess of £500,000. Taxpayers may have more than one relief type, so the proportions can sum to more than 100%.

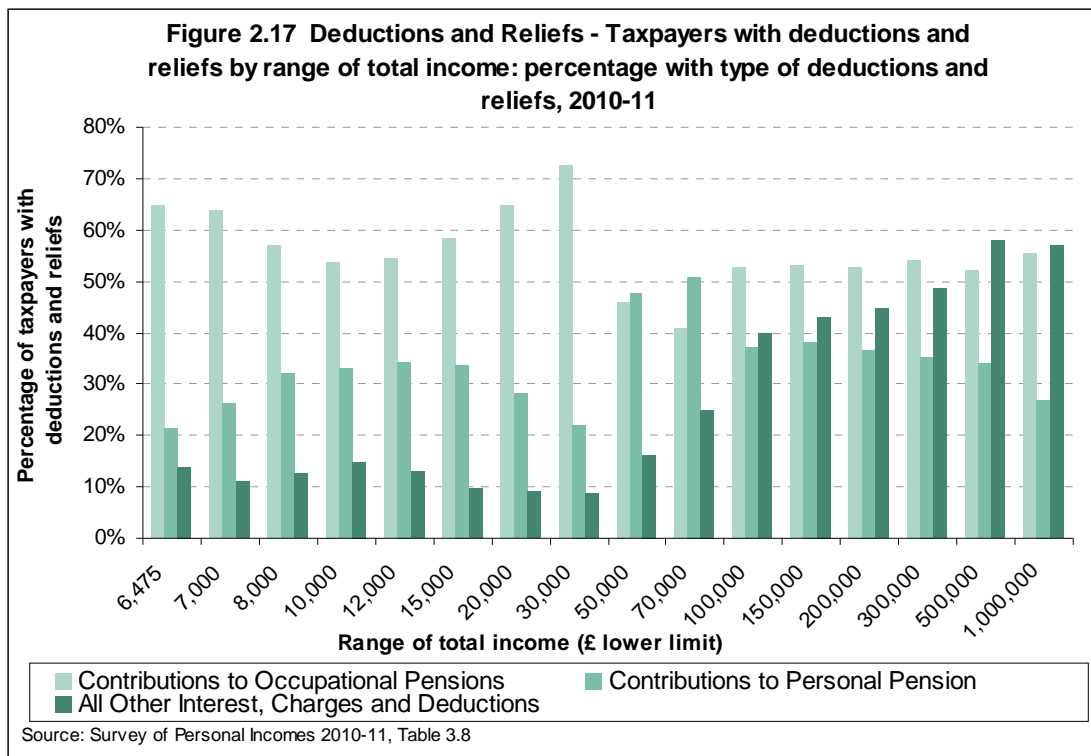


Figure 2.18 shows what proportion of total reliefs and deductions in each income range is accounted for by each relief type. Occupational pensions are more than 40% of the total amount in each income range below £70,000 and most of the rest is personal pension. For incomes above £70,000, reliefs for personal pensions predominate until, for incomes above £300,000, other reliefs become more important.

Contributions to Occupational pensions account for 25% to 70% of all deductions and reliefs, depending on range of total income. They exceed 40% of all deductions and reliefs where total income is less than £70,000 but fall to around 30% where total income exceeds £100,000.

Contributions to personal pensions account for 10% to 50% of all deductions and reliefs, depending on range of total income. They exceed 40% in income ranges from £8,000 to £12,000 and again from £50,000 to £200,000. For incomes above £1 million, they account for about 10% of total deductions and reliefs.

For total income below £150,000, other deductions and reliefs account for less than 20% of total deductions and reliefs. In some income ranges, the proportion is less than 10%. For higher incomes, such reliefs account for an increasing share as income rises, peaking at over 60% for incomes over £1 million.

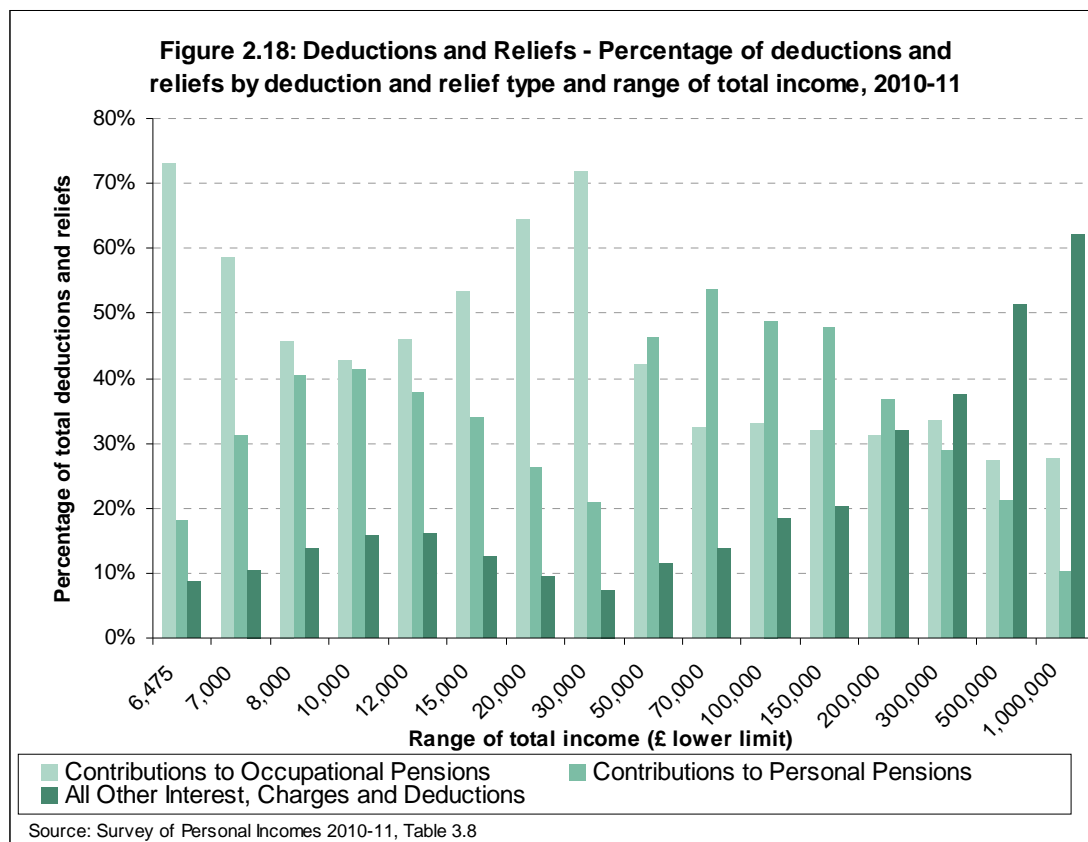


Table 3.9 – Self employment income assessable to tax, 2010-11

Sources of income for individuals by range and industry

This table shows the number of sources of self employment income and the amount of profit for those sources, ranged on the self employment income from the source. The sources of all individuals in the survey, whether taxpayers or not, are recorded.

An individual may have several instances of self employment income from activity both as a sole trader and as a partner in a partnership. Where there are multiple instances as a sole trader, one instance is designated the primary source and all other instances are amalgamated into a single secondary source. Similarly for multiple instances of partner income, one instance is designated the primary source and all other instances are amalgamated into a single secondary source. Where multiple instances exist, the secondary source record contains the sum of income amounts and is allocated to the industry of the most significant of those secondary sources. Consequently, the table may count up to four sources of self employment income for each individual. The number of individuals underlying this table is shown in Table 3.10.

The table shows that there were 5.4 million self employment sources, accounting for £77.0 billion profit. In this table, loss making sources are shown in the zero range of self employment income.

Figures 2.19 and 2.20 show the proportion of sources and profit by industry group based on Standard Industry Classification (SIC) 2007.

In general the industry groups comprise one or several of the categories at sector level from SIC2007. Annex B shows the composition of each category in the table. Sparsely populated sectors have been combined into 'Other Industries'. The only exception is 'Legal and Accounting Activities' which, although at sub-sector level in SIC2007, is sufficiently significant in terms of self employment income to warrant being separately identified.

Construction accounts for 24% of all sources and 20% of all profits. Legal & Accounting Activities and Human Health and Social Work Activities both account for a significantly higher proportion of total profit than number of sources, indicating average profits above the norm.

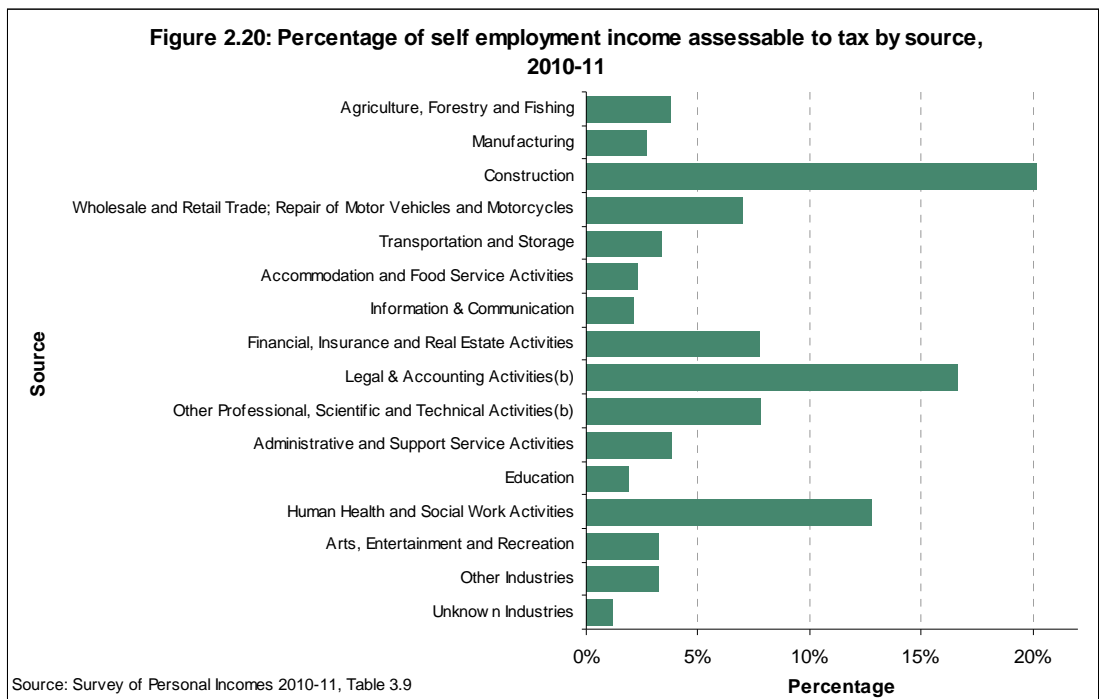
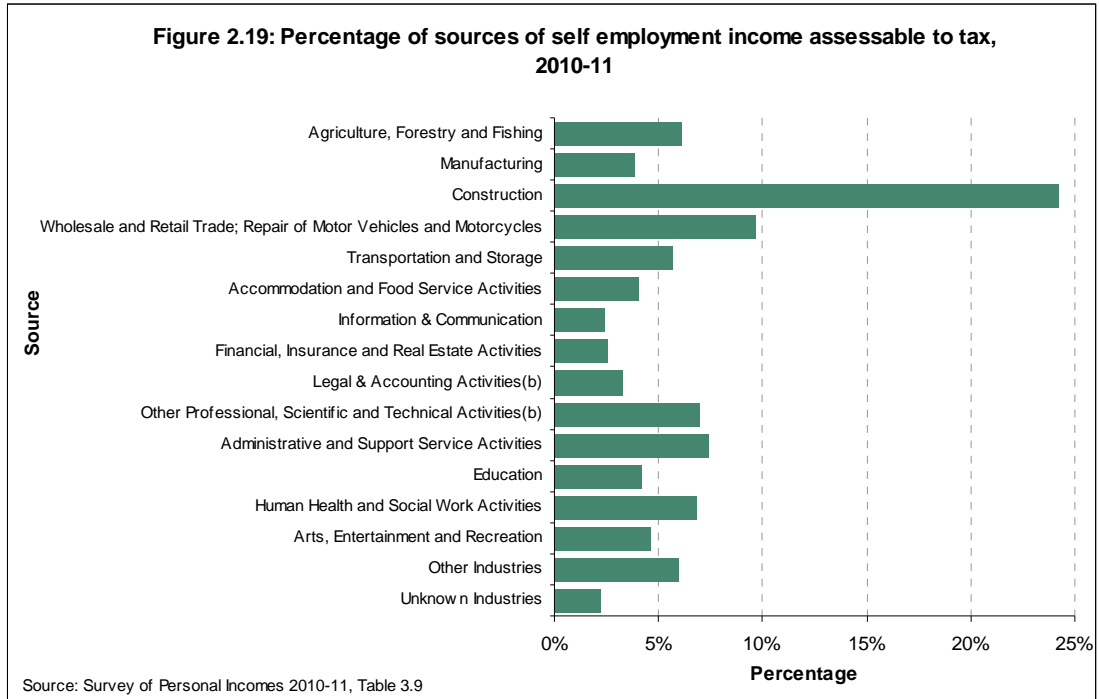


Table 3.10 – Income of individuals with self employment sources, 2010-11

By range of self employment income and source

This table comprises individuals with self employment income sources, whether they are taxpayers or not. It shows, for ranges of self employment income, the composition of total income, average total income and the proportion of total income that is accounted for by self employment income.

The number of individuals with at least one self employment income source is 5.11 million, of which 3.52 million (Table 3.6) are taxpayers.

Figure 2.21 looks at the other forms of income received by those with some self employment income. The proportion with other earned income excluding pensions varies between 20% and 60%. It is around 20% for profit levels from £5,000 to £30,000 and exceeds 50% among loss makers and those with profit below £2,000.

The proportion of cases with pension income is 20% or more for profit levels under £3,000 and falls with income to around 10% where profits exceed £5,000. The proportion with investment income, almost 40% in the lowest profit ranges, falls to about 25% for profits from £5,000 to £7,500 but then rises with income to just below 90% where profits are £100,000 or more.

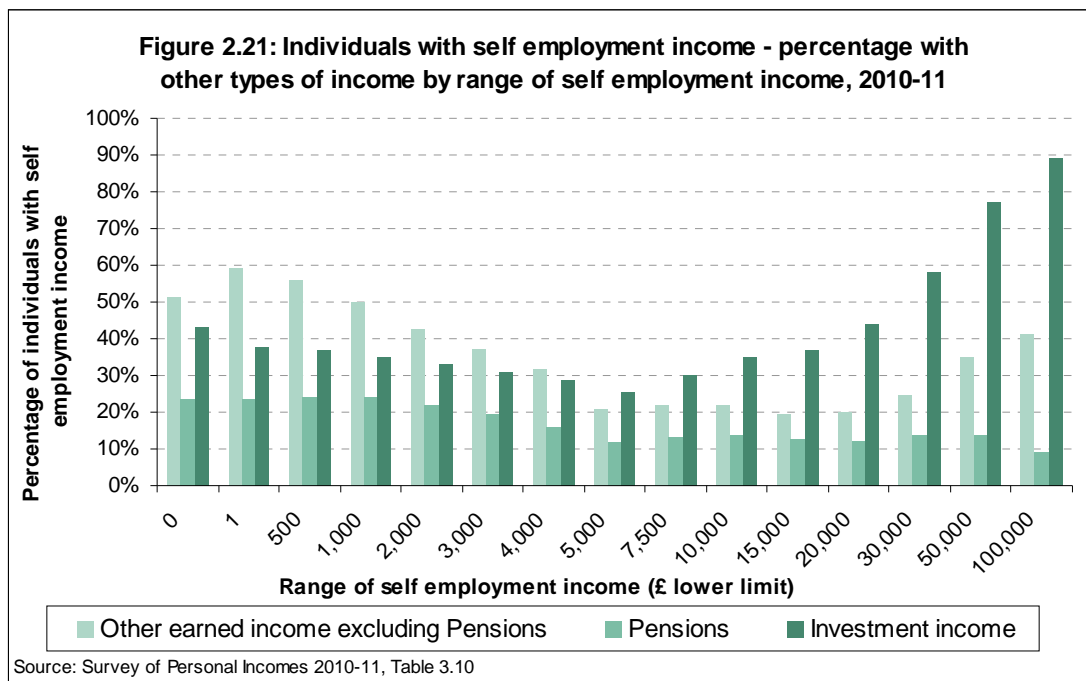
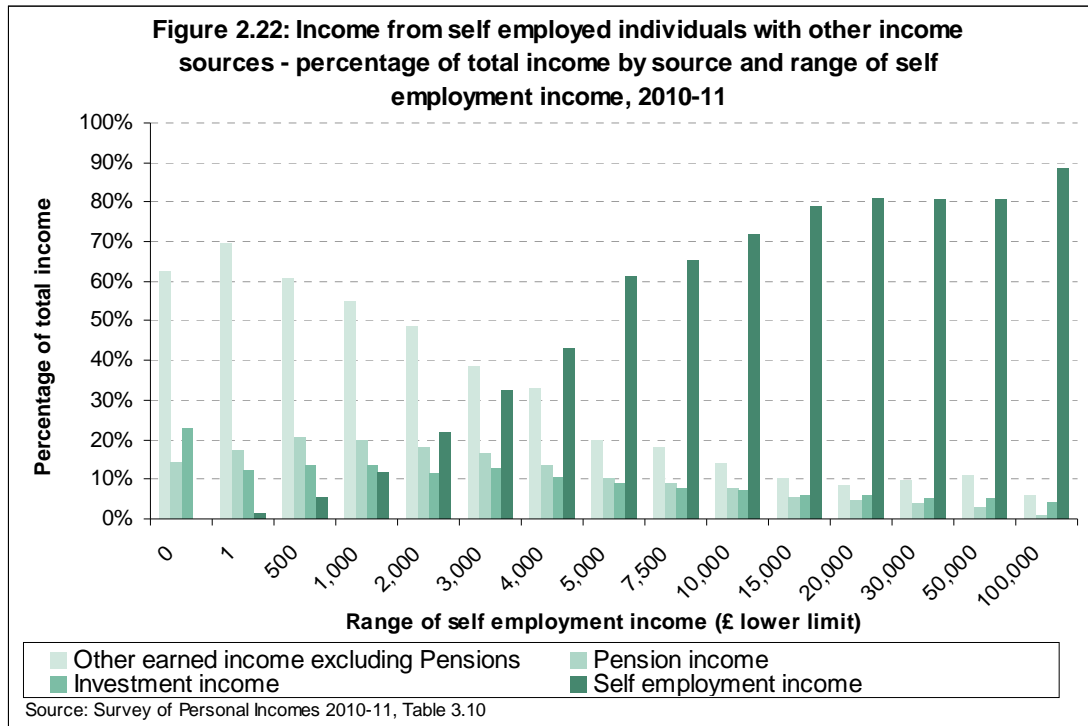


Figure 2.22 looks at the percentage of total income accounted for by different income types for those individuals with self employment income sources, by range of self employment income.

For individuals with self employment income of £4,000 or more, their self employment income is the largest income type and it constitutes 60% to 90% of total income where self employment income is £5,000 or more. At lower profit levels, the proportion of total income accounted for by other earned income excluding pensions predominates.



Annex A: National Statistics tables 3.1 to 3.10, 2010-11

Notes on the tables

In all of the tables in this section, the following conventions have been used:

Symbol	Definition
..	Not available, due to small sample size
-	Negligible
.	Not applicable

Individual figures have been rounded independently to three significant figures. Therefore, the sum of component items may not necessarily add to the totals shown.

3.1 Percentile points for total income before and after tax, 1992-93 to 2010-11

Taxpayers only

Amounts: £

Percentile point	1	5	10	25	50	75	90	95	99
Total income before tax									
1992-93	3,630	4,400	5,160		11,500		25,500	33,100	62,800
1993-94	3,670	4,440	5,220		11,600		25,800	33,500	64,800
1994-95	3,690	4,460	5,270		11,900		26,100	33,700	68,400
1995-96	3,760	4,640	5,420		12,200		27,100	35,100	69,900
1996-97	4,000	4,900	5,650		12,500		28,300	37,200	76,100
1997-98	4,260	5,220	6,020		13,200		29,400	39,000	83,700
1998-99	4,450	5,410	6,220		13,600		31,100	41,600	90,000
1999-00	4,600	5,630	6,570	9,260	14,400	22,300	33,000	44,600	96,400
2000-01	4,620	5,520	6,480	9,280	14,800	23,000	34,200	46,700	102,000
2001-02	4,780	5,850	6,860	9,910	15,500	24,300	36,200	49,200	107,000
2002-03	4,860	5,960	6,970	10,000	15,800	24,700	36,700	49,800	108,000
2003-04	4,820	5,850	7,000	10,100	16,000	25,100	37,100	50,600	111,000
2004-05	4,980	6,070	7,260	10,300	16,400	26,100	39,000	52,400	117,000
2005-06	5,200	6,350	7,610	10,800	17,100	27,400	41,300	56,200	132,000
2006-07	5,410	6,600	7,880	11,200	17,700	28,400	42,900	58,500	141,000
2007-08	5,600	6,870	8,240	11,800	18,500	29,500	44,900	61,500	149,000
2008-09 ^(a)									
2009-10	6,800	7,970	9,510	12,900	19,600	30,900	46,600	63,200	149,000
2010-11	6,730	7,830	9,350	12,700	19,500	30,900	46,300	62,600	140,000
Total income after tax									
1992-93	3,600	4,250	4,880		10,100		21,100	26,500	45,300
1993-94	3,630	4,290	4,920		10,100		20,900	26,400	46,100
1994-95	3,640	4,310	4,980		10,200		21,100	26,200	48,100
1995-96	3,720	4,440	5,150		10,400		21,900	27,200	49,200
1996-97	3,950	4,690	5,390		10,800		23,100	29,000	53,400
1997-98	4,220	4,990	5,750		11,400		24,300	30,700	58,800
1998-99	4,400	5,180	5,930		11,800		25,600	32,500	62,800
1999-00	4,570	5,500	6,340	8,490	12,500	18,800	27,300	34,800	67,500
2000-01	4,600	5,410	6,270	8,510	12,900	19,400	28,400	36,200	71,000
2001-02	4,760	5,730	6,650	9,120	13,600	20,600	30,000	38,000	74,300
2002-03	4,840	5,830	6,760	9,230	13,800	20,900	30,400	38,400	75,000
2003-04	4,800	5,730	6,790	9,290	14,000	21,100	30,700	39,000	77,000
2004-05	4,950	5,940	7,040	9,470	14,400	22,000	32,100	40,500	81,500
2005-06	5,170	6,210	7,340	9,930	14,900	23,100	33,900	43,100	91,100
2006-07	5,370	6,450	7,610	10,300	15,400	23,800	35,000	44,800	97,400
2007-08	5,570	6,710	7,940	10,800	16,100	24,800	36,600	46,800	103,000
2008-09 ^(a)									
2009-10	6,740	7,690	8,940	11,800	17,200	26,300	39,200	49,300	105,000
2010-11	6,690	7,580	8,800	11,700	17,100	26,300	39,000	49,000	96,200

Source: Survey of Personal Incomes 2010-11

Table updated December 2012

Footnote

(a) Figures for 2008-09 tax year are not currently available.

Notes on the Table

1. This table gives certain percentile points of the income distribution as estimated from the Survey of Personal Incomes for each survey year shown. The table only covers individuals who have some liability to income tax. The percentile points have been independently calculated on total income before tax and total income after tax.

2. Total income is the sum of all income subject to tax for the year (see the Income tax statistics and distributions introduction). For most types of income this is approximately the same as income that is earned in the tax year but this is not the case for self-employment income (see the notes on the tables for 3.9 and 3.10) and some other kinds of income.

3.2 Distribution of median and mean income and tax by age range and gender, 2010-11

Taxpayers only

Numbers: thousands; Amounts: £

By age range Total					
	No. of taxpayers	Median income before tax	Median tax	Mean income before tax	Mean tax
Under 20	310	9,550	580	10,800	865
20-24	2,140	13,400	1,360	15,000	1,710
25-29	3,030	18,700	2,370	21,700	3,120
30-34	3,000	22,300	3,020	27,800	4,780
35-39	2,980	23,600	3,230	32,000	6,140
40-44	3,360	23,400	3,170	33,500	6,790
45-49	3,430	23,300	3,160	34,000	6,920
50-54	3,010	22,800	3,060	32,900	6,490
55-59	2,520	21,500	2,820	30,400	5,630
60-64	2,610	18,200	2,250	25,100	4,280
65-69	1,670	17,600	1,560	24,100	3,570
70-74	1,250	15,400	1,140	21,000	2,760
75 and over	1,980	15,400	955	20,400	2,390
All ranges	31,300	19,500	2,390	27,400	4,850
By age range Male					
	No. of taxpayers	Median income before tax	Median tax	Mean income before tax	Mean tax
Under 20	176	10,000	689	11,400	1,010
20-24	1,130	14,100	1,510	15,900	1,930
25-29	1,640	19,400	2,540	22,900	3,450
30-34	1,670	24,000	3,350	30,600	5,650
35-39	1,690	27,300	3,900	37,300	7,780
40-44	1,860	28,000	3,970	40,700	9,070
45-49	1,840	28,500	4,060	42,200	9,530
50-54	1,620	27,300	3,850	40,300	8,790
55-59	1,390	25,600	3,570	36,600	7,510
60-64	1,410	21,700	2,890	30,300	5,670
65-69	1,110	18,900	1,830	26,300	4,200
70-74	830	16,400	1,350	22,500	3,200
75 and over	1,100	16,900	1,090	22,600	2,880
All ranges	17,400	22,200	2,890	31,900	6,200
By age range Female					
	No. of taxpayers	Median income before tax	Median tax	Mean income before tax	Mean tax
Under 20	134	8,980	448	10,000	679
20-24	1,010	12,800	1,230	14,000	1,460
25-29	1,390	18,000	2,220	20,300	2,740
30-34	1,330	20,200	2,630	24,200	3,700
35-39	1,290	19,100	2,390	25,000	3,990
40-44	1,500	18,400	2,270	24,600	3,980
45-49	1,590	18,400	2,260	24,600	3,910
50-54	1,390	18,500	2,270	24,300	3,820
55-59	1,130	17,500	2,060	22,600	3,300
60-64	1,200	14,800	1,610	19,100	2,640
65-69	567	15,500	1,130	20,000	2,330
70-74	424	14,100	875	18,000	1,880
75 and over	884	14,000	815	17,800	1,790
All ranges	13,800	16,700	1,870	21,800	3,150

Source: Survey of Personal Incomes 2010-11
Table updated December 2012

Notes on the Table

1. This table only covers individuals with some liability to tax.

3.3

Distribution of total income before and after tax by gender, 2010-11

Taxpayers only

Numbers: thousands; Amounts: £ million

Total								
Range of total income (lower limit) £	Before tax, by range of total income before tax				After tax, by range of total income after tax			
	No. of taxpayers	Total income before tax	Total tax	Total income after tax	No. of taxpayers	Total income before tax	Total tax	Total income after tax
6,475	622	4,190	28	4,160	767	5,210	44	5,170
7,000	1,130	8,460	209	8,250	1,350	10,500	314	10,100
8,000	2,240	20,300	969	19,400	2,720	26,100	1,470	24,700
10,000	2,810	30,900	1,870	29,000	3,470	41,000	2,910	38,100
12,000	3,910	52,700	4,610	48,100	4,570	68,300	6,740	61,500
15,000	5,440	94,600	10,700	83,900	5,870	116,000	14,300	102,000
20,000	6,880	168,000	23,100	145,000	6,520	185,000	26,900	159,000
30,000	5,640	214,000	33,100	181,000	4,530	204,000	34,600	169,000
50,000	1,370	79,400	16,100	63,300	834	63,900	15,600	48,400
70,000	651	53,600	13,500	40,100	365	42,100	12,300	29,800
100,000	319	38,400	11,400	27,000	173	30,800	10,300	20,500
150,000	116	19,800	6,550	13,300	49	13,400	5,050	8,340
200,000	77	18,600	6,800	11,800	33	13,200	5,300	7,940
300,000	43	16,100	6,450	9,650	18	11,800	4,890	6,910
500,000	23	15,500	6,420	9,050	10	11,200	4,740	6,470
1,000,000	10	22,300	9,730	12,600	4	14,200	6,090	8,070
All ranges	31,300	857,000	152,000	706,000	31,300	857,000	152,000	706,000

Male								
Range of total income (lower limit) £	Before tax, by range of total income before tax				After tax, by range of total income after tax			
	No. of taxpayers	Total income before tax	Total tax	Total income after tax	No. of taxpayers	Total income before tax	Total tax	Total income after tax
6,475	267	1,790	12	1,780	328	2,220	19	2,200
7,000	450	3,370	85	3,280	541	4,180	129	4,050
8,000	918	8,340	392	7,950	1,120	10,800	599	10,200
10,000	1,260	13,800	801	13,000	1,570	18,600	1,280	17,300
12,000	1,860	25,100	2,130	23,000	2,280	34,100	3,310	30,800
15,000	2,890	50,500	5,680	44,800	3,280	64,900	7,950	57,000
20,000	4,120	101,000	13,900	87,400	4,080	116,000	16,900	99,300
30,000	3,680	140,000	21,700	118,000	3,060	139,000	23,800	115,000
50,000	1,000	58,100	11,900	46,200	637	48,900	12,000	37,000
70,000	500	41,300	10,400	30,900	291	33,600	9,880	23,700
100,000	256	30,900	9,190	21,700	144	25,700	8,640	17,100
150,000	96	16,500	5,440	11,000	42	11,500	4,340	7,180
200,000	66	15,900	5,810	10,100	29	11,700	4,700	7,030
300,000	38	14,200	5,670	8,490	16	10,700	4,430	6,250
500,000	20	14,000	5,810	8,220	9	10,400	4,410	6,000
1,000,000	9	20,600	9,070	11,500	4	13,000	5,670	7,340
All ranges	17,400	556,000	108,000	448,000	17,400	556,000	108,000	448,000

3.3

Distribution of total income before and after tax by gender, 2010-11

Taxpayers only

Continued

Numbers: thousands; Amounts: £ million

Female								
Range of total income (lower limit) £	Before tax, by range of total income before tax				After tax, by range of total income after tax			
	No. of taxpayers	Total income before tax	Total tax	Total income after tax	No. of taxpayers	Total income before tax	Total tax	Total income after tax
6,475	355	2,390	16	2,380	439	2,990	25	2,960
7,000	679	5,090	123	4,970	813	6,280	185	6,090
8,000	1,330	12,000	577	11,400	1,600	15,300	868	14,500
10,000	1,550	17,100	1,070	16,000	1,890	22,400	1,640	20,800
12,000	2,050	27,600	2,470	25,100	2,290	34,200	3,430	30,700
15,000	2,540	44,100	5,070	39,100	2,590	51,000	6,330	44,700
20,000	2,750	67,000	9,200	57,800	2,440	69,200	10,000	59,200
30,000	1,960	73,700	11,300	62,400	1,470	64,900	10,800	54,100
50,000	373	21,300	4,280	17,100	197	15,000	3,610	11,400
70,000	151	12,300	3,070	9,260	74	8,460	2,440	6,020
100,000	63	7,580	2,230	5,350	29	5,130	1,700	3,430
150,000	20	3,350	1,110	2,240	7	1,870	710	1,160
200,000	11	2,710	992	1,720	4	1,520	604	915
300,000	5	1,940	776	1,160	2	1,120	464	660
500,000	2	1,440	605	830	1	805	337	468
1,000,000	1	1,690	656	1,030	-	1,150	421	729
All ranges	13,800	301,000	43,600	258,000	13,800	301,000	43,600	258,000

Source: Survey of Personal Incomes 2010-11

Table updated December 2012

Notes on the Table

1. This table only covers individuals with some liability to tax.

2. It should be noted that individuals may not necessarily fall into the same total income range for before and after tax breakdowns. Total income before tax is used to assign people to an income range for columns 2 to 5, whereas total income after the deduction of tax is used to assign individuals to an income band for columns 6 to 9.

3.4 Income tax liabilities of starting, "savers", basic, higher and additional rate taxpayers, by largest source of income, 2010-11

Taxpayers only

Numbers: thousands; Amounts: £ million

Range of total income (lower limit) £	Largest source of income								Total Income		
	Self-employment		Employment		Pension		Investment		Number of taxpayers	Total amount of tax	
	Number of taxpayers	Total amount of tax	Number of taxpayers	Total amount of tax	Number of taxpayers	Total amount of tax	Number of taxpayers	Total amount of tax			
Taxpayers liable only at starting rate											
6,475	5	-	42	1	10	-	8	-	65	1	
7,000	6	1	35	5	106	10	64	43	211	57	
All ranges	10	1	78	5	116	10	72	43	276	59	
Taxpayers liable at "savers" rate²											
6,475	2	-	11	-	3	-	4	-	21	-	
7,000	2	-	34	6	13	1	49	12	99	19	
10,000	..	..	15	6	58	12	107	63	180	81
15,000	..	..	..	..	9	6	78	86	87	92
20,000	..	..	..	..	..	..	99	188	100	189
30,000	..	..	1	1	..	..	133	437	135	440
All ranges	7	1	62	14	84	20	470	785	623	821	
Taxpayers liable at basic rate (excluding higher rate taxpayers)											
6,475	112	5	365	18	52	3	8	-	536	26	
7,000	439	161	2,210	849	468	125	40	14	3,160	1,150	
10,000	498	551	3,790	4,450	2,110	1,320	70	66	6,470	6,380	
15,000	353	730	3,750	7,970	1,170	1,840	70	115	5,350	10,700	
20,000	393	1,350	5,240	18,200	1,000	3,020	135	371	6,770	22,900	
30,000	238	1,360	4,000	22,900	402	2,240	216	924	4,850	27,400	
All ranges	2,030	4,160	19,400	54,400	5,210	8,540	538	1,490	27,100	68,600	
Taxpayers liable at higher rate (excluding additional rate taxpayers)											
6,475	-	-	-	-	-	-	-	-	-	-	
40,000	40	338	490	4,040	59	493	80	440	669	5,310	
50,000	70	870	1,090	13,000	86	1,070	111	1,080	1,350	16,000	
70,000	56	1,160	479	10,100	39	858	72	1,310	646	13,500	
100,000	49	1,670	214	7,900	17	625	38	1,220	317	11,400	
150,000	9	402	19	898	-	20	2	59	30	1,380	
200,000	1	20	1	33	..	..	..	..	2	61
300,000	..	..	..	..	..	..	..	..	-	12
500,000	..	..	..	..	..	..	..	..	..	..
1,000,000	..	..	..	..	..	..	..	..	..	..
All ranges	225	4,470	2,290	36,000	202	3,070	302	4,120	3,020	47,700	
Taxpayers liable at additional rate³											
6,475	-	-	-	-	-	-	-	-	-	-	
150,000	12	765	59	3,610	4	239	10	562	86	5,170	
200,000	15	1,330	51	4,580	2	223	7	599	75	6,740	
300,000	9	1,350	29	4,440	1	168	3	474	42	6,440	
500,000	6	1,740	14	4,270	..	..	1	341	22	6,410
1,000,000	3	2,600	7	6,430	..	..	1	692	10	9,730
All ranges	45	7,790	160	23,300	8	703	23	2,670	236	34,500	
All Taxpayers	2,320	16,400	21,900	114,000	5,620	12,300	1,410	9,110	31,300	152,000	

Source: Survey of Personal Incomes 2010-11
Table updated December 2012

Notes on the Table

1. This table shows the number of individuals liable to tax at the starting, 'savers', basic, higher or additional rates and the amounts of tax. It also analyses taxpayers according to their largest source of income. The different sources are income from employment, income from self-employment, income from pensions and investment income. See the Income Tax Liabilities Statistics bulletin (section 1) for an explanation of the calculation of tax liabilities.

2. From 2008-09 the starting rate was abolished for all non-savings income (e.g. employment, self-employed trading profits, pensions and property income) and applied only to non-dividend savings income.

3. The additional rate was introduced on 6 April 2010.

3.5 Income and deductions, 2010-11

Taxpayers only

Numbers: thousands; Amounts: £ million; Means £

Range of total income (lower limit) £	Total earned income			Total investment income			Total income			Total deductions and reliefs			Personal allowances	Total tax			Total income after tax	Average rate of tax	Distribution of total income by numbers	Percentage of total income		
	No. of individuals	Amount	Mean	No. of individuals	Amount	Mean	No. of individuals	Amount	Mean	No. of individuals	Amount	Mean	Amount	No. of individuals	Amount	Mean	Amount	%	%	Total earned income %	Total investment income %	Total deductions and reliefs %
6,475	613	3,980	6,490	449	209	465	622	4,190	6,730	30	6	206	4,020	622	28	45	4,160	0.7	2.0	95.0	5.0	0.1
7,000	1,100	8,000	7,250	856	452	528	1,130	8,460	7,490	123	43	353	7,310	1,130	209	185	8,250	2.5	3.6	94.7	5.4	0.5
8,000	2,220	19,400	8,760	1,790	938	523	2,240	20,300	9,070	275	139	507	15,200	2,240	969	432	19,400	4.8	7.2	95.4	4.6	0.7
10,000	2,800	29,600	10,600	2,060	1,270	617	2,810	30,900	11,000	371	229	618	21,200	2,810	1,870	665	29,000	6.1	9.0	95.9	4.1	0.7
12,000	3,900	50,800	13,000	2,840	1,950	686	3,910	52,700	13,500	692	513	741	29,100	3,910	4,610	1,180	48,100	8.7	12.5	96.3	3.7	1.0
15,000	5,420	91,400	16,900	3,960	3,270	826	5,440	94,600	17,400	1,460	1,300	890	39,400	5,440	10,700	1,980	83,900	11.4	17.4	96.5	3.5	1.4
20,000	6,860	161,000	23,500	5,060	6,860	1,360	6,880	168,000	24,500	3,080	3,660	1,190	47,600	6,880	23,100	3,370	145,000	13.8	22.0	95.9	4.1	2.2
30,000	5,610	197,000	35,100	4,280	17,000	3,980	5,640	214,000	37,900	3,870	7,220	1,860	36,800	5,640	33,100	5,860	181,000	15.5	18.0	92.0	8.0	3.4
50,000	1,370	72,500	53,000	984	6,850	6,960	1,370	79,400	57,800	1,160	3,390	2,930	8,940	1,370	16,100	11,700	63,300	20.3	4.4	91.4	8.6	4.3
70,000	647	47,500	73,400	497	6,140	12,400	651	53,600	82,400	541	2,510	4,640	4,240	651	13,500	20,700	40,100	25.2	2.1	88.6	11.4	4.7
100,000	317	33,600	106,000	250	4,830	19,300	319	38,400	120,000	266	2,270	8,530	776	319	11,400	35,800	27,000	29.7	1.0	87.4	12.6	5.9
150,000	115	17,600	153,000	93	2,220	23,900	116	19,800	171,000	100	1,230	12,400	17	116	6,550	56,400	13,300	33.1	0.4	88.8	11.2	6.2
200,000	77	16,600	216,000	62	1,960	31,400	77	18,600	240,000	67	1,170	17,500	8	77	6,800	87,900	11,800	36.6	0.2	89.4	10.6	6.3
300,000	42	14,600	346,000	36	1,450	40,800	43	16,100	377,000	37	977	26,100	3	43	6,450	151,000	9,650	40.1	0.1	91.0	9.0	6.1
500,000	22	14,300	639,000	20	1,150	58,100	23	15,500	686,000	20	1,160	56,800	2	23	6,420	285,000	9,050	41.5	0.1	92.6	7.4	7.5
1,000,000	10	20,300	2,030,000	9	2,030	224,000	10	22,300	2,220,000	9	1,430	158,000	-	10	9,730	968,000	12,600	43.6	0.0	90.9	9.1	6.4
All ranges	31,100	799,000	25,700	23,300	58,600	2,520	31,300	857,000	27,400	12,100	27,200	2,250	215,000	31,300	152,000	4,850	706,000	17.7	100.0	93.2	6.8	3.2

Source: Survey of Personal Incomes 2010-11
Table updated December 2012

Notes on the Table

- Mortgage interest relief for those individuals aged over 65 who took out a life annuity before March 1999 has been included in the total deductions and reliefs. As this is given as a reduction in tax otherwise payable, it is no longer possible to define taxable income and calculate tax due by subtracting reliefs, deductions and personal allowances from total income.
- For 2010-11 the personal allowance was reduced by £1 for every £2 of taxable income over £100,000 until fully withdrawn, regardless of the individual's age. Therefore not all taxpayers will have received a personal allowance.

3.6 Earned income, 2010-11

Taxpayers only

Numbers: thousands; Amounts: £ million; Means: £

Range of total income (lower limit)	Self-employment income			Employment income			Pension Income ^(a)						Total earned income ^(b)			Distribution of amounts of total earned income	Percentage of total earned income					
	£	No. of individuals	Amount	Mean	No. of individuals	Amount	Mean	National Insurance			All other pensions			No. of individuals	Amount		Mean	%	Self-employment income %	Employment income %	National Insurance %	All Other Pensions %
								No. of individuals	Amount	Mean	No. of individuals	Amount	Mean									
6,475	139	786	5,660	448	2,750	6,130	50	239	4,820	79	205	2,590	613	3,980	6,490	0.5	19.8	69.1	6.0	5.1		
7,000	214	1,280	5,990	841	5,800	6,900	88	440	5,000	153	482	3,150	1,100	8,000	7,250	1.0	16.0	72.4	5.5	6.0		
8,000	361	2,440	6,770	1,590	13,100	8,210	367	2,120	5,760	475	1,740	3,670	2,220	19,400	8,760	2.4	12.6	67.5	10.9	9.0		
10,000	316	2,410	7,630	1,610	15,900	9,870	1,030	6,580	6,400	1,110	4,750	4,290	2,800	29,600	10,600	3.7	8.1	53.6	22.2	16.0		
12,000	409	3,730	9,110	2,570	31,600	12,300	1,160	7,640	6,560	1,300	7,790	5,990	3,900	50,800	13,000	6.4	7.3	62.3	15.0	15.3		
15,000	529	6,080	11,500	4,040	64,900	16,100	1,210	7,920	6,530	1,460	12,500	8,560	5,420	91,400	16,900	11.4	6.7	71.0	8.7	13.6		
20,000	637	9,510	14,900	5,640	127,000	22,500	1,130	7,350	6,520	1,500	17,500	11,700	6,860	161,000	23,500	20.2	5.9	78.7	4.6	10.9		
30,000	503	10,200	20,300	4,980	168,000	33,800	578	3,800	6,590	930	14,800	15,900	5,610	197,000	35,100	24.6	5.2	85.4	1.9	7.5		
50,000	143	4,350	30,400	1,220	62,400	51,100	119	825	6,920	210	4,970	23,700	1,370	72,500	53,000	9.1	6.0	86.0	1.1	6.8		
70,000	99	4,730	47,800	563	39,100	69,500	58	417	7,240	99	3,220	32,400	647	47,500	73,400	5.9	10.0	82.4	0.9	6.8		
100,000	82	5,950	72,600	264	25,400	96,400	28	212	7,560	47	2,030	42,800	317	33,600	106,000	4.2	17.7	75.6	0.6	6.0		
150,000	36	3,710	103,000	95	13,000	137,000	9	72	7,840	16	835	52,100	115	17,600	153,000	2.2	21.1	73.7	0.4	4.7		
200,000	25	3,770	153,000	63	12,100	192,000	6	48	7,950	10	703	69,700	77	16,600	216,000	2.1	22.7	72.8	0.3	4.2		
300,000	14	3,370	247,000	35	10,800	310,000	3	23	8,340	5	445	96,000	42	14,600	346,000	1.8	23.0	73.8	0.2	3.0		
500,000	9	4,300	476,000	18	9,770	549,000	1	10	9,430	2	245	123,000	22	14,300	639,000	1.8	30.0	68.2	0.1	1.7		
1,000,000	4	5,890	1,330,000	8	14,200	1,710,000	-	4	10,500	1	154	194,000	10	20,300	2,030,000	2.5	29.1	70.2	0.0	0.8		
All ranges	3,520	72,500	20,600	24,000	616,000	25,700	5,840	37,700	6,460	7,380	72,300	9,790	31,100	799,000	25,700	100.0	9.1	77.1	4.7	9.1		

Source: Survey of Personal Incomes 2010-11
Table updated December 2012

Footnotes

(a) From 2009-10, State Pension lump sum (one off lump sum payment) has been categorised as part of the National Insurance Pension if it can be separately identified in source data. Any such amounts reported on the Self Assessment Short Tax Return cannot be separately identified and remain as part of other pensions.

(b) Includes Income from benefits which are not shown separately in this table.

Notes on the Table

1. Earned income consists of income chargeable under the Income Tax (Earnings and Pensions) Act 2003 (mainly pay, private and occupational pensions, retirement annuities, state retirement pensions and taxable social security income) and the Income Tax (Trading and Other Income) Act 2005 (self-employment and miscellaneous income).

2. Pay is shown before deduction of superannuation contributions. Under PAYE, tax is paid on pay after deduction of superannuation contributions and HMRC does not record the amounts deducted. The total amount of superannuation contributions has therefore been estimated and has been distributed among earners in the Survey of Personal Incomes sample by a method consistent with information about the number of employees who are contracted in or out of the State Second Pension (S2P, formerly SERPS) and the proportion of their earnings contributed. On 6 April 2002, the State Second Pension reformed SERPS to provide a more generous additional State Pension for low and moderate earners, and to extend access to include certain carers and people with long-term illness or disability.

3. Self employment income is profit chargeable under the Income Tax (Trading and Other Income) Act 2005 less losses brought forward and capital allowances allowed. The number of individuals with self employment income shown in this table is lower than that shown in Table 3.10. In this table only individuals who are liable to tax in 2010-11 are included, whereas Table 3.10 includes all people with a self employment source in 2010-11. Employment income includes all pay from employment, from taxable benefits and from unemployment benefit, income support or Job Seeker's allowance.

3.7 Investment income, 2010-11

Taxpayers only

Numbers: thousands; Amounts: £ million; Means: £

Range of total income (lower limit)	Net income from property			Interest from building societies and banks			Dividends			Other investment income			Total investment income			Distribution of amounts of total investment income	Percentage of total investment income					
	£	No. of individuals	Amount	Mean	No. of individuals	Amount	Mean	No. of individuals	Amount	Mean	No. of individuals	Amount	Mean	No. of individuals	Amount		Mean	%	Net income from property	Interest from building societies and banks	United Kingdom dividends	Other investment income
																			%	%	%	%
6,475	20	73	3,660	427	95	223	42	31	744	12	8	688	0	449	209	465	0.4	35.2	45.7	15.0	4.0	
7,000	35	133	3,840	820	174	212	90	132	1,460	20	14	685	0	856	452	528	0.8	29.5	38.4	29.1	3.0	
8,000	74	296	4,000	1,720	364	211	181	232	1,280	50	46	939	0	1,790	938	523	1.6	31.5	38.8	24.7	5.0	
10,000	79	340	4,310	1,950	510	262	266	333	1,250	99	87	875	0	2,060	1,270	617	2.2	26.8	40.2	26.2	6.8	
12,000	118	562	4,750	2,680	639	238	395	637	1,610	108	112	1,040	0	2,840	1,950	686	3.3	28.8	32.8	32.7	5.8	
15,000	165	869	5,260	3,730	856	229	585	1,370	2,340	126	175	1,390	0	3,960	3,270	826	5.6	26.6	26.2	41.9	5.3	
20,000	252	1,600	6,340	4,690	1,380	294	974	3,560	3,660	192	318	1,660	0	5,060	6,860	1,360	11.7	23.3	20.1	51.9	4.6	
30,000	336	2,610	7,760	3,790	1,630	431	1,250	12,200	9,790	216	594	2,750	0	4,280	17,000	3,980	29.1	15.3	9.6	71.6	3.5	
50,000	117	1,240	10,600	860	679	789	312	4,550	14,600	94	382	4,070	0	984	6,850	6,960	11.7	18.1	9.9	66.4	5.6	
70,000	74	947	12,800	425	487	1,140	190	4,330	22,800	73	377	5,190	0	497	6,140	12,400	10.5	15.4	7.9	70.5	6.1	
100,000	49	778	15,700	201	365	1,810	137	3,340	24,400	59	341	5,750	0	250	4,830	19,300	8.2	16.1	7.6	69.3	7.1	
150,000	19	394	20,400	75	173	2,310	54	1,460	27,000	27	191	7,220	0	93	2,220	23,900	3.8	17.8	7.8	65.8	8.6	
200,000	14	355	26,100	51	188	3,680	38	1,190	30,900	22	231	10,600	0	62	1,960	31,400	3.3	18.1	9.6	60.5	11.8	
300,000	7	269	35,900	29	162	5,520	22	783	35,500	15	235	15,600	0	36	1,450	40,800	2.5	18.6	11.2	54.1	16.2	
500,000	4	166	40,700	16	94	5,690	13	631	49,100	11	256	23,100	0	20	1,150	58,100	2.0	14.4	8.2	55.1	22.3	
1,000,000	2	213	110,000	8	115	14,700	6	1,300	211,000	6	402	71,000	0	9	2,030	224,000	3.5	10.5	5.7	64.0	19.8	
All ranges	1,370	10,800	7,940	21,500	7,910	368	4,550	36,100	7,930	1,130	3,770	3,340	0	23,300	58,600	2,520	100.0	18.5	13.5	61.6	6.4	

Source: Survey of Personal Incomes 2010-11

Table updated December 2012

Notes on the Table

1. Total investment income is the sum of rents from UK property, interest from banks, building societies and other deposit takers, UK dividends and other forms of investment income. The UK dividends category comprises all income charged at the UK dividend rate. This includes dividends from shares in UK companies and unit trusts, distributions from UK authorised unit trusts and open ended investment companies, stock dividends from UK companies and non qualifying distributions written off, dividends received through a partnership or trust and dividends from abroad that are subject to UK income tax.

Other investment income comprises any other savings income and will include, for example, interest from National Savings products, interest on securities, interest from partnerships and from trusts, settlements and estates. Generally investment income that is subject to tax for the year, as shown here, is the same as investment income due for the year but there are certain exceptions.

2. Investment income for which tax has been deducted at source is not always known to HMRC for cases not filing tax returns or claims forms. Estimates of missing bank and building society interest and dividends from United Kingdom companies are included in all the tables. For 2010-11, interest information submitted by interest paying institutions was used to supplement some cases. The remaining missing income is distributed, in a manner consistent with information from external survey data and the National Accounts, to individuals where there is no such investment income already recorded on the HMRC IT systems. The amount of income for which the distribution must be estimated is large and the potential margin of error inherent in such estimates must be kept in mind.

3.8 Deductions and Reliefs, 2010-11

Taxpayers only

Numbers: thousands; Amounts: £ million; Means: £

Range of total income (lower limit)	Contributions to occupational pensions ^(a)			Contributions to personal pensions ^(b)			All other interest, charges and deductions ^{(c), (d)}			Total deductions and reliefs			Distribution of amounts of total deductions and reliefs	Percentage of total deductions and reliefs					
	£	No. of individuals	Amount	Mean	No. of individuals	Amount	Mean	No. of individuals	Amount	Mean	No. of individuals	Amount		Mean	%	Contributions to occupational pensions	Contributions to personal pensions	All other interest, charges and deductions	
																%	%	%	%
6,475	19	5	233	6	1	175	4	1	127	30	6	206	0.0	73.2	18.1	8.7			
7,000	78	25	324	32	13	419	13	4	333	123	43	352	0.2	58.5	31.1	10.4			
8,000	156	64	408	88	56	642	34	19	554	275	139	507	0.5	45.8	40.5	13.7			
10,000	199	98	492	122	94	775	55	36	664	370	229	617	0.8	42.8	41.3	15.9			
12,000	377	235	624	237	194	819	89	83	929	692	512	740	1.9	45.9	37.9	16.2			
15,000	849	691	814	490	440	899	140	163	1,170	1,460	1,290	889	4.8	53.4	34.0	12.6			
20,000	1,990	2,350	1,180	865	961	1,110	278	346	1,240	3,080	3,660	1,190	13.4	64.3	26.3	9.5			
30,000	2,810	5,180	1,850	855	1,510	1,760	340	527	1,550	3,870	7,220	1,860	26.5	71.8	20.9	7.3			
50,000	531	1,430	2,700	551	1,570	2,840	186	387	2,080	1,160	3,390	2,930	12.4	42.3	46.3	11.4			
70,000	220	813	3,690	276	1,350	4,890	135	349	2,580	541	2,510	4,640	9.2	32.4	53.7	13.9			
100,000	140	748	5,320	99	1,100	11,100	106	415	3,910	266	2,270	8,530	8.3	33.0	48.7	18.3			
150,000	53	394	7,440	38	586	15,400	43	249	5,800	99	1,230	12,300	4.5	32.0	47.7	20.3			
200,000	35	364	10,300	24	431	17,700	30	373	12,500	67	1,170	17,500	4.3	31.2	36.9	31.9			
300,000	20	326	16,100	13	284	21,500	18	367	20,200	37	977	26,100	3.6	33.4	29.0	37.6			
500,000	11	316	29,700	7	244	35,300	12	595	50,500	20	1,160	56,800	4.2	27.4	21.1	51.5			
1,000,000	5	396	79,100	2	146	60,200	5	885	172,000	9	1,430	158,000	5.2	27.7	10.2	62.0			
All ranges	7,490	13,400	1,800	3,710	8,980	2,420	1,490	4,800	3,220	12,100	27,200	2,250	100.0	49.4	33.0	17.6			

Source: Survey of Personal Incomes 2010-11
Table updated December 2012

Footnotes

- (a) Contributions to occupational pensions include payments to an employer's occupational pension scheme (or any associated Additional Voluntary Contributions) which are deducted from pay before it is taxed.
- (b) Contributions to personal pensions include retirement annuity relief, pension contributions to employer's schemes (without tax relief at the time of payments) and payments to registered pension schemes.
- (c) All other interest, charges and deductions include gift aid payments to charities, gifts of qualifying investments to charities, gifts of property to charities, covenanted payments to charities, blind person's allowance and reliefs for qualifying personal loan interest, subscription for trade union for death benefit and loss reliefs.
- (d) Mortgage interest relief for those individuals aged over 65 who took out a life annuity before March 1999 has been included in the total deductions and reliefs.

Notes on the Table

Deductions and Reliefs, 2010-11

1. The contributions to personal pensions are in part based on information collected from financial institutions providing such products, but also administrative data from self-assessment returns. While about two-thirds by value of contributions to personal pensions are matched at the individual level to the SPI population, about one-third must be imputed. The contributions to occupational pensions schemes (discussed in the notes to table 3.6 (see note 2)) are almost entirely imputed using external survey data, including the distribution by earnings. The distributions shown in Table 3.8 by total income level should be viewed as indicative.

3.9

Self employment income assessable to tax, 2010-11

SIC 2007

Sources of income for individuals by range and industry^(a)

Numbers: thousands; Amounts: £ million

Range of self employment income in industry group (lower limit)	Agriculture, Forestry and Fishing		Manufacturing		Construction		Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles		Transportation and Storage		Accommodation and Food Service Activities	
	No. of sources	Amount	No. of sources	Amount	No. of sources	Amount	No. of sources	Amount	No. of sources	Amount	No. of sources	Amount
	£											
0	94	-	44	-	105	-	113	-	28	-	53	-
1	14	3	11	3	25	6	31	6	7	2	8	2
500	10	8	7	5	24	18	17	12	8	6	7	5
1,000	18	26	14	20	52	78	26	38	12	18	11	17
2,000	17	41	11	26	48	121	27	67	17	41	10	24
3,000	13	45	9	33	52	182	22	76	19	66	11	39
4,000	13	59	8	37	61	274	25	112	22	99	11	50
5,000	41	256	27	167	194	1,200	64	396	87	543	33	202
7,500	20	174	14	121	138	1,200	36	312	35	302	20	169
10,000	29	360	21	255	211	2,610	48	587	30	364	22	267
15,000	18	304	12	199	159	2,760	32	561	16	279	12	208
20,000	19	470	14	340	158	3,810	38	911	15	370	10	243
30,000	16	595	12	450	60	2,200	27	1,010	7	259	7	270
50,000	6	388	4	266	10	635	10	688	2	156	3	186
100,000	1	189	1	194	2	441	3	625	1	104	1	128
All ranges	329	2,920	208	2,110	1,300	15,500	519	5,400	308	2,610	218	1,810

Range of self employment income in industry group (lower limit)	Information & Communication		Financial, Insurance and Real Estate Activities		Legal & Accounting Activities ^(b)		Other Professional, Scientific and Technical Activities ^(b)		Administrative and Support Service Activities		Education	
	No. of sources	Amount	No. of sources	Amount	No. of sources	Amount	No. of sources	Amount	No. of sources	Amount	No. of sources	Amount
	£											
0	32	-	43	-	19	-	73	-	43	-	36	-
1	10	2	5	1	8	2	20	5	21	5	16	4
500	6	4	4	3	7	5	15	11	17	13	12	9
1,000	9	13	7	10	9	13	22	32	32	47	21	32
2,000	7	17	5	12	7	19	18	45	32	80	17	43
3,000	4	14	4	16	6	19	16	55	29	102	14	51
4,000	4	19	4	19	6	27	16	71	36	164	14	63
5,000	12	72	11	70	11	67	37	227	78	473	30	187
7,500	7	61	8	67	9	76	24	211	34	295	18	156
10,000	11	131	8	102	11	136	32	392	33	403	21	254
15,000	6	109	6	107	8	135	23	403	16	276	10	168
20,000	9	221	8	209	10	247	29	702	14	338	8	186
30,000	7	279	9	339	15	576	26	1,010	8	306	4	159
50,000	4	251	7	463	20	1,470	16	1,110	2	169	1	96
100,000	2	447	7	4,570	32	9,990	8	1,730	1	284	-	53
All ranges	129	1,640	136	5,980	177	12,800	374	6,010	397	2,960	224	1,460

3.9

Self employment income assessable to tax, 2010-11

SIC 2007

Sources of income for individuals by range and industry^(a)

continued

Numbers: thousands; Amounts: £ million

Range of self employment income in industry group (lower limit)	Human Health and Social Work Activities		Arts, Entertainment and Recreation		Other Industries		Unknown Industries		All Industries		
	£	No. of sources	Amount	No. of sources	Amount	No. of sources	Amount	No. of sources	Amount	No. of sources	Amount
0		44	-	63	-	45	-	24	-	858	-
1		20	5	21	5	18	4	8	2	243	56
500		14	10	10	7	13	9	5	3	176	129
1,000		23	34	21	31	21	32	9	13	306	454
2,000		19	47	16	39	25	62	7	18	282	701
3,000		19	68	14	48	21	75	6	23	261	911
4,000		18	80	12	56	17	79	6	29	275	1,240
5,000		39	244	26	162	56	344	15	96	761	4,710
7,500		23	200	14	120	29	252	8	65	436	3,780
10,000		27	324	16	191	32	393	10	118	560	6,890
15,000		15	268	10	177	17	290	6	106	367	6,350
20,000		18	438	11	270	15	360	6	152	381	9,270
30,000		25	965	8	298	9	337	4	132	243	9,190
50,000		34	2,500	4	266	2	131	1	93	127	8,870
100,000		31	4,680	2	828	1	144	1	92	94	24,500
All ranges		369	9,870	248	2,500	321	2,510	117	942	5,370	77,000

Source: Survey of Personal Incomes, 2010-11
Table updated December 2012

Footnote

(a) From 2009-10, industry categories are based on UK Standard Industrial Classification of Economic Activities 2007 (SIC2007). Most categories comprise one or several of the 21 Sections from SIC2007.

(b) Section M (Professional, Scientific and Technical Activities) has been split into two industry categories (Legal and Accounting Activities and Other Professional, Scientific and Technical Activities) so that Legal and Accounting Activities, a significant component of self employment activity, can be separately identified.

Notes on the table

1. Self employment income is as defined in the 'Notes to the table T3.6 paragraph 3'. Individuals are included in this according to whether (and how many) sets of pages covering income from trades or from partnerships were completed in the tax return. Such pages are required for all trades, and for all shares in partnerships, trading at any time in the tax year. If for any individual or source a loss is made, or the profits are completely offset by the deduction of capital allowances and/or losses brought forward from earlier years, the individual or source is included in the table but the amount of self-employment income is shown as nil.

2. Although special rules apply to businesses which have recently started or ceased trading, the general rule is that the profit assessable for 2010-11 are those earned in the business accounting periods ending in 2010-11. On average, profits assessable for 2010-11 may be regarded as profits arising in the calendar year 2010.

3. An individual with two or more sources of self employment income (from trades or partnerships) is counted more than once, according to the industry group and profit for each source.

3.10 Income of individuals with self employment sources, 2010-11

By range of self employment income and source

Numbers: thousands; Amounts: £ million

Range of self employment income (lower limit)	Self-employment income		Other earned income excluding pensions		Pensions		Investment income		Total income		Mean total income	Self employment as a percentage of total
	No. of individuals	Amount	No. of individuals	Amount	No. of individuals	Amount	No. of individuals	Amount	No. of individuals	Amount		
£											£	%
0	723	-	372	9,890	172	2,270	312	3,620	723	15,800	21,800	0
1	215	50	127	2,360	51	583	81	414	215	3,400	15,800	2
500	161	118	91	1,340	39	458	59	301	161	2,210	13,700	5
1,000	282	418	140	1,960	68	709	98	477	282	3,560	12,700	12
2,000	266	662	113	1,470	58	546	88	344	266	3,020	11,400	22
3,000	250	874	93	1,030	49	438	78	340	250	2,680	10,700	33
4,000	264	1,190	84	908	42	378	75	290	264	2,760	10,500	43
5,000	752	4,650	158	1,510	89	773	190	671	752	7,600	10,100	61
7,500	431	3,740	94	1,040	57	512	129	444	431	5,730	13,300	65
10,000	553	6,810	120	1,310	75	715	194	683	553	9,510	17,200	72
15,000	365	6,310	71	802	46	438	134	457	365	8,010	22,000	79
20,000	381	9,250	76	980	47	506	168	657	381	11,400	29,900	81
30,000	244	9,200	60	1,130	33	440	142	581	244	11,400	46,600	81
50,000	126	8,770	44	1,210	17	332	97	555	126	10,900	86,400	81
100,000	96	25,100	40	1,640	9	263	85	1,250	96	28,300	296,000	89
All ranges	5,110	77,100	1,680	28,600	851	9,360	1,930	11,100	5,110	126,000	24,700	61

Source: Survey of Personal Incomes, 2010-11
Table updated December 2012

Notes on the table

1. Self employment income is as defined in the 'Notes to the table T3.6 paragraph 3'. Individuals are included in this according to whether (and how many) sets of pages covering income from trades or from partnerships were completed in the tax return. Such pages are required for all trades, and for all shares in partnerships, trading at any time in the tax year. If for any individual or source a loss is made, or the profits are completely offset by the deduction of capital allowances and/or losses brought forward from earlier years, the individual or source is included in the table but the amount of self-employment income is shown as nil.
2. Although special rules apply to businesses which have recently started or ceased trading, the general rule is that the profit assessable for 2010-11 are those earned in the business accounting periods ending in 2010-11. On average, profits assessable for 2010-11 may be regarded as profits arising in the calendar year 2010.
3. Each individual is counted only once. This table shows how many of the individuals with self-employment income in any of the given ranges also have other sources of income, and the amounts arising from these sources. Other income excluding pensions consists of employment income assessed under the Income Tax (Earnings and Pensions) Act 2003 and other miscellaneous income.

Annex B: Data sources and Methodology

The data sources and methods used to compile statistics in this release are set out below:

The tables in this publication are derived from the annual Survey of Personal Incomes (SPI).

The sample survey is based on information held by HMRC on persons who could be liable to UK income tax for the income tax year. It is carried out annually and covers the income assessable for tax in each tax year. The tables in this publication are based on the surveys for 2010-11 and earlier.

Samples were selected from three HMRC operational computer systems, which are as follows:

1. The National Insurance and PAYE Service (NPS) system covers all employees and occupational pension recipients with a Pay-As-You-Earn (PAYE) record. NPS replaced the Computerisation of PAYE (COP) system and the 2010-11 SPI is the second SPI produced using data sourced from NPS. The 2008-09 SPI will use NPS data when compiled.
2. The Computerised Environment for Self Assessment (CESA) system covers people with self-employment, rental or untaxed investment income. It also covers directors, those subject to higher rate tax and other people with complex tax affairs. Where people have both NPS and CESA records, their CESA record is selected because it provides a more complete picture of their taxable income.
3. The Claims system covers people without NPS or CESA records who have had too much tax deducted at source and claim a repayment.

Separate samples were drawn from each of these systems and different sampling strategies were used for each. The samples were structured as follows:

(a) The PAYE population from NPS was stratified by gender and by the sum of pay plus occupational pension income for the previous tax year. Where no previous year's income was available cases were stratified by gender and by whether they were a higher rate or additional rate taxpayer for the current tax year based on information available at the time the sample was drawn. The sampling fractions varied from 1 in 10 for individuals with high incomes and rare allowances to about 1 in 200 for people with low combined pay and pensions. In all, about 400,000 individuals were selected from NPS for inclusion in the 2010-11 SPI.

(b) For the SA population from CESA, the main source of income (self employment or employment/occupational pension) and ranges of income and tax were used to stratify the sample, with the sampling fraction varying from 1 in 1 for cases with very high income or tax up to about 1 in 200 for employees and occupational pensioners with smaller income or tax for 2010-11. In all, about 268,000 individuals were selected from SA for inclusion in the 2010-11 SPI.

(c) For claims cases, a random sample of about 1 in 20 was selected for inclusion in the SPI. This led to around 11,000 cases being selected for the survey.

Once data was collected for the three constituent parts of the sample, the data sets were joined together. After allowing for non-response and for records that failed data validation tests, there were about 679,000 valid cases on the 2010-11 final SPI file.

Coverage of the SPI

Not all of the individuals in the SPI sample are taxpayers. About 19.6 per cent have no income tax liability because deductions and reliefs and personal allowances exceed their total income. Where income exceeds the threshold for the operation of PAYE (£6,475 for 2010-11), the SPI provides the most comprehensive and accurate official source of data on personal incomes. However, as HMRC does not hold information for all people with personal incomes below this level, the SPI is not a representative data source for this part of the population and no attempt has been made to estimate the numbers of cases below the tax threshold or the amount of their incomes.

Therefore the National Statistics in this publication, with the exception of tables 3.9 and 3.10, only cover individuals liable to UK income tax (taxpayers) and their incomes and the lowest level of total income in any of these tables is the 2010-11 personal allowance of £6,475.

Most sources of income are liable for income tax and adding all these sources together will give an individual's total income assessable for tax for the tax year. There are some sources of income that are not liable for tax. As they do not contribute towards an individual's taxable income; they are excluded from the SPI. These sources include some social security benefits and income from some tax efficient savings vehicles (e.g. Individual Savings Accounts and some National Savings & Investment products).

Capital Gains arising from the disposal of assets are subject to Capital Gains Tax (CGT) and are not treated as income for income tax purposes, so gains from the disposal of assets are not included in the SPI.

The coverage of investment income for the sample drawn from NPS is incomplete. This is because HMRC does not need information on interest from which tax has been deducted at source nor dividends and associated tax credit to operate the PAYE system for most individuals. In order to create a full picture of total income for this survey, it is necessary to impute values of bank and building society interest and dividends to some sample cases.

For interest and dividends imputation, the amount for each SPI case:

- is known for cases in Self Assessment from the amount declared on the Self Assessment Return
- can be inferred or estimated reasonably for NPS cases where there is an adjustment to the tax code for higher rate taxpayers
- is supplemented with information from interest paying institutions
- is unknown for NPS cases where there is no coding adjustment - typically no liability at the higher rate.

Where no information at case level is available from HMRC administrative systems, estimated values are imputed to cases so that the population as a whole has amounts consistent with evidence from other sources (for example, amounts of tax accounted for by deposit takers and the propensity to hold interest bearing accounts as indicated by household surveys).

For interest income, starting from control totals at UK level, for the number of cases with interest and the total amount of that interest, the numbers of cases and amounts of interest in Self Assessment cases and those NPS cases with coding adjustments are deducted to leave targets for the remainder of the taxpayer population. These targets are at UK level – no attempt is made to control the targets to sub-UK geographical units. The cases to which amounts are attached by the imputation process and the amounts attached are determined by probabilistic methods with just the UK targets and distributions in mind. For dividends income, the number of non SA cases with dividends income and distribution of imputed amounts were inferred from Family Resources Survey data for 2010-11.

As with investment income, HMRC does not have complete information about superannuation or personal pension contributions.

Under PAYE, tax is paid on pay after the deduction of superannuation contributions and therefore HMRC does not need to record the contributions deducted from gross pay. For a small proportion of individuals, the superannuation contribution has been taken directly from an end of year return submitted by employers. For others, their total amount of superannuation contributions has been estimated and has been distributed among earners in the SPI sample, based on information from the Annual Survey of Hours and Earnings produced by the Office for National Statistics.

Relief at basic rate is given at source for employee contributions to personal pensions. As this is the correct amount of relief for basic rate taxpayer employees, HMRC does not need to collect personal pensions data for this group of taxpayers. To compile complete estimates for personal pensions and total income for the SPI, a significant proportion of the amount of personal pension contributions has been imputed using data from external data sources. The estimated value for this and for superannuation contributions has been combined with other pension reliefs and included in these statistics.

UK Standard Industrial Classification of Economic Activities 2007 (SIC2007)

For table 3.9, the industry categories are based on UK Standard Industrial Classification of Economic Activities 2007 (SIC2007). Most categories comprise one or several of the 21 Sections from SIC2007. The exception is that Section M (Professional, Scientific and Technical Activities) has been split into two parts so that Legal and Accounting activities, a significant component of self employment activity, can be separately identified.

The Table below shows the SIC2007 Section letter and range of SIC2007 5-digit codes that form each industry category in table 3.9.

Table 3.9 Category	Section	SIC2007 codes
Agriculture, Forestry and Fishing	A	01110 – 03220
Manufacturing	C	10110 - 33200
Construction	F	41100 - 43999
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	G	45110 – 47990
Transportation and Storage	H	49100 – 53202
Accommodation and Food Service Activities	I	55100 – 56302
Information & Communication	J	58110 – 63990
Financial, Insurance and Real Estate Activities	K, L	64110 - 68320
Legal & Accounting Activities	M	69100 – 69203
Other Professional, Scientific and Technical Activities	M	70100 – 75000
Administrative and Support Service Activities	N	77110 – 82990
Education	P	85100 – 85600
Human Health and Social Work Activities	Q	86100 - 88990
Arts, Entertainment and Recreation	R	90010 – 93290
Other Industries	B, D, E, O, S, T and U	05100 – 09900 35110 – 39000 84110 – 84300 94110 – 99000
Unknown Industries		Blank or invalid values

More information about SIC2007 can be found on the ONS website at:
<http://www.ons.gov.uk/ons/guide-method/classifications/current-standard-classifications/standard-industrial-classification/index.html>

Estimates and measures of precision

Population and sample design

The SPI aims to cover all individuals with a UK income tax liability. The sample drawn from HMRC operational computer systems will include some cases where income is less than allowances so no tax liability arises. The section above explains how the records in each operational computer system are grouped (stratified) before the sample is selected. A random sample of records is drawn from each grouping (stratum) - the proportion of cases selected varies from stratum to stratum.

Reliability of estimates

As with all sample surveys, estimates from the SPI have a sampling error attached to them. A statistic (e.g. an estimate of a mean or a total from a random sample) will be subject to sampling variation - its value will vary from one sample to the next if repeated random samples are drawn. The Standard Error of the statistic measures the extent of the variability. It depends on how much spread exists in the observations from the sample and the size of the sample.

In general, the larger the sample size, the smaller the Standard Error. To a lesser extent, the standard error of the statistic will decline as the proportion of the population surveyed increases, but only by taking measurements for the whole population can sampling error for the statistic be removed entirely.

A Confidence Interval for the statistic is constructed from the Standard Error. It gives an estimated range of values which is likely to include the unknown population parameter that has been estimated by the statistic. If independent samples are taken repeatedly from the same population and the Confidence Interval is calculated for each sample, then a proportion (known as the Confidence Level) of such intervals will include the unknown population parameter.

A 95% Confidence Interval is one that if compiled repeatedly would encompass the population parameter 19 times in 20. For a given sample size, narrower intervals can be compiled if a greater risk of failing to encompass the true population value is acceptable, whereas if greater certainty of including the true value is required, the interval will be wider.

The Upper and Lower boundaries of the Confidence Interval are called the Confidence Limits. They are a function of the statistic, the Standard Error of the statistic and the degree of confidence required of the interval.

The calculation of sampling errors assumes a simple random sampling method but can be extended to more complex sample designs. The sample for the SPI, as described earlier, is selected using a stratified sample.

Precision of estimates: sub UK areas

The population is not stratified by geographical area before the SPI sample is selected. Estimates of taxpayer numbers for low level geographical areas of the UK depend on measuring the proportion of the UK population which belong to the area. Typically these proportions are very small and to ensure high precision for any estimated proportion, the sample size across the UK needs to be large.

The table below gives an indication of the level of precision which may be assumed, with 95% confidence, for an estimate of taxpayer numbers from a simple random sample as large as the 2003-04 SPI. It shows that for estimated populations of 2.5 million or more, the estimate will be within 1% of the true population with 95% confidence. As the estimated population falls, the level of Confidence Interval reduces more slowly, thus increasing in size relative to the estimate. For a typical Parliamentary Constituency with an estimated taxpayer count of 46 thousand, the true figure may lie between 42 thousand and 50 thousand. The error could be +/- 8% of this estimate. For a large Parliamentary Constituency, the error may be about 4 thousand (7% of the estimate), while for a small constituency, the error may be 3 thousand (about 9%).

**Survey of Personal Incomes:
Confidence Intervals for estimates of taxpayer numbers ⁽¹⁾**

Geographical area	Estimated value	Confidence Limits		95% Confidence Interval (+/-)	As % of estimate
	Number (thousands)	Lower limit	Upper limit	Number (thousands)	
		Number (thousands)			
Government Office Region (medium)	2,500	2,475	2,525	25.0	1.00%
County					
County (large)	500	488	512	11.6	2.32%
County (small)	200	193	207	7.4	3.69%
Parliamentary Constituency					
Large	57	53	61	4.0	6.93%
Medium	46	42	50	3.6	7.72%
Small	34	31	37	3.1	8.98%

⁽¹⁾ Assumes a taxpayer population of 29 million, a simple random sample of 400 thousand.

In practice, estimates will reflect the more complex SPI sample design.

Broadly speaking, as sample size changes by a factor x , the Confidence Interval will change by a factor $\frac{1}{\sqrt{x}}$, so a fourfold increase in sample size will halve the Confidence Interval.

Year on year changes in published estimates of taxpayer numbers within small geographical areas (e.g. districts and constituencies) should be viewed with caution. They involve measuring small differences between two very small proportions. The Confidence Interval for the difference could be large relative to the measured difference, so any observed change may be due to sampling fluctuation alone.

Similar precision, or relative precision, to those shown in the table above in estimates for subsets of taxpayers (e.g. pensioners or higher rate taxpayers) in small geographical areas (e.g. districts and constituencies) requires even greater national samples, far in excess of the present sample size of the SPI. Estimates in such detail are not considered sufficiently reliable to be published.

Methodological Changes since the 2009-10 SPI

Changes to the PAYE Data

There have been no changes to the PAYE data

Changes to the Self Assessment Data

There have been no changes to the Self Assessment data

Changes to the Claims Data

There have been no changes to the claims data.

Changes to the Imputation Process

The coverage of investment income for the sample drawn from NPS is incomplete. This is because HMRC does not need information on interest from which tax has been deducted at source nor dividends and associated tax credit to operate the PAYE system for most individuals. In order to create a full picture of total income for this survey, it is necessary to impute values of bank and building society interest, dividends and personal pensions to some sample cases. Imputation methods are described in Annex B of the Income Tax Liabilities Statistics statistical bulletin:

<http://www.hmrc.gov.uk/statistics/tax-statistics/liabilities.pdf>

There were some minor modifications to imputation methods introduced for the 2010-11 SPI survey. First, imputation of bank and building society interest was enhanced to better reflect the numbers and levels of savings income among the lowest income taxpayers. Second, dividends are no longer imputed to non SA cases to represent individuals incorporating as businesses, as these individuals should be captured in the SPI sample within SA, reducing estimated dividends by around £2.5 billion. Finally, for previous SPIs the imputation of personal pension figures included individuals who had personal pensions but did not contribute to them, these contributions were paid, for example, by the individuals employer. Estimates for 2010-11 only include individuals who make contributions themselves.

Full details on contributions to personal pensions for different individuals are available in the National Statistics Personal Pension Statistics:

<http://www.hmrc.gov.uk/statistics/pension-stats/pensions-intro.pdf>

Annex C: Glossary of Terms

Annex C aims to explain acronyms, abbreviations and terms associated with personal incomes and income tax liabilities.

Allowances

The amount of income which an individual can receive before being liable for income tax. The personal allowance is an example of an allowance.

Average rate of Tax

The ratio of income tax liability to total income, where income is measured before deductions, reliefs and allowances.

Basic rate limit

This is the highest income point for taxable income (after allowances) at which basic rate income tax is charged.

CESA (Computerised Environment for Self Assessment)

This is the computer system used to administer Self Assessment from which SA data for the SPI has been extracted since 1996-97. See Self Assessment (SA).

COP (Computerisation of PAYE)

The computer system which used to administer PAYE until being replaced by NPS and from which PAYE data for the SPI was extracted for tax years 1997-98 to 2007-08 inclusive.

Deductions and Reliefs

Amounts deducted from total income, along with personal allowances to arrive at the amount of taxable income subject to an income tax charge. This includes amounts for contributions to occupational and personal pensions, and a variety of other Deductions and Reliefs including charitable giving and loss relief etc.

Dividend Income

Income derived from shares.

Earned income

This component of total income comprises income from Employment, Self Employment and Pensions (National Insurance and Other). This income is charged to tax as Non-savings income.

Geographical Areas

Some tables present information for sub-UK areas described as Government Office Region, County, District and Parliamentary Constituency. Administrative and Political geographical areas are not held on taxpayers' records. For the SPI, the areas are attached by matching the individual's postcode to the Office for National Statistics Postcode Directory.

Industry

Industry categories are based on UK Standard Industrial Classification of Economic Activities 2007 (SIC2007). Income from self employment (sole trade and partner) is assigned an industry using the nature of business text descriptions supplied on Self Assessment Returns.

Investment income

This component of total income comprises income from savings, investments and exploitation of capital. It includes interest from banks and building societies, dividends received from shares and income from property such as rent and lease premiums net of allowable expenses. It excludes:

- gains from the disposal of assets that are classified as capital gains
- interest, dividends or bonuses from tax exempt investments (for example ISAs and National Savings & Investments Savings Certificates)
- interest and terminal bonuses from Save As You Earn Schemes
- Premium Bond, National Lottery and gambling prize winnings

In the tax system, income is streamed into three main categories: Dividends; Savings Income (not dividends); Non-savings income as different rules apply. Elements of investment income will be taxed in whichever of the three streams is appropriate.

National Insurance and PAYE System (NPS)

NPS is the computer system HMRC uses to administer PAYE. It replaced COP and is the source of PAYE data for SPI for tax year 2008-09 onwards.

National Insurance Recording System 2 (NIRS2)

This computer system is used to monitor payment of National Insurance (NI) contributions and to calculate and prove entitlement to contributory benefits. These include Job Seekers Allowance (JSA) and the National Insurance Pension. It provides contribution information to a number of government departments.

P14s

Form P14 is an End of Year summary for an employment that is submitted by the employer to HMRC, showing pay, tax and NI contributions for the year. The employer provides similar information to the employee on an end of year certificate, form P60.

Pay As You Earn (PAYE)

PAYE is the system used by HMRC to collect and account for income tax on earnings from employment and pensions. Income Tax and National Insurance Contributions are deducted by the employer and paid over to HMRC on behalf of the individual for each pay period.

Personal Allowance

This is the amount of income you can receive for the tax year without having to pay tax on it.

Savings Income

A particular class of income that includes interest on bank and building society accounts.

Self Assessment (SA)

SA is a system where an individual declares their income and can calculate their own income tax due after the end of the tax year. Taxpayers included in SA can be higher earners, self-employed and taxpayers with complex tax affairs.

Starting rate limit/Starting rate for savings limit

This is the highest income point for taxable income (after allowances) at which starting rate income tax is charged. From 2008-09 the starting rate was abolished for non-savings income and applied only to non-dividend savings income.

Superannuation contributions

These are the regular amounts paid by an employee into an employer occupational pension fund which are deducted from the employee's salary. Superannuation contributions to an authorised fund or scheme are not liable to income tax and the employer would deduct the amount of superannuation contributions from the gross pay before assessing the income tax liability through PAYE.

Survey of Personal Incomes (SPI)

An annual survey of individuals who could be liable for income tax derived from HMRC administrative systems holding data on persons within PAYE, SA and income tax claims.

Tax liabilities

The amount of income tax due on taxable income after applying tax rates to the tax base. The income tax liability for each sample case in SPI is calculated by reference to the amounts of income by type, deductions and reliefs and the tax regime parameters that apply for the year. The calculated liability for a tax year will differ from the amount of tax receipts collected in a financial year.

Tax receipts

The amount of income tax collected by HMRC. The SPI measures the amount of income tax liability for a tax year, but not the amount of receipts in the financial year.

Taxable income

Income assessable to income tax after allowances.

Taxpayer

An individual calculated to have a positive income tax liability for the tax year, based on the income, allowances, reliefs and deductions for the year.

Total income

The sum of an individual's earned income and investment income taken into account in calculating income tax. This includes earnings from employment, profits from self-employment, pensions income, some social security benefits, savings income, income from shares (dividends), rental income, and income paid from trusts. It excludes:

- gains from the disposal of assets that are classified as capital gains
- interest, dividends or bonuses from tax exempt investments (for example, ISAs and National Savings & Investments Savings Certificates)
- interest and terminal bonuses from Save As You Earn Schemes
- Premium Bond, National Lottery and gambling prize winnings

It is before relief for contributions to occupational and personal pensions, other deductions and reliefs or personal allowances.