

SURVEY OF PERSONAL INCOMES PUBLIC USE TAPE DOCUMENTATION

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Information about the Survey of Personal Incomes

Introduction

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, the Treasury and the Devolved Administrations, 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.

Please refer to the SPI usage agreement for the legal agreement for condition of use.

Sample Design

Samples were selected from two 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
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

Some individuals with a PAYE record are also in the SA system. These individuals are excluded from the PAYE population prior to sampling, as their SA record provides a more complete picture of their taxable income. Separate samples were drawn from each of these systems and different sampling strategies were used for each. The samples were structured as follows:

- 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 the previous year's income was not 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 9 for individuals with high incomes and rare allowances to about 1 in 140 for people with low combined pay and

pensions. In all, about 400,000 individuals were selected from NPS for inclusion in the SPI for tax year 2020 to 2021.

- for the Self Assessment 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 around 1 in 70 for employees and occupational pensioners with smaller income or tax. In all, about 450,000 individuals were selected from SA for inclusion in the SPI for tax year 2020 to 2021.

Once data was collected for the two 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 around 850,000 valid cases in the final SPI dataset for tax year 2020 to 2021.

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 and the proportion of taxpayers versus non-taxpayers. A random sample of records is drawn from each grouping (or stratum), where 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 reflects 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 estimated population size 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.

The precision of estimates of taxpayer numbers for low level UK geographical areas 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.

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 95% Confidence Interval increases in size relative to the estimate. For a typical Parliamentary Constituency with an estimated taxpayer count of 46,000, the true figure may lie between 42,000 and 50,000. The error could be +/- 8% of this estimate. For a large Parliamentary Constituency, the error may be about 4,000 (7% of the estimate), while for a small constituency, the error may be 3,000 (about 9%).

Please see section 12 of the Supporting documentation for the Personal Income statistics, for further details and illustrations of the confidence intervals for estimates of taxpayer numbers.

Coverage of the SPI

Not all of the individuals in the SPI sample are taxpayers. About 26 per cent of sample cases (35 per cent grossed) have no Income Tax liability because deductions and reliefs and personal allowances exceed their total income. 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.

An individual with income below the personal allowance can still be a taxpayer in some circumstances. This can arise where individuals who have income liable to UK tax do not qualify for a personal allowance under the residence and/ or domicile rules. Some people who do qualify for the personal allowance choose to give up their

personal allowance as part of the qualifying conditions for having their income taxed under the “remittance basis”. These taxpayers may only have a small amount of income liable to UK tax (i.e. below where the personal allowance is set), but this income is still liable to tax and is charged at the starting, and/ or basic rates.

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.

Imputations

The coverage of investment income for the sample drawn from NPS is incomplete. This means that some values need to be imputed to the required levels.

Those income streams are set out in more detail below. For more information on the imputations process please refer to the supporting documentation accompanying the latest [Income Tax Liabilities Statistics](#)

1. Dividends

In order to create a full picture of total income for this survey, it is necessary to impute values of dividends to some sample cases. For the 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 taxpayers
- is unknown for NPS cases where there is no coding adjustment

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.

Starting from control totals at UK level for the number of cases and total amount of dividends, the Self Assessment and 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. For dividend income, the number of non SA cases with dividend income and

distribution of imputed amounts were inferred from Family Resources Survey data for tax year ending 2021. 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.

2. Pension Contributions

HMRC does not have complete information about pension contributions. Pension contributions can be made under two types of arrangement:

- net pay schemes
- relief at source schemes
- salary sacrifice schemes

HMRC holds information on the value of employee pension contributions paid under “net pay arrangements” in Real Time Information (RTI) submissions by their employer. This data has been used to match SPI cases to “net pay” pension contributions. Pension schemes operating a net pay scheme are occupational pension schemes. However, as some employers operate relief at source or salary sacrifice schemes, contributions to those schemes are not included in the “net pay” figures and thus the “net pay” figures do not include all “occupational” individual contributions.

HMRC receives information from relief at source (RAS) schemes on individual contributions via the APSS106 and RPSCOM100(Z). These contributions are made post-tax, relevant rate relief (equivalent to the rUK basic rate of income tax) is claimed on all individual contributions by scheme providers from HMRC. Individuals with higher marginal tax rates than the relevant rate can claim the additional relief from HMRC via self-assessment.

The APSS106 and RPSCOM100(Z) have been used to match PAYE cases in the SPI to “RAS” pension contributions – net of any relief claimed. For SA cases, this has been taken from the information submitted via Self Assessment returns, which is gross of basic rate tax. Additionally, the SPI includes contributions made to retirement annuity contracts and contributions made to employer’s schemes not deducted at source.

Employers, individuals and schemes providers are not required to report individual contributions made using salary sacrifice to HMRC. These contributions are deducted from an individual’s gross earnings and added to the contributions made by their employer. Individual contributions made using salary sacrifice arrangements are not included in this publication.

The estimated value for “RAS” and for “net pay” contributions has been combined with other pension reliefs and included in these statistics. For more info on these pensions data sources please refer to the latest methodology document for the Private pension statistics release.

3. Marriage Allowance

HMRC collects data regarding claimants (receivers and transferers) of Marriage Allowance through coding adjustments for those in NPS or via Self Assessment returns. The latest available administrative data is matched to the SPI sample data allowing for the calculation of tax liabilities adjusting for Marriage Allowance.

The SPI sample is not stratified around any subsets of populations including Marriage Allowance claimants, and therefore when grossed up and subset for just Marriage Allowance claimants it does not exactly match the population of claimants separately estimated and published using the collected administrative data. To calibrate to published Marriage allowance claimants, estimated values are imputed to cases so that the population as a whole has amounts consistent with the evidence from these other sources.

Starting from published estimates at UK level for the number of cases, the Self Assessment and NPS cases with coding adjustments are deducted to leave targets for the remainder of the claimant population. These targets are at UK level – no attempt is made to control the targets to sub-UK geographical units. For Marriage Allowance, the number of eligible claimant cases were inferred from Family Resources Survey data for tax year ending 2021. The cases to which claims are received or transferred are attached by the imputation process to align to the published estimates of take up.

Methodological Changes this year

Basis for income tax liability calculations

Different tax regimes apply to Scottish and Welsh taxpayers, compared to taxpayers in the rest of the UK. Please see section 14 of the [Supporting documentation for the Personal Income statistics](#) for further information. For tax years up to and including 2019 to 2020, the income tax liability for an individual in the SPI was calculated with reference to their residential postcode. For the tax year 2020 to 2021 and future years, this approach has been updated to reflect the tax regime that would be applicable to an individual to provide a more precise basis for tax forecasting and greater consistency with other publications.

In the SPI, an individual's postcode is drawn at the end of the tax year under study. This is in contrast to the Scottish or Welsh taxpayer indicators which are set with reference to a number of conditions over the course of the tax year. Therefore, there are some individuals who may have a postcode outside of Scotland or Wales, but their income tax liabilities are aligned with the Scottish or Welsh tax regimes respectively, and vice versa. As there are only a small proportion of such cases, the impact is likely to be negligible.

Therefore, from the tax year 2020 to 2021 the Public Use Tape will not include variables which set out the tax liabilities based on GORCODE (that is the variables in the form TAX_ST_XX). Those based on the taxpayer status, therefore, the actual tax regime that applies to an individual will continue to be provided (variables in the form TAX_ST_YY_DEVO_TXP). Further details can be found in Annex A.

Allowances for Coronavirus Support Schemes

As part of the government's economic response to the Coronavirus pandemic, in early 2020, two support schemes were announced – the Self-Employment Income Support Scheme (SEISS) and the Coronavirus Job Retention Scheme (CJRS).

Self-Employment Income Support Scheme (SEISS)

The SEISS was announced by the Chancellor of the Exchequer on 26 March 2020 and the key objective was to support self-employed individuals (including members of partnerships) whose self-employment activities had been adversely affected by COVID-19 restrictions.

In order to ensure that economic activity continued where pandemic restrictions allowed, claimants were able to continue to work, start a new trade, or take up other employment, including voluntary work, provided they intended to continue trading as a self-employed individual and met all other eligibility criteria.

Coronavirus Job Retention Scheme

The scheme was launched in April 2020 and aimed to protect jobs affected by the coronavirus pandemic and prevent widespread unemployment and permanent employer closures. The scheme initially offered employers the opportunity to apply for a grant to fund the wages of their employees who were on furlough, equivalent to 80% of usual wages up to £2,500 per month.

It initially also covered associated employer NICs and mandatory pension costs. This design aimed to ensure that workers could retain their job and the majority of their usual salary, even if their employer could not afford to pay them.

To enable and encourage the return of employees into active work from summer 2020, despite some continuing restrictions, changes were made to allow employees to work for some of their working hours and claim the CJRS grant for hours not worked. In addition, an increasing portion of the cost began to be shared by employers.

Approach for this dataset

Given that these schemes began in early 2020, the tax year 2020 to 2021 is the first year that SEISS and CJRS data will be submitted to HMRC and feed into the PUT. Such amounts are counted as a component of an individual's income and taxed at the individual's marginal rate of tax where applicable.

CJRS payments form part of an individual's employment pay where applicable and are not separately reported to HMRC. Therefore, these amounts will be included in the *PAY* variable. See Annex A for further information.

SEISS grants form part of an individual's total taxable trade profits where applicable. However, as this information is reported via Self Assessment Returns this can be

separately identified and has been recorded in a new variable called *SE/SS*. See Annex A for further information.

As set out in Annex A, these amounts are combined with other components of income such as employment pay and pension to arrive at an individual's total income amount as held in variable, *TI*.

There are a small proportion of individuals who have informed HMRC that they have incorrectly claimed SEISS grants. These amounts have been excluded from this dataset.

For further details of CJRS please refer to the [Coronavirus Job Retention Scheme interim evaluation](#) and for SEISS please refer to [SEISS interim evaluation](#).

Changes to Self-Employment Criteria

The criteria for identifying individuals with self-employment income and unknown sources of self-employment income have been refined to ensure greater consistency across the publication.

For the tax year 2019 to 2020:

- In Table 3.9, sources of income were identified based on Standard Industry Classification (SIC) 2007. If industry information was missing from the tax return, sources were classified as “Unknown Industries”. If industry and profits information was missing from the tax return, sources were not included in this table.
- In Table 3.10, individuals were identified as having self-employment income if one or more pages covering income from trades or from partnerships had been completed in the tax return. If information about profits was missing from the tax return, individuals were treated as having profits equal to zero and counted in the £0-1 range of self-employment income.

For the tax year 2020 to 2021:

- In both tables 3.9 and 3.10, individuals are identified as having self-employment income if there was evidence of business activity in the tax return. This evidence included more than just profits. If information about profits was missing, both the individuals and the sources are counted in the £0-1 range of self-employment income.
- Tables 2 and 3 illustrate the impact of moving from the previous methodology to the current methodology based on returns submitted in the tax year 2019 to 2020. The main effect of changes to our methodology is an increase in the number of sources of self-employment income classified as “Unknown Industries” and a reduction in the number of individuals with self-employment income.

The total value of self-employment profits is unchanged but estimates of the composition of total income for individuals with self-employment income have changed. This is because the reduction in the number of individuals with self-employed income was due to the exclusion of some individuals with nil profits but these individuals still had other income from employment, pensions or other income sources. These individuals and their income are still included in the other appropriate statistics. Figure 1 shows there has been a 1% reduction in the number of self-employed individuals with employment income and a 3% reduction in the amount of employment income they receive.

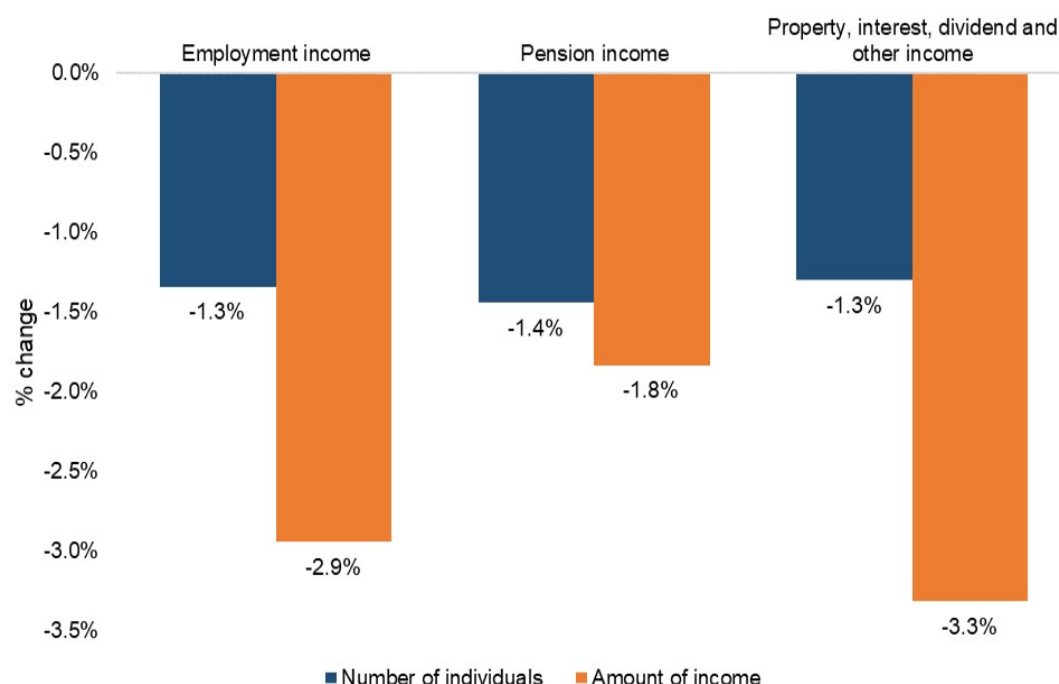
Table 2: “Unknown Industries” sources of self-employment income assessable to tax, tax year 2019 to 2020

	Previous methodology	Current methodology	Change
Number of sources ('000)	792	870	+ 78
Self-employment profits (£m)	10,700	10,700	0

Table 3: Individuals with self-employment income, tax year 2019 to 2020

	Previous methodology	Current methodology	Change	% Change
Number of individuals ('000)	5,330	5,300	-30	-1%
Self-employment profits (£m)	99,900	99,900	0	0%

Figure 1: Percentage change in estimates about the composition of total income for individuals with self-employment income, tax year 2019 to 2020



Changes to Multiple Sources of Self-Employment Income

The classification of sources of income to income bands has also been refined in table 3.9 to ensure greater consistency when an individual has multiple sources of self-employment income.

In the tax year 2019 to 2020, an individual who had multiple sources of income from the same industry (e.g. one source generating profits of £200 and another £4,900) was counted as many times as they had sources according to the value of total profits from both sources in that industry (e.g. twice in the income range £5,000-£7,500). The same approach was used to produce the breakdown of sources across All Industries.

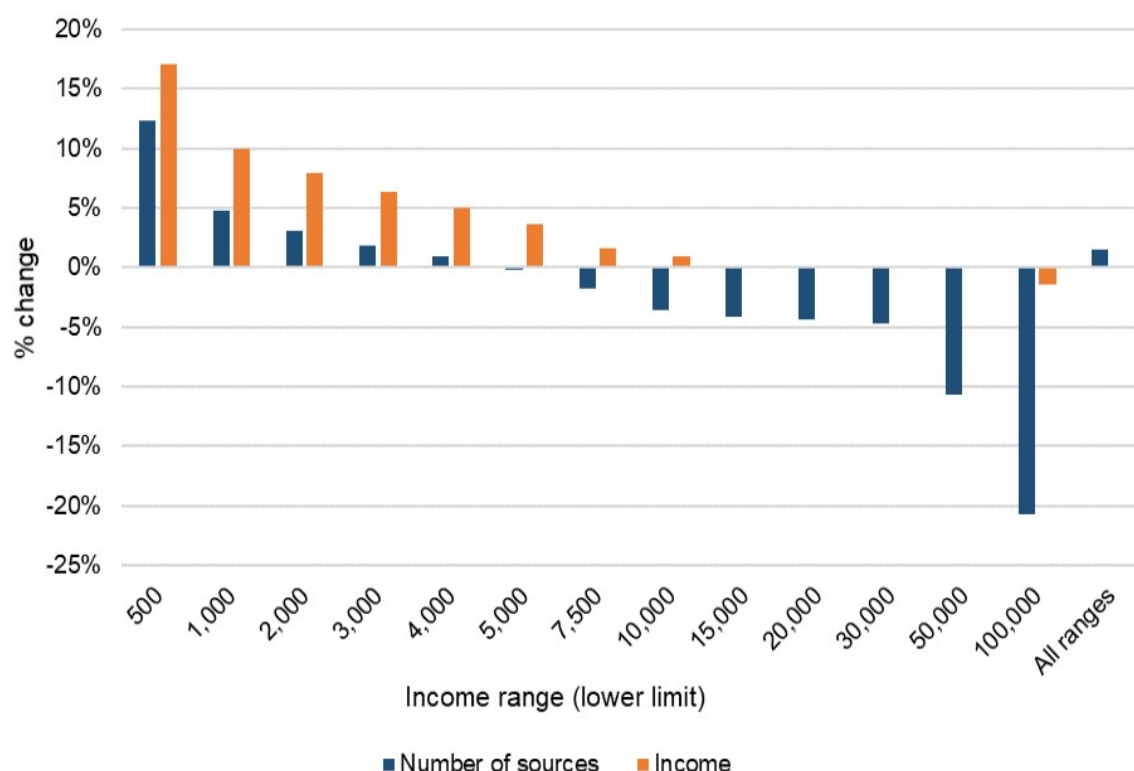
In the tax year 2020 to 2021, an individual who has multiple sources of income from the same industry has each source reflected once at the appropriate income level for that source (e.g. once in the income range £1-500, and once in the range £4,000-£5,000). The same approach was used to produce the breakdown of sources across All Industries.

The distribution of the number of self-employment sources and value of profits by income range has shifted to the left because of this change. The total number of self-employment sources and value of profits for the whole population is unchanged.

Figure 2 shows the cumulative impact of changes to self-employment criteria and the classification of sources of income to income bands on the distribution of self-employment sources from all industries, and value of profits by income range. The increase in the total number of self-employment sources in the population for all

income ranges is due to changes made to the self-employment criteria, as shown in table 2.

Figure 2: Percentage change in estimates about self-employment income assessable to tax by income range, tax year 2019 to 2020



Changes to the Self Assessment Data

Loan charges

Historically, loan charges (or disguised remuneration income) declared via Self-Assessment was excluded from total income for tax years to 2019 to 2020. This is because these returns related to income from previous years and not income received in the tax year under study. The value of loan charges has been decreasing each year. For the tax year 2020 to 2021, this amount has not been excluded as income in the Personal Income statistics, however this amount is expected to be negligible.

Restricting finance cost relief for individual landlords

Landlords are no longer able to deduct any of their finance costs from their property income to arrive at their property profits. Instead, they receive a basic rate (20%) reduction from their Income Tax liability for their finance costs.

In tax year 2020 to 2021, deductions for finance costs reduced to nil, therefore the property income that was subject to tax in these tables is higher than in previous years. The remaining 100% of finance costs are given tax relief at basic rate which is accounted for in the total tax liability.

Further information on the policy changes can be found here:

[Changes to tax relief for residential landlords](#)

[Changes to tax relief for residential landlords: how it is worked out](#)

Revision in relation to non-resident taxpayers

In 2021, inconsistencies in the regional classification of a small number of SA taxpayers were discovered in HMRC's NPS and SA systems.

These taxpayers had Welsh/Scottish residency flags in HMRC's NPS records and would thus be identified as Welsh/Scottish taxpayers. However, it is not possible to be Welsh or Scottish taxpayer while being non-resident in these respective locations.

Data submitted via self-assessment returns indicated that some individuals were resident (for tax purpose) outside Scotland and Wales, which contradicted the flag in the NPS records. Therefore, the Income Tax revenue generated from these non-resident taxpayers should have been allocated to the rest of UK. As such, the process for classifying individuals has been updated accordingly for this dataset.

For further information, please refer to Section 14 in the [Supporting documentation for the Personal Income Statistics](#) Section 7.8 in the [Scottish Income Tax Outturn](#).

Taxes confidentiality

The Taxes Acts impose special responsibilities on HMRC to safeguard the confidentiality of information on identifiable taxpayers. The legislation specified that such information can only be released outside the department in a very limited number of circumstances. We are allowed to pass employer names and addresses to the Office for National Statistics because this is specifically allowed by statute, but we are not allowed to give out any other information, which might be attributable to any identifiable individual, for statistical purposes, even to other Government departments. We have hence had to go through a number of stages to ensure that the data is suitably anonymised. In deciding how to do this we have had to take account of information on individuals' incomes which is already known to third parties, such as employers.

Steps taken to anonymise the 2020-21 SPI File

Stage 1

The first step is to round all sources of income, deductions and reliefs to three significant figures and use the dataset as input in the Personal Tax Model to calculate the tax amounts with rounded figures.

Stage 2

In the next stage, some variables are combined together to further ensure anonymity. For example, the original SPI file contains several variables relating to different types of pension relief. These variables are all combined into one variable holding all pension relief information. Details of the variables on the public use tape are given in Annex A.

Stage 3

The next stage of the anonymisation process is to identify all of the strata that were sampled more heavily than 1 in 60 in the original survey, and had populations less than 10,000. Further samples are then drawn from these strata to reduce the sampling fraction to no more than 1 in 60.

Stage 4

Composite records are created for the following reasons:

- Individuals with very large total incomes within each income stratum (Generally well in excess of £1,000,000 for taxpayers and above £150,000 for non taxpayers).
- Stratum where sampling is close to 1 in 1, which would be disclosive.
- Stratum where sample size is less than 30.

This is done by combining cases with similar characteristics and taking an average for each variable on the file. Taxpayer cases are combined according to their stratum and gender status, whereas non taxpayers are combined by PAYE/SA classification and gender status due to insufficient samples within stratum to create viable composite records. The designatory variables contain the value “-1”, enabling easy recognition of the composite records.

Each composite record is given a description and a summary of information about each case has been provided at Annex B.

In order to provide more accurate estimates to be available from the PUT for Scottish and Welsh taxpayers the composite records have been created by combining either Scottish taxpayers, Welsh taxpayers or non-Scottish/ non-Welsh taxpayers into a single composite record. There are no composite records which include a mix of Scottish, Welsh and non-Scottish/ non-Welsh taxpayers. Scottish and Welsh taxpayers are identified by the Scottish and Welsh indicators held on the NPS system which identifies individuals who have been taxed under the Scottish or Welsh tax systems for a given tax year.

Stage 5

As a final step, all the remaining income figures are rounded to the nearest £5.

Please note that although we make our best efforts to anonymise the SPI file for the PUT release, it may still be possible that the dataset holds enough information to make a case distinct from all others cases.

The SPI file is based on a sample of the UK population. There is no guarantee that an individual that a user may believe they have identified is actually the correct representation of that person.

Please refer to the SPI usage agreement for the legal agreement for condition of use.

Annex A

List of variables on Public Use Tape 2020-21

<u>Item</u>	<u>Description</u>	<u>Code/Item range</u>
AGERANGE	Age range indicator	-1 Not classified 1 Under 25 2 25 – 34 3 35 – 44 4 45 – 54 5 55 – 64 6 65 – 74 7 75 and over
BPADUE	Blind persons allowance due (including any surplus allowance transferred from spouse)	0 – 5,000
CAPALL	Capital allowances used for all sources of self-employment income less balancing charges (negative values indicate a net balancing charge)	-207,000 – 6,127,560
COVNTS	Covenanted payments to charities	0 – 2,074,120
DEFICIEN	Deficiency relief amount	0 – 6,390
DIVIDENDS	Dividend Income from shares in UK companies and units trusts	0 – 29,628,275
DSHIPS	Directorship Indicator	1 Director of a close company 2 Director but not of any close company 3 Not a director 4 Director recorded from PAYE Data
EIDF	Earned income deductions due at full relief (same as PENSRLF)	0 – 2,380,575
EPB	Gross expenses payments and benefits	0 – 559,715
EXPS	Deductions for expenses from employment	0 – 309,000
FACT	Grossing factor – This variable must be applied to the sample in order to obtain figures for the whole UK population	9.973 – 569.102

<u>Item</u>	<u>Description</u>	<u>Code/Item range</u>
GIFTAID	Gift aid payments to charities	0 – 4,721,900
GIFTINV	Gifts of qualifying investment and property to charities	0 – 3,403,725
GORCODE	Government Office Region Indicator	1 North East 2 North West 3 Yorkshire and the Humber 4 East Midlands 5 West Midlands 6 East of England 7 London 8 South East 9 South West 10 Wales 11 Scotland 12 Northern Ireland 13 Address abroad 14 Address unknown or not available
IIDF	Investment income deductions due at full relief (sum of COVNTS, MOTHDED, GIFTAID, GIFTINV, DEFICIEN)	0 – 7,200,810
INCBBS	Net interest from UK banks, building societies and other deposit takers	0 – 403,855
INCPBEN	Taxable Incapacity Benefit	0 – 121,000
INCPROP	Net income from UK and overseas property (income - expenses)	0 – 695,000

<u>Item</u>	<u>Description</u>	<u>Code/Item range</u>
INDUSTRY07	Indicator of Industry - based upon Standard Industrial Classification code (SIC) 2007	A Agriculture, forestry and fishing B Mining and quarrying C Manufacturing D Electricity, gas, steam and air conditioning supply E Water supply; sewerage, waste management and remediation activities F Construction G Wholesale and retail trade; repair of motor vehicles and motor cycles H Transport and storage I Accommodation and food service activities J Information and communication K Financial and insurance activities L Real estate activities M Professional, scientific and technical activities N Administrative and support service activities O Public administration and defence; compulsory social security P Education Q Human health and social work activities R Arts, entertainment and recreation S Other service activities T Activities of households as employers; undifferentiated goods and services-producing activities of households for own use U Activities of extraterritorial organisations and bodies 1500 Other (income from financial investments, property, unemployment benefit, incapacity benefit, and other Social Security benefits) 1600 Income from pensions (includes pensioners and persons moving into pensions during the year). 1700 Claimants 1900 Individuals with no income from Pay, Pension and unemployment benefit, incapacity benefit and other Social Security benefits Blank Unknown

<u>Item</u>	<u>Description</u>	<u>Code/Item range</u>
LLIR_RESTRICT _AMT_TOT	Restricted land property finance cost (tax relief is included in TAX_CRED)	0 – 1,028,725
LOSSBF	Losses brought forward from earlier years and used against profits for all sources of self-employment income	0 – 852,000
MAINSRCE	Main Source indicator	1 Main source pay 2 Main source occupational pension 3 Main source sole t 4 Main source partn 5 Main source other 6 Claims case
MAR	Marginal rate of tax indicator	ST = Standard income NS = Non-Standard income (savings) DV = Dividends LR/SR/BR/IR/HR/AR Tax band NONTP = Non Taxp
MAIND	Marriage allowance claimant indicator – <i>NEW FOR 2021</i>	-1 – Not classified 0 – No claims 1 – Claimant
MCAS	Married couple's allowance	0 – 9,075
MOTHDED	All other charges, deductions and reliefs not included elsewhere	0 – 500,000
MOTHINC	Any other income not shown elsewhere	-6,430 – 2,568,955
OSSBEN	Other taxable social security benefits	0 – 20,200
<u>Item</u>	<u>Description</u>	<u>Code/Item range</u>

OTHERINC	Other Income	0 – 24,000
OTHERINV	Other Investment Income ¹	0 – 755,000
PAS	Personal allowance (includes 10% marriage allowance transfer if applicable).	0 – 13,750
PAY	Pay from employment net of benefits and foreign earnings	-670 – 22,508,205
PENSION	Occupational, personal, overseas and other pensions	0 – 749,530
PENSRLF	Sum of relief's due to different types of pension contributions	0 – 2,380,575
PROFITS	Gross profits assessable for all sources of self-employment income	0 – 71,346,200
PSAV_XS	Amount saved towards your pension, in the period covered by this tax return, in excess of the Annual Allowance	0 – 221,000
SCOT_TXP	Indicates whether the record is treated as Scottish, for tax purposes.	. Not a Scottish taxpayer 1 Scottish taxpayer
WELSH_TXP	Indicates whether the record is treated as Welsh, for tax purposes.	. Not a Welsh taxpayer 1 Welsh taxpayer
SEINC_NUM	Indicator for self-employed cases (those submitting pages in their tax return for income from trades or partnerships)	-1 Not classified 0 Not self employed 1 Self employed
SEX	Gender Indicator	0 Not attributable 1 Male 2 Female

<u>Item</u>	<u>Description</u>	<u>Code/Item range</u>
SEISS	Amount of SEISS grant reported to HMRC in the tax year 2020 to 2021 (covering the first 3 payments) <i>NEW FOR 2021</i>	0 – 23,900
SPA	State Pension Age indicator	-1 Not classified 0 Non-state pension age 1 State pension age
SREF	Statistical Reference	1 – 15,915,081
SRP	State retirement pension (includes state retirement pension lump sum payment ²) & widow's pension	0 – 146,000
TAXINC	Amount of taxable income	0 – 114,190,630
TAX_ST_SR_DEVO_TXP	Total tax liability, at starting rate on non-savings non-dividends income (based on SCOT_TXP or WELSH_TXP ⁵)	0 – 415
TAX_ST_BR_DEVO_TXP	Total tax liability, at basic rate on non-savings non-dividends income (based on SCOT_TXP or WELSH_TXP ⁵)	0 – 9,040
TAX_ST_IR_DEVO_TXP	Total tax liability, at intermediate rate on non-savings non-dividends income (based on SCOT_TXP or WELSH_TXP ⁵)	0 – 3,835
TAX_ST_HR_DEVO_TXP	Total tax liability, at higher rate on non-savings non-dividends income (based on SCOT_TXP or WELSH_TXP ⁵)	0 – 48,820
TAX_ST_AR_DEVO_TXP	Total tax liability, at additional rate on non-savings non-dividends income (based on SCOT_TXP or WELSH_TXP ⁵)	0 – 37,668,325

<u>Item</u>	<u>Description</u>	<u>Code/Item range</u>
TAX_ST_BR_DEVO_WRIT	Devolved element of tax liability for Welsh taxpayers, at basic rate on non-savings non-dividends income (based on WELSH_TXP ⁵) - <i>NEW FOR 2021</i>	0 - 3,750
TAX_ST_HR_DEVO_WRIT	Devolved element of tax liability for Welsh taxpayers, at higher rate on non-savings non-dividends income (based on SCOT_TXP or WELSH_TXP ⁵) - <i>NEW FOR 2021</i>	0 – 11,250
TAX_ST_AR_DEVO_WRIT	Devolved element of tax liability for Welsh taxpayers, at additional rate on non-savings non-dividends income (based on SCOT_TXP or WELSH_TXP ⁵) - <i>NEW FOR 2021</i>	0 – 167,075
TAXPAYER	Taxpayer status indicator (rounding reduces some figures under 5 to zero, this indicates those with some tax liability before rounding)	1 Taxpayer 2 Non-taxpayer
TAXTERM	Taxable pay on termination of employment	0 – 288,000
TAX_CRED	Total tax credits excluding MCAS (tax covered/relief value)	0 – 1,655,500
TEI	Total earned income	0 – 90,801,630
TI	Total income (sum of TEI and TII)	0 – 121,392,665
TII	Total investment income	0 – 30,591,035
TOTTAX_DEVO_TXP	Total tax liability (including pension tax charge) ³ less tax credits ⁴ (Based on SCOT_TXP or WELSH_TXP ⁵)	0 – 48,387,380
UBISJA	Unemployment benefit, income support payments and jobseeker's allowance	0 – 39,100

Variable relationships

Variable	Calculation
Total earned income (TEI)	= max(0, PAY + EPB – EXPS) + INCPBEN + OSSBEN + TAXTERM + UBISJA + MOTHINC + OTHERINC + SRP + PENSION + max(0, PROFITS – CAPALL – LOSSBF)
Total investment income (TII)	= OTHERINV + DIVIDENDS + INCPROP + INCBBS
Deduction and Relief's	= COVNTS + MOTHDED + GIFTAID + GIFTINV + DEFICIEN + PENSRLF
Personal Allowances	= PAS + BPADUE
Tax Credits	= MCAS*0.1 + TAX_CRED
Employed Income	= max(0, PAY + EPB – EXPS) + INCPBEN + OSSBEN + TAXTERM + UBISJA + MOTHINC
Self Employed Income	= max(0, PROFITS – CAPALL – LOSSBF)
Pensions Income	= SRP + PENSION
Pension tax charge	= PSAV_XS * individuals marginal tax rate

Note:

¹ 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.

² State pension lump sum (one off lump sum payment) has been categorised as part of the State retirement pension (SRP) 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 part of other pensions.

³ Amount saved towards your pension, in the period covered by this tax return, in excess of the Annual Allowance (PSAV_XS). Tax charge on this is dependent on an individual's marginal rate.

⁴ The tax credits referred to in the definition of TOT TAX_DEVO_TXP (total tax) refer to:

- Married couples allowance (Variable MCAS) given at a relief rate of 10%
- Venture Capital Trusts, Enterprise Investment Schemes, Seed Enterprise Investment

Schemes, Community Investment tax relief, maintenance/alimony payments, Social Investment Tax Relief, Foreign tax credit relief on income and Landlord tax relief. The total tax credit value of these variables is in TAX_CRED.

- 5 In 2020-21 Scotland has a different tax system to the rest of the UK on non savings non dividends income (See <https://www.gov.uk/scottish-income-tax>).

Scottish rates and bands on non savings non dividends income for 2020-21:

Band	Band Name	Rate
Over £12,500 to £14,585	Starter Rate	19%
Over £14,585 to £25,158	Basic Rate	20%
Over £25,158 to £43,430	Intermediate Rate	21%
Over £43,430 to £150,000	Higher Rate	41%
Over £150,000	Additional Rate	46%

England, Wales and Northern Ireland rates and bands on non savings non dividends income for 2020-21:

Band	Band Name	Rate
Over £12,500 to £50,000	Basic Rate	20%
Over £50,000 to £150,000	Higher Rate	40%
Over £150,000	Additional Rate	45%

REMOVED VARIABLES IN 2020-21

Occasionally variables become redundant in the dataset and are therefore removed.

For 2020-21, tax liability calculations have been performed based on an individual's tax liability status rather than GORCODE. Therefore, the variables below are no longer produced for the SPI and therefore not available for the PUT.

Please see the "Methodological changes this year" section for further details.

<u>Item</u>	<u>Description</u>
TAX_ST_SR	Total tax liability, at starting rate on non-savings non-dividends income (based on GORCODE ⁵)
TAX_ST_BR	Total tax liability, at basic rate on non-savings non-dividends income (based on GORCODE ⁵)
TAX_ST_IR	Total tax liability, at intermediate rate on non-savings non-dividends income (based on GORCODE ⁵)
TAX_ST_HR	Total tax liability, at higher rate on non-savings non-dividends income (based on GORCODE ⁵)
TAX_ST_AR	Total tax liability, at additional rate on non-savings non-dividends income (based on GORCODE ⁵)
TOTTAX	Total tax liability (including pension tax charge) ³ less tax credits (Based on GORCODE ⁵)

Annex B

List of composite records on Public Use Tape 2019-20

Please refer to the separate Excel spreadsheet summary labelled “Annex B 201920”.

Annex C

Income Tax Personal Allowances and Reliefs, 1990-91 to 2020-21

Please refer to the separate Excel spreadsheet labelled “Annex C TA 1 202021”.

Notes on personal allowances

1. Nearly everyone who lives in the UK is entitled to an Income Tax Personal Allowance (called single allowance before the introduction of independent taxation in 1990-91). The personal allowance is an amount you can receive without having to pay any tax and can be set against any type of income. Where an individual's total income is less than the allowance, their tax liability is reduced to nil. However any unused part of the personal allowance cannot be transferred to any other person.

2. Up to 1989-90, the married allowance was given to married men instead of a single allowance. With the introduction of independent taxation in 1990-91, each partner of the married couple is entitled to a personal allowance and one of them to an additional allowance called married couple's allowance. In the year of marriage the allowance is reduced by one twelfth for each complete month (beginning on the sixth day of each calendar month) prior to the date of marriage. The married couple's allowance, and allowances linked to it, i.e. the additional personal allowance and the widow's bereavement allowance, were restricted to 20 percent in 1994-95, 15 percent between 1995-96 and 1998-99 and 10 percent onwards. The amounts for the age related MCA in 1999-2000 were increased so that the value of this allowance was protected for people born before 5th April 1935 (and given as a 10% tax credit). From April 2000, the MCA for people born after 5 April 1935 has been withdrawn.

3. The amount of the personal allowance (single allowance before 1989-90) depends on the age of the individual taxpayer. The amount of the married couple's allowance (married allowance before 1989-90) depends on the age of the elder of the husband or wife. The maximum values of these age-related allowances will be given provided the individual taxpayer's total income is below the income limit shown. For incomes in excess of the limit, the allowance is reduced by £1 for each additional £2 of income (the marginal fraction was 2/3 from 1975-76 to 1988-89) until the basic levels of the personal and married couple's allowances are reached.

4. The additional personal allowance may be claimed by a single person who has a child resident with him or her during the year, or by a married man with children if his wife is totally incapacitated. From April 1997 it may also be claimed by married women with children if the husband is totally incapacitated. From April 2000, the additional personal allowance has been withdrawn.
5. Widow's bereavement allowance is due to a widow in the year of her husband's death and in the following year provided the widow has not remarried before the beginning of that year. This allowance has been withdrawn for deaths occurring after 5 April 2000.
6. You can claim the blind person's allowance if you are registered as blind within a local authority in England or Wales or live in Scotland or Northern Ireland and are unable to perform any work for which eyesight is essential. Surplus blind person's allowance may be transferred to a husband or wife.

Annex D

Rates of Income Tax, 1990-91 to 2022-23

Please refer to the separate Excel spreadsheet labelled “Annex D TA 2 202021”.