

ASSESSMENT NARRATIVE – HUMAN CAPITAL TAXES

Structure

A simple pass or fail will be awarded.

Identification and Application

The following are the relevant topics for assessment with their weightings:

1	30%	Identify and explain where there has been a lack of compliance with the UK tax rules for the existing graduate rotational programme over the last 2 years. (To cover host employer rules, impact of DTT, problems with applying treaty exemption to all costs, tax treatment of benefits, consequential PAYE obligations and identification of a PAYE failure.)
2	30%	Explain the income tax position and employer PAYE obligations for UK inbound graduate rotators each of the two proposed future programmes.
3	10%	Explain the social security position and associated employer obligations for UK inbound graduate rotators on each of the two proposed future programmes.
4	10%	Explain the tax treatment of each of the elements of the package proposed for the graduate rotators.
5	10%	Explain the income tax and social security position including employer PAYE obligations for UK outbound graduate rotators for each of the two proposed future programmes.
6	10%	Identify and explain any other tax and non-tax risks with the existing programme and/or the two proposed future programmes. To cover matters such as Corporation Tax deductibility, VAT reclaims, pension auto enrolment and fragmented pension contribution record

A grade of 0,1,2,3, or 4 is awarded to each topic. The weighting is applied to that grade to produce a weighted average grade. This is then converted to a final absolute grade by rounding up or down to the nearest grade. Thus, scores in the range 2.5 to 3.49 will be a grade 3.

Relevant Advice and Substantiated Recommendations

The following are the topics for assessment with their weightings:

30%	Advise on approach to the rectification of matters for the previous 2 years. Make a recommendation for actions which the company should pursue, acknowledging their reluctance to act.
30%	Advise the company on any options they have to simplify their PAYE and NIC obligations for UK inbound trainees both for the existing programme and any future programme and make a recommendation of which they should pursue.
40%	Advise the business on which graduate programme option should be implemented taking into account the aims of the business and their cost restraints.

The final grade will be determined for this skill in the same way as for Identification and Application.