APPLICATION AND PROFESSIONAL SKILLS - TAXATION OF INDIVIDUALS

MAY 2026 ASSESSMENT NARRATIVE

Identification and Application

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

<table>
<tr><td>1</td><td>10%</td><td><u>Residence and applicable tax rates</u>
Identifying factors for determining Scottish vs English residence
Impact on:
• IT rates generally
• Taxation of existing partnership profits
• SDLT rates</td></tr>
<tr><td>2</td><td>40%</td><td><u>New job offers & Leaving Partnership</u>
Calculating earnings and tax liabilities for each new position, including BIKs
Identifying English job is deemed employment
Impact on:
• Tax/NIC payment process/PoAs
• Pension provision and salary sacrifice</td></tr>
<tr><td>3</td><td>35%</td><td><u>Property Taxes</u>
Calculation of tax liabilities on rental income
Identify impact of mortgage interest restrictions
Impact on:
• Personal allowance limits
• PRR relief
• SDLT rate</td></tr>
<tr><td>4</td><td>15%</td><td><u>Cash flow concerns</u>
Identify impact on ISA savings and repayment restrictions
Identify other budgeting omissions:
• Extra SDLT
• Funding tax payments
• Available partnership profits 2026/27</td></tr>
</table>

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.

Relevant Advice and Substantiated Recommendations

The following are the topics for assessment with their weightings:

1	10%	Which cottage to buy Recommend which cottage to buy/where to live • Less taxes
2	45%	Which job offer to accept Recommend which job offer to accept Recommendations on pension contributions • Salary sacrifice • Personal contributions • Consult IFA Advice on how to take extra £5,000 under Scottish job • Any viable suggestion • Correct rules for suggestion made Advice on discussing deemed employment under English job • With partnership • With solicitor
3	20%	Rental income and property Advice considering renting Oxford property will not cover costs • Any viable suggestion • Correct rules for suggestion made Advice to notify mortgage company if go ahead with rental Recommend advice on growth in value/rental values
4	25%	Cash flow Recommend to re-examine long term budget for university fees Advice on savings to short term outlay • Any viable suggestion • Correct rules for suggestion made

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