ASSESSMENT NARRATIVE – INDIVIDUALS
November 2022

Structure

A simple pass or fail will be awarded.

Identification and Application

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

1	25%	Identification of the correct tax treatment of the various elements of the termination package.
2	15%	Identification of the gross taxable income in each of 2022/23 and 2023/24, including the impact of delaying the exercise of the share award.
3	40%	Identification of the relevant considerations to ensure that the proposed pension contribution and charitable donation are made tax efficiently.
4	15%	Identification of the relevant tax considerations when comparing the proposed EIS and VCT investments.
5	5%	Identification of the relevant considerations in relation to the balance of funds and Inheritance Tax.

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. Thus, supposing a candidate scores 3, 3, 4, 2, 2, and 2 respectively on the above topics, this will equate to weighted scores of 0.6, 0.6, 0.8, 0.2, 0.2, and 0.4. The total of these scores is 2.8. 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. In this example, the candidate will score a grade 3 overall and secure a pass for this skill.

Relevant advice and substantiated conclusions

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

1	30%	Advice and recommendations relating to the timing of the share award exercise.
2	30%	Advice and recommendations relating to the timing of the pension contribution.
3	30%	Advice and recommendations relating to the timing of the charitable donation and possible carry-back claim.
4	10%	Advice and recommendations from a tax perspective relating to the choice between and EIS or VCT investment and the timing thereof.

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