

ASSESSMENT NARRATIVE – HUMAN CAPITAL TAXES 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	15%	Scope of Off-Payroll Working rules – why RDJ Pharmaceuticals UK Ltd are not small and what it should have done to comply
2	25%	Employment Status of contractor Peter Wong
3	15%	Consideration of worst case scenario tax for the company
4	10%	Impact of disclosure on Peter Wong's company
5	15%	Identifying obligations in relation to deemed employment if current contractual arrangement continues and identifying analysis of any other contractors required.
6	20%	Identify options going forward including consideration of administrative burdens, costs, cashflow and Peter's position, share options, employment rights, risk of HMRC challenge and R & D tax credits.

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 Recommendations

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

1	40%	Provide recommendations on dealing with response to HMRC.
2	20%	Advice on how to manage any offset of the taxes paid by the contractor / self-employed worker against any taxes due as a result of the deemed employment income.
3	40%	Outline the pros and cons of the different options going forward, including for example, employing Peter going forward versus continuing with current arrangements or changing his responsibilities, and making relevant recommendations.

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