



## ASSESSMENT NARRATIVE FOR PILOT PAPER

### 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%	Identifying and ascertaining Phoebe's residence for income tax purposes. Explaining the taxation of her employment income and the impact of the remittance basis and Overseas Workday Relief on that liability. Explaining what needs to be done to ensure employment income is isolated and not accidentally remitted. Identifying and explaining relevant withholding and reporting requirements including s.690 direction.
2	15%	Identifying and explaining the liability to UK NIC, the potential options available and the practical reporting and withholding including the need to obtain a relevant certificate of coverage.
3	15%	Identifying and explaining the comparison between taking salary or sacrificing it in return for a car, including providing appropriate calculations.
4	25%	Identifying as appropriate and explaining the tax consequences of the other elements of the remuneration package proposed for Phoebe.
5	10%	Identifying and explaining the issues surrounding buying a property in the UK whilst on assignment including SDLT and capital gains tax on sale.
6	10%	Identifying and explaining the tax treatment of Phoebe exercising her options under the group long term incentive plan.

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 0.75, 0.45, 0.6, 0.5, 0.2 and 0.2. The total of these scores is 2.7. 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 topics for assessment with their weightings:

20%	Advice and recommendations on impact of OWR on PAYE withholding and reporting and how this can be minimised through a s.690 direction.
20%	Advice and recommendations as to the best method of ensuring funds are not accidentally remitted to the UK.
50%	Advice and recommendations on re -structuring offer to reduce costs and make more tax efficient.
10%	Advice and recommendations around Phoebe's proposed acquisition of a residential property whilst in the UK.

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