

APPLICATION AND PROFESSIONAL SKILLS - TAXATION OF INDIVIDUALS

MAY 2024 ASSESSMENT NARRATIVE

Identification and Application

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

1	15%	<u>Termination</u> Tax treatment of termination payments and payments on ill-health
2	30%	<u>Employment-related securities</u> Tax treatment of EMI options – only CGT. Tax implications of loss of EMI benefits – income tax and no CGT CGT issue – BADR lost once leave employer.
3	30%	<u>Pension Contributions</u> Limited by relevant income Tax treatment of pension contributions Pension contributions can mitigate tax on EMI options Tax implications of receiving pension income
	15%	<u>Loan To SM Rental</u> Tax on withdrawal of funds from SM Rental Tax Treatment of interest income – Personal Savings Allowance and Starting Rate for Savings
4	10%	<u>Income going forward</u> Discussion of tax efficient raising of funds going forward

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:

1	20%	Provide relevant advice and substantiated recommendations on whether to take termination payment / when to leave Tea & Biscuits
2	35%	Provide relevant advice and substantiated recommendations on when share options should be exercised.
3	30%	Provide relevant advice and substantiated recommendations on whether to make a pension contribution or to lend funds to SM Rental.
4	15%	Other relevant advice and substantiated recommendations relating to drawing income tax efficiently in future.

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