

Personal Taxation

Unit level 4

Unit code R/617/6919

GLH 60

Credit value 15

Unit grading structure

Pass-Merit-Distinction

Unit aims

The aim of this unit is to enable individuals to understand taxation as it affects individuals.

The unit will focus on income tax, National Insurance (NI) contributions and capital gains tax.

Learning outcomes The learner will:	Assessment criteria The learner can:		
	Pass	Merit	Distinction
1. Understand theories and principles of taxation systems.	<ol style="list-style-type: none"> 1. Explain the key principles of tax systems used for individuals. 2. Explain the features of tax systems. 3. Explain the difference between tax planning, tax avoidance and tax evasion. 	<ol style="list-style-type: none"> 1. Analyse the ethical and legal implications of tax avoidance and tax evasion. 	
2. Be able to calculate income tax and National Insurance contributions for a taxpayer.	<ol style="list-style-type: none"> 1. Calculate taxable income from employment, investments and property. 2. Apply personal allowances. 3. Determine the taxable value of benefits in kind 4. Calculate total income tax liability and National Insurance contributions from given data. 	<ol style="list-style-type: none"> 1. Explain how individuals can minimise tax liabilities. 	<ol style="list-style-type: none"> 1. Demonstrate how relief for pension payments and charitable donations are applied to income tax calculations.
3. Be able to account for capital gains tax.	<ol style="list-style-type: none"> 1. Explain the difference between chargeable and exempt assets. 2. Explain the difference between chargeable and exempt persons. 3. Calculate capital gains tax payable by an individual from given data. 		

Indicative content

1. Understand theories and principles of taxation systems

Principles and features

- Principles of the UK tax systems
- Tax bases
- Tax structures
- Progressive, Regressive and Proportional tax criteria.

Tax planning, tax avoidance and tax evasion

- Key differences between tax planning, tax avoidance and tax evasion
- Ethical implications
- Current legislation
- Requirements to report tax evasion.

2. Be able to calculate income tax and National Insurance contributions for a taxpayer

- Personal allowances
- Application of relief for pension payments and charitable donations
- Calculation of income tax
- Calculation of National Insurance contributions for employees and employers
- Tax planning techniques to minimise tax liabilities.
- Tax and national insurance rates and bands
- Common benefits in kind and how to determine their value

3. Be able to account for capital gains tax

- Chargeable gains and allowable assets
- Chargeable gains and allowable persons
- Connected persons
- Chattels and wasting chattel rules
- Calculation of chargeable gains and allowable losses
- Calculation of gains and losses arising from the disposal of shares
- Calculation of capital gains tax
- Personal allowances, rates and bands

Unit assessment

The assessment for each unit is based on the achievement of the learning outcomes at the standards set by the assessment criteria for that unit. The learner can achieve a Pass, Merit, Distinction or Fail for each unit based on the quality of the work submitted and the assessor's judgements made against the criteria provided.


The assessment is completed through the submission of internally assessed learner work which is subject to external moderation or verification.

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