



Unit title	PAYE, Income Tax and National Insurance Contributions
SQA code	H70X 04
SCQF level	7
SCQF credit points	2
SSC ref	FSP P2 and P3

History of changes

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Title	PAYE, Income Tax and National Insurance Contributions	
Learning Outcomes	Assessment Criteria	
The learner will:	The learner can:	
1 Understand the relevant tax authority and legislation.	1.1 Identify the relevant income tax authority. 1.2 Explain the legislation relevant to income tax. 1.3 Identify the relevant NIC authority. 1.4 Explain the legislation relevant to NIC. 1.5 Identify where further guidance on income tax and NICs may be obtained. 1.6 Identify the relevant legislation and rules for statutory payments.	
2 Understand types of payments and deductions and how these are made.	2.1 Identify and describe pre-tax deductions including: <ul style="list-style-type: none"> ◆ Additional voluntary contribution ◆ Dispensated expenses ◆ Share incentive plan ◆ Tax approved occupational pension ◆ Charitable giving 2.2 Identify and describe pre NIC deductions. 2.3 Differentiate between types of statutory and non-statutory deductions and determine where there is an income tax and NIC implication. 2.4 Identify types of exceptional payments including: <ul style="list-style-type: none"> ◆ Payments not made on the contractual pay day, such as late payments, mis-timed payments or payments to new starters ◆ Special one-off bonuses not paid with normal pay ◆ Payments made to employees after they have left employment 2.5 Explain how to use the relevant tax authority's tools to perform calculations of income tax due.	

Learning Outcomes	Assessment Criteria
The learner will:	The learner can:
	<p>2.6 Explain how to use the relevant authority's tools to perform calculations of NICs due.</p> <p>2.7 Explain the principles of total cost of payroll to an employer.</p>
<p>3 Communicate with external agencies and employees in relation to PAYE and NIC.</p>	<p>3.1 Identify the types of information received, and how to deal with instructions, from external agencies.</p> <p>3.2 Describe the information requirements of the organisation, external agencies and employees.</p>

Additional information about the Unit
Unit purpose and aim(s)
This Unit is about types of payments and deductions made from pay and the related legislation and tax authority requirements. Learners should be working within a payroll environment.
Details of the relationship between the Unit and relevant national occupational standards (if appropriate)
This Unit directly relates to Unit FSP P2 and P3 of the Payroll NOS. It relates to a number of other NOS covering the areas of financial records, IT and regulations.
Details of the relationship between the Unit and other standards or curricula (if appropriate)
N/A
Assessment requirements specified by a sector or regulatory body (if appropriate)
N/A

Assessment (evidence) Requirements

Evidence should be collected when carrying out tasks within a real job. Learners must provide evidence that they have done this over a sufficient period of time so that the assessor is confident that the learner is competent.

Assessment must be undertaken with learners taking due cognisance of legislation, security of information and organisational procedures.

Guidance on Instruments of Assessment

This Unit is designed to assess the skills and knowledge of learners in the workplace.

Learning Outcome 1 may be assessed by a work-based assessment or by observation/product evidence/witness testimony.

Learning Outcome 2 may be assessed by a work-based assessment or by observation/product evidence/witness testimony.

Learning Outcome 3 may be assessed by a work-based assessment or by observation/product evidence/witness testimony.

Online assessment may also be used for all three Learning Outcomes.

The collection of supplementary evidence of performance can be used to further substantiate, support and expand the evidence base for competent performance where this is necessary. This may be required depending on the size of the organisation in which the learner is working. Supplementary evidence may include:

- ◆ Questioning
- ◆ Professional discussion
- ◆ Other valid evidence which relates directly to learner performance

SQA's Guide to Assessment provides information on appropriate instruments of assessment. This guide is designed to provide support for everyone who assesses for SQA qualifications. It looks at the principles of assessment, and brings together information on assessment in general as well as on best practice in assessment. The Guide to Assessment can be downloaded free from SQA's website **www.sqa.org.uk**.

The FLSP's Assessment Strategy also supports the assessment of this Unit.