

Personal Finance Award (SCQF level 5)

Guidance on the preparation and delivery of SOLAR e-assessments.

The following guidance is intended for staff in centres who are preparing their learners to use the SOLAR e-assessments for the Personal Finance Award at SCQF level 5.

Learners should have completed the formative e-assessment questions before beginning the summative e-assessments for the units *Understanding Money* and *Money Management*. The formative questions, are available in the Open Assess area of SQA's SOLAR website. These practice questions will help learners become familiar with the types of questions and topics that they will face in their summative assessments. It will also give learners the opportunity to try out the navigation tools and the different types of question they may find in SOLAR, such as: selection, gap-fill, drag and drop and ranking.

Tax rates and thresholds

Although tax rates and other rates/thresholds may change during the year, usually following budget announcements, SQA will not be able to automatically update the rates in the questions as the assessments are still live. However, SQA will try and update the rates during the summer holiday period, but unless otherwise advised, the rates used in the assessments are those listed in the attached Appendix 1.

Insurance Premiums and Interest Payments

Questions in the e-assessments that refer to Insurance Premiums (ie life insurance or car insurance) will reflect monthly premiums. So, unless otherwise stated in the question, it should be assumed that all insurance costs listed are monthly costs.

In the *Money Management* unit, learners are expected to complete calculations involving compound interest. Therefore, interest payment questions in the e-assessment for *Money Management* unit will be based on compound interest.

Pass marks

In order to achieve a pass, learners must achieve at least 50% for each outcome in the e-assessments.

During the assessment, the outcomes will be referred to as *tasks*. There are 4 tasks for the *Money Management* assessment and 5 tasks for the *Understanding Money* assessment.

Learners who achieve **less than 50%** in one or more of the tasks in an assessment will need to undertake the whole assessment again.

Re-assessments

The rules applying to the e-assessments are the same as those for any unit assessment when it comes to reassessment. In other words, learners will be allowed one reassessment and in exceptional circumstances, two reassessments.

Calculators, paper and pens

Learners can use their own calculator for the e-assessments. The calculators that learners use must not have internet access. Learners cannot use the calculator function on their mobile phones when completing the e-assessments.

Learners are allowed to have access to paper and pens during their e-assessments. Some of the questions will require learners to complete multi-stage calculations and learners may require to note down working. Once learners have completed their e-assessments, centre staff must collect and dispose of any paper used by learners.

Appendix 1

Tax Rates, Thresholds, ISAs and Student Loans

The following values for tax, ISAs and student loans will be used in e-assessment questions for the Personal Finance Award (SCQF level 5) during session 2017/18.

Income Tax

Band	Taxable Income	Tax Rate
Personal Allowance (standard)	up to £11,500	0%
Basic rate	from £11,501 to £43,000	20%
Higher rate	from £43,001 to £150,000	40%
Additional rate	over £150,000	45%

National Insurance

<u>Pay</u>	<u>Class 1 NI rates</u>
Up to £157 per week	0%
£157 to £866 per week (£688 to £3,750 a month)	12%
Over £866 per week (£3,750 a month)	2%

Capital Gains Tax

- The Capital Gains Tax threshold is: £11,500
- The Capital Gains Tax Rate for higher taxpayer: 28% for gains on property; 20% for other gains.

ISA thresholds and rules

- Individuals can put up to a maximum of £20,000 in ISAs in one tax year.
- The maximum you can invest in a Lifetime ISA is £4,000 in one tax year.
- Minimum age to open a Lifetime ISA is 18 years old, maximum age to open is 40 years old.
- Minimum age to open a Cash ISA is 16 years old and 18 years old for the other types of ISA.

VAT

Rate type	% VAT	What the rate applies to
Standard	20%	Most goods and services
Reduced Rate	5%	Some goods and services, eg children's car seats and home energy
Zero Rate	0%	Zero-rated goods and services, eg most food and children's clothes

Land and Building Transaction Tax

Purchase Price	LBT Tax Rate
Up to £145,000	0%
Above £145,000 to £250,000	2%
Above £250,000 to £325,000	5%
Above £325,000 to £750,000	10%
Over £750,000	12%

Student Loans

Repayment: 9% of anything earned over £17,775 each year.