

## Lesson 3 Objectives

- Students will understand that the standard rate of tax is 20% on everything, but that most customers pay marginal rate, 26% on what's leftover, after reliefs and allowances are deducted from your total income.
- Students will know the types of allowances and reliefs given.
- Students will be able to explain the basics of how standard and marginal rates of tax are worked out.
- Students will know there are 10 key things you must know and do if you have a Saturday / Summer job.
- Students will know there are several additional responsibilities you have if you are self-employed.
- Students will understand what Long Term Care is and what it does.

## Homework

Knowledge to deliver	Resources
Item 9 - Learn your tax talk, it will really help your understanding. Then test yourself.	Slide List of terms and Test Yourself task

Please ensure all students, and you complete the 2-minute online feedback form if possible before leaving the classroom.

Topic / Item No.	Knowledge to deliver	Resources	Time
Homework feedback	<ul style="list-style-type: none"> <li>➔ Who did the other tasks with F&amp;F – any interesting conversations?</li> </ul>		5 mins
2. Recap quiz	<ul style="list-style-type: none"> <li>➔ <b>Kahoots</b> quick quiz recap on lesson 1 &amp; 2</li> </ul>	Online access	10 mins
3. “Standard Rate and Marginal Rate of tax”	<ol style="list-style-type: none"> <li>1. <b>Standard = 20% on all income</b> except pension contributions</li> <li>2. <b>Marginal = 26% after Allowances and Reliefs</b> <ul style="list-style-type: none"> <li>➔ Allowances – (personal, child, APA) and Reliefs – childcare, Interest on business loans, pension contributions</li> <li>➔ These are all amounts of your income that you can receive without needing to pay any tax on it</li> <li>➔ Paying 26% on what’s left after allowances, is less money than 20% on everything</li> <li>➔ Where to check the amounts: <a href="http://gov.je/RevenueJersey">gov.je/RevenueJersey</a></li> </ul> </li> </ol>	<b>Video 6</b>	7 mins (watched twice)
4. “Long Term Care contributions”	<p>Long term care was introduced in the 2010’s to provide funding to meet the needs of people in our community who need daily care help.</p> <ul style="list-style-type: none"> <li>➔ What it is</li> <li>➔ Why it’s needed</li> <li>➔ How much you may pay</li> </ul> <ol style="list-style-type: none"> <li>3. How it is worked out and collected</li> </ol>	<b>Video 7</b>	5 mins (watched twice)
<b>5. Activity</b>  How allowances and reliefs <b>control</b> how much tax you need to pay, gradually increasing it according to States Assembly wishes.	<p>TAX CALCULATOR Demonstrations</p> <p>Student volunteers to input the information for each one, as you read them out:</p> <ul style="list-style-type: none"> <li>➔ You’ll almost always pay the marginal calculation, but you may get to a stage, perhaps after children are grown up, when you have a fairly senior well-paid job and just your Personal Allowance, it may work out more than the standard rate, and then you would just pay 20% standard.</li> </ul> <p>To help show you how this works this we’re going to use our tax calculator go to <a href="http://gov.je/taxcalculator">gov.je/taxcalculator</a>.</p>	Scenario sheet  On screen display of the tax calculator  Teacher instructions and narrative	10 mins

<p><b>6. ITIS rates - work weekends or holidays</b></p>	<p>You have to earn over the Personal tax allowance amount (£20,00+) before you would be eligible to pay tax, but, there are still things you need to know and do if you're working weekends or holidays.</p> <ul style="list-style-type: none"> <li>➔ You need a 0% tax rate to give to your employer</li> <li>➔ They expire at the end of each year</li> <li>➔ If you don't give it you will be charged 22% tax</li> </ul>	<p><b>Video 8</b></p>	<p>5 mins (watched twice)</p>
<p><b>7. Activity</b></p>	<p>Working in weekends or holidays. What you need to know and do:</p> <ul style="list-style-type: none"> <li>➔ Match the title to the description</li> <li>➔ Put the items into know / do</li> </ul> <p>Put each list in sequential order</p>	<p>Jigsaw</p>	<p>10 mins &amp; 5 mins for answers</p>
<p><b>8. "Working for yourself, tax and Social Security Contributions"</b></p>	<p>If you want to be a freelance designer, jewellery maker, or run a side business at weekends, there are things you need to know:</p> <ul style="list-style-type: none"> <li>➔ Keeping business records and doing your tax return</li> <li>➔ Paying your tax</li> <li>➔ Paying Social Security Contributions</li> <li>➔ Employing people</li> <li>➔ GS7T</li> </ul> <p>Help with the admin</p>	<p><b>Video 9</b></p>	<p>9 mins (watched twice)</p>