

Unit Title:	Understanding the payroll and VAT obligations of businesses
OCR unit number:	17
Credit value:	8
Level:	4
Guided learning hours:	71
Unit reference number:	A/504/1472

## Unit aim and purpose

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By completing this unit the learner will have a sound knowledge of and be able to calculate employment income, national insurance and VAT in respect of a business and its employees. The learner will also have a sound understanding of a business's obligations regarding payroll administration, VAT compliance and the construction industry scheme, and the implications of failing to meet those obligations.

Learning Outcomes	Assessment Criteria
<b>The Learner will:</b>  1 Be able to calculate the employment income assessable on a business's employees	<b>The Learner can:</b>  1.1 Calculate benefits in kind provided to employees 1.2 Explain the tax implications of an employer making expenses payments to their employees 1.3 Describe the main features of approved share schemes 1.4 Explain how the calculation of employment income is affected by an individual's residence and domicile status 1.5 Calculate deemed employment income from a personal service company 1.6 Calculate the amount of employment income assessable when an employment is terminated 1.7 Explain how tax relief is given for qualifying payments
2 Be able to calculate the national insurance payable by employees and employers	2.1 Identify which classes of national insurance must be paid by a business 2.2 Calculate the national insurance payable by employees and employers
3 Be able to calculate the amount of VAT payable by a business to HM Revenue & Customs	3.1 Explain whether VAT is applicable to a supply 3.2 Demonstrate whether input tax can be recovered by a business

Learning Outcomes	Assessment Criteria
4 Understand the compliance obligations for a business regarding payroll administration	4.1 Explain which PAYE forms employers must complete in respect of employees 4.2 Identify the key dates in the PAYE process 4.3 Explain when a business must pay national insurance 4.4 Explain how to deal with other aspects of payroll administration
5 Understand the compliance obligations imposed by the construction industry scheme	5.1 Explain the compliance obligations imposed by the construction industry scheme
6 Understand the VAT compliance obligations for a business	6.1 Explain a business's VAT compliance obligations 6.2 Describe the key features of the VAT schemes available to small businesses or retailers
7 Understand the implications of a business failing to meet its compliance obligations, including: • payroll • construction industry • VAT administration	7.1 Explain the implications of a business failing to meet its compliance obligations, including: • payroll • construction industry • VAT administration

## Assessment

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Assessment for this unit is through examinations set by the Association of Taxation Technicians (ATT).

*Candidates can only claim this qualification after they have achieved the Association of Taxation Technicians (ATT) qualification; which is assessed by through an ATT examination, subject to ATT conditions.*

## Evidence requirements

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Candidates are required to submit a digital copy of their achievement which will be confirmed by ATT.

## Additional information

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For further information regarding administration for this qualification, please refer to the OCR document '*Admin Guide: Vocational Qualifications*' (A850) on the OCR website [www.ocr.org.uk](http://www.ocr.org.uk).