



Oxford Cambridge and RSA

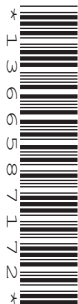
Thursday 23 May 2024 – Afternoon

Level 3 Certificate Core Maths A (MEI)

H868/02 Critical Maths

Insert

Time allowed: 2 hours



INSTRUCTIONS

- Do **not** send this Insert for marking. Keep it in the centre or recycle it.

INFORMATION

- This Insert contains the pre-release material that you have already seen.
- This document has **4** pages.

A: Vegetarians and Vegans in the USA

From July 2021 to June 2022, Statista.com, a data and statistics organisation, conducted an online survey into global consumer trends to provide information for businesses.

They surveyed internet users, aged 18 to 64, from 55 countries.

The sample aimed to be representative by having quotas for different age groups, regions and gender.

The survey included a question asking about being a vegetarian or vegan.

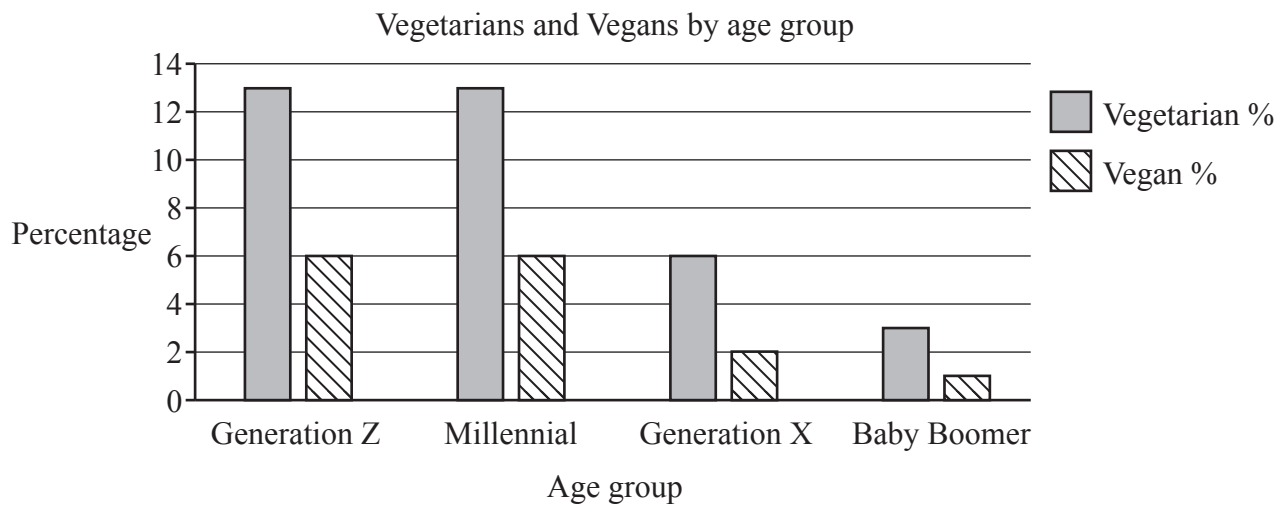
8397 adults in the USA responded to this question.

The survey respondents were classified into one of the following four age groups.

The groups were **not** all the same size.

- Generation Z (born 1995 to 2012)
- Millennial (born 1980 to 1994)
- Generation X (born 1965 to 1979)
- Baby Boomer (born 1946 to 1964)

The bar chart below shows the percentages of each age group in the USA who said they were vegetarian or vegan.



B: Gift Aid

In the UK, tax is collected by His Majesty's Revenue and Customs (HMRC). The money is then available for the Government to spend.

When a UK taxpayer gives money to a charity, they can Gift Aid the money. This means that the charity can claim Basic Rate income tax back on the money.

When the Basic Rate of income tax is 20%, a taxpayer has to earn £100 to be left with £80 after tax. HMRC taxes the £100 at 20%, meaning the taxpayer gets £80 as income and HMRC gets £20 as tax.

When the taxpayer gives a Gift Aided donation of £80 to charity, the charity can claim back the £20 tax from HMRC.

So a Gift Aided donation of £80 would result in the charity getting a total of £100 consisting of:

- the £80 donation from the taxpayer
- the Gift Aid, which is a £20 refund of tax from HMRC.

The charity has to claim the additional £20 Gift Aid, but charities are used to claiming these tax refunds.

Charities sometimes encourage taxpayers to Gift Aid their donations by telling them that the charity can get an extra 25% if the money is Gift Aided.

People who earn over a certain amount of money pay the Basic Rate of income tax on some of their income but a Higher Rate on the rest of it.

If they Gift Aid their giving to charity, the charity still gets the Basic Rate of tax back.

In September 2022, the Chancellor of the Exchequer announced that the Basic Rate of income tax would drop to 19% from April 2023.

This would have meant that charities would be able to claim back less income tax on Gift Aided donations.

To protect charities from a sudden drop in income, "transitional relief" was announced until April 2027.

Due to this transitional relief from the Government, charities would be able to continue claiming Gift Aid as if the tax rate was 20%.

The Chancellor's proposed change of the Basic Rate of income tax to 19% was not implemented.

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