



Personal
Finance
Society

MY PERSONAL FINANCE SKILLS



Moving On – Presentation Guide

Introduction

This session has been developed for Key Stage 4-5 pupils, predominately for those who are in the process of considering life beyond school. It can also be used to support Sixth Form students transitioning from school or college into the wider world.

Schools and colleges may choose to integrate this session into the PSHE or enrichment curriculum.

Financial Education Planning Framework

The Financial Education Planning Framework is a national framework that aims to support the planning, teaching and progression of financial education by setting out the key areas of financial knowledge, skills and attitudes. This session aims to develop the following skills and attitudes:

- *I can stay informed I can explain the financial implications associated with the different pathways*

Session Outline

The focus of this session is to help young people consider their future potential income when they leave school/college. The session aims to equip young people through the fundamentals of payslips, tax, student finance and pensions to that they have the knowledge to navigate this critical juncture in their lives.

Learning Objectives:

By the end of the session all students will be able to:

- Understand the key features of a payslip
- Explain different types of income deductions
- Calculate gross and net income
- Understand how the Government uses income tax and NICs to fund public services

In advance

Before you arrive at the school/college



- ensure you have read through the slides, are comfortable with the content and activities and have noted the timings
- ensure any materials and resources required to deliver the session are provided by the school or brought yourself
- ensure that you have viewed the relevant training webinar and have passed the financial education sign off process with the My Personal Finance Skills team.

What you will need

For this session you will need:

- the presentation guide, PowerPoint presentation and copies of the moving on handout for each student
- to ask the school to have access to either a PC or laptop, projector, paper and pens for the students. Students will also require calculators to complete the activities in this session.
- Internet access – this lesson is linked to a YouTube video

Length of session

This session is expected to take approximately 1 hour to deliver.

Links to Your Money Matters Textbook

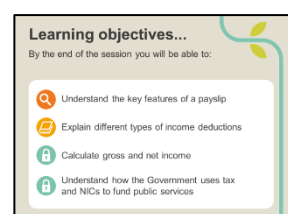
All state schools in England will have received copies of Your Money Matters textbook published by the Young Money charity. The chapter on “Moving on from school – The world of work” focuses on a number of the points discussed in this session and could be referred to during the session. There are many more activities, case studies and questions in the book to help further develop the student’s understanding of these topics.

Session Guidance

***where an activity is numbered, this means that this activity takes place on the student handout.**

General Introduction – slides 1-4 (5 minutes)

Introduce the session topic and the learning objectives.





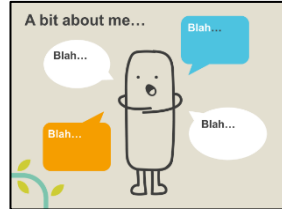
Personal Finance Society

MY PERSONAL FINANCE SKILLS



Virtual session guidance notes (for students joining from home)

- ✓ Please make sure your **microphone is on** and **camera turned off** for the duration of the session. Use the microphone for all questions or feedback (students/teachers).
- ✓ **Chat function.** Please communicate with me via the chat for any questions or feedback.
- ✓ **I am here to help.** Please ask questions! During our in-school workshops, we take lots of questions from students (we love that part, we are personal finance professionals after all).
- ✓ **Feedback.** At the end of the session, please take 5 minutes to complete our feedback via the QR code provided on your handout. You can simply scan the QR code with your phone.



Explain a little bit about yourself, your job role and the role of the Personal Finance Society. Students are often inquisitive about visitors and what they do so ask students if they have any questions about your job.

Starter Activity – slide 5-7 and handout (10 minutes)

Introduce the students to the case study on Sam's payslip. If you want to, bring in your own expertise, knowledge and understanding here. Be aware that some students may not understand the key terminology, so make sure they understand terms like gross/net pay, tax code etc..

Students should read the information provided on their handout and then, in pairs (or on their own if virtual), they should write down 5 things that they can identify from the payslip.

Once complete, take the opportunity to explore these key features with them and discuss their answers as a group.

Slide 7 – gives some example answers that you can draw students attention to

- 1) Use this slide to reveal some of the things that students might have identified from the payslip on their handout.
- 2) Draw attention to the difference between gross and net pay. Can students answer either Q1 or Q2 in the chat?

Starter Activity – Sam's payslip

DATE	EMPLOYEE	EMPLOYER
01/05/2021	Samuel 'Sam' Smith	Sam Green
EMPLOYMENT	SA COMPANY	TAX CODE
10/05/2020	12345678	1256
EMPLOYMENT	DATE TO	DATE TO
31/03/2021	31/03/2021	31/03/2021
Basic Pay	Rate	Rate of Basic Pay
1000.00	1000.00	1000.00
Other Pay	Rate	Rate of Other Pay
0.00	0.00	0.00
TOTAL	GROSS PAY	TOTAL PAY
1000.00	1000.00	1000.00
Hours per week	Rate of Pay	Rate of Pay
40	25.00	25.00

Activity 1 – Sam's payslip

Write down 5 things you can identify from the payslip

Q1 Can you work out what the difference between gross and net pay is?

Q2 What does this mean about your earnings?

Tip 1: To find the difference between Gross Pay and Net Pay, subtract the amount of tax and National Insurance from the Gross Pay.

Starter Activity – Sam's payslip (sample answers)

DATE	EMPLOYEE	EMPLOYER
01/05/2021	Samuel 'Sam' Smith	Sam Green
EMPLOYMENT	SA COMPANY	TAX CODE
10/05/2020	12345678	1256
EMPLOYMENT	DATE TO	DATE TO
31/03/2021	31/03/2021	31/03/2021
Basic Pay	Rate	Rate of Basic Pay
1000.00	1000.00	1000.00
Other Pay	Rate	Rate of Other Pay
0.00	0.00	0.00
TOTAL	GROSS PAY	TOTAL PAY
1000.00	1000.00	1000.00
Hours per week	Rate of Pay	Rate of Pay
40	25.00	25.00

Income deductions and Government spending – slides 8 and 9 (5 mins)



Explain the main income deductions and discuss how the Government spends this revenue.

NOTE TO SPEAKER - When delivering this session remotely (students dialling in from home), it does not allow for as much interaction as they are not able to work together. You could do this as a group exercise – you could put an answer into the chat box and see how many students support a certain figure with a ‘thumbs up’ or ‘heart’.

You could ask students what they think terms cover in terms of spending. Use the chat function to see if students are surprised with the figures, what are their thoughts? You could also ask the teacher to nominate a student to feedback

Income Deductions

Q What is tax used for?

- Income tax and National Insurance Contributions (NICs) are taken by the Government to help fund public services
- These deductions are collected by HMRC (Her Majesty's Revenue and Customs)
- HMRC also make sure that people pay the right amount of tax
- Other deductions can include pensions and student loan repayments

Activity 2 – Government Spending

UK Government Spending 2019/20

Health
Public Order & Safety
Transport
Education
Defence

Q Match the area of spending to the amount spent in 2019/2020

Q Are you surprised at any of these answers?

Income tax/National Insurance Contributions – slides 10 – 13 (10 minutes)

Watch the HMRC video (7 mins) about the considerations when starting your first job. Whilst this is playing you may ask students to note down the key considerations and discuss these at the end.

NB – when opening the PowerPoint slides, please make sure you ‘enable content’ so that the video plays. You should be able to play the video directly in presentation mode. However, if you are unable to, you can find the direct link to the video below the video itself.

NOTE TO SPEAKER - If you are delivering this session virtually, please copy and paste the video link so that the class can watch this in class and not via screen share

Discuss current income tax rates and National Insurance Contributions. It would also be a good idea to inform the students that income tax rates can change annually and are often influenced by the Government that is in power. Using the discussion point, encourage students to spend a couple of minutes discussing their views on increasing income tax, this is likely to spark some lively debate!


Tax Facts – Starting your first job

TAX FACTS
STARTING YOUR FIRST JOB

Click and play video. If video does not play, please follow the following link

Income Tax

- The amount of income tax you pay depends on how much you earn and your tax code
- Everyone gets a personal allowance. This means that you are allowed to earn a certain amount of money before you start paying income tax. You can find out this amount by looking at your tax code
- Self employed people also have a personal allowance

"If the Government increased the income tax rates, they would have more money to improve public services." 

Income Tax Rates (April 2020)

As an employee you pay:

- 0% on income up to £12,500
- 20% on anything you earn between £12,501 and £50,000. This is called the **basic rate**
- 40% on anything you earn between £50,001 and £150,000. This is called the **higher rate**
- 45% on anything you earn above £150,000. This is called the **additional rate**



Slides 18-20

You should ask the group to now complete Activity 4 and give them about 10 minutes.

Activity 4 – Jakob's payslip

Particulars	Amount	Particulars	Amount
Gross Pay	£1,750.00	Income Tax	£120.00
Less: Income Tax	(120.00)	Employee's National Insurance	£100.00
Net Pay	£1,630.00	Student Loan Repayment	£50.00
Total Deductions	£270.00		
Net Pay	£1,630.00		

1) Gross pay = £1,750
2) Pension = £120
3) Student loan = £50
4) Total deductions to Gross Pay = £270
5) Net Pay = £1,630

There are 5 figures missing from the payslip which you will need to find. Can you find them? Use the information on the slide to help you.

Activity 4 – Jakob's payslip (answers)

Particulars	Amount	Particulars	Amount
Gross Pay	£1,750.00	Income Tax	£120.00
Less: Income Tax	(120.00)	Employee's National Insurance	£100.00
Net Pay	£1,630.00	Student Loan Repayment	£50.00
Total Deductions	£270.00		
Net Pay	£1,630.00		

1) Gross pay = £1,750
2) Pension = £120
3) Student loan = £50
4) Total deductions to Gross Pay = £270
5) Net Pay = £1,630

Activity 4 answers - Jakob's payslip

Gross Pay: £1,750 x 12 = £21,000
This is the amount Jakob has earned before any deductions.

Pension: £100 x 12 = £1,200
This is the amount that Jakob has paid into his pension pot during this financial year.

Student Loan: £50 should have been repaid. The income level was to make any student loan repayments.

Total Deductions: Tax (£1,458 + NI (£1,380 Pension (£1,200) + £4,038)

Net pay: £1,750 - £336 = £1,414
Tax (£1,320) + NI (£1,150) + Loan (£10) + Pension (£100) = £2,580 (total deductions for month)

Slide 18 summarises what they need to find to fill in..

Slide 19 – here you will reveal the answers and have the blanks come up. In the blue box to the right you will have a reminder of what is coming up for each question. Do the first one together.

NOTE TO SPEAKER – For virtual sessions, see if anyone can type into the chat or encourage the teacher to nominate a student. Use the chat function or thumbs up/down to gauge if they have understood the task. The 5 figures have been highlighted. You could look at doing the first one together which is working out the gross pay which would be £1,750 x 12 = £21,000

Ask students to present their answers back to the rest of the group.

Slide 20 – all answers are revealed again but they are explained in detail.

NOTE TO SPEAKER – explain that there are not expected to know all of this but good to identify and recognise key parts of the payslips.

Plenary – slide 21 (3 minutes)

To consolidate the student's learning, ask them to finally complete the true or false quiz on the worksheet provided. Choose individuals to suggest answers and see how many agree/disagree. You could add more of your own knowledge and experience here too.

NOTE TO SPEAKER – if delivering virtually, you could encourage participation by thumbs up/down or reacting to each one into the chat by a simple T or F to gauge response.

Activity 5 plenary – True or False?

Based on 2019/2020 figures	True	False
The current basic rate for 2019 is 20%	<input type="checkbox"/>	<input checked="" type="checkbox"/>
You need a National Insurance number when you start a new job	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Student loan debts are repaid after 30 years	<input checked="" type="checkbox"/>	<input type="checkbox"/>
You can receive the 0% energy cap on your electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>
You have to live in a pension scheme when you turn 22	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The money to fund your income tax is used to pay for things like health and education in the UK	<input checked="" type="checkbox"/>	<input type="checkbox"/>
There is no need to check your payslip, employers always get it right	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HMRC collect taxes in the UK	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The higher income tax rate is 40%	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Recap of learning objectives/next steps – slides 22 and 23 (5 minutes)



MY PERSONAL FINANCE SKILLS



Bring the session to an end and suggest that students could also complete the extension activity below. Recap the learning objectives and discuss what they could do next to find out more.

Conclude by asking students to complete their feedback form remembering to keep it anonymised.

Slides 24 and 25

Next steps for students to consider. At the end of the session to signpost for more information on the My Personal Finance Skills website. Please highlight what is available and ask students to share what themes they would like to know more about so we can create relevant content.

Ideas to be emailed to skills@thepfs.org or a member of the team.

What you've learnt...

You should now be able to:

- Understand the key features of a payroll
- Explain different types of income deductions
- Calculate gross and net income
- Understand how the Government uses tax and NICs to fund public services

Feedback

Tell us what you think!

Feedback – please scan the QR code with your phone on the worksheet in front of you to answer some quick questions. We really appreciate your feedback to improve!

Do not write your name on the form!

Next steps...

- Watch the other HMRC tax facts videos on YouTube
- Make a list of the considerations that you may need to be aware of when starting employment
- If you are 16, check you have a National Insurance Number
- If you plan on being self-employed, research the tax rules for this.

Moving on from school

Go to mypersonalfinanceskills.org for:

- Bitesize learning videos
- A student money blog
- On demand sessions

Extension Activity

Research how much the Government raises in taxes and how this money is spent. A great place to start is to complete the activity on page 90 in the Your Money Matters Textbook (Young Money.) This can also be downloaded for free from the Young Money website <https://www.young-enterprise.org.uk/teachers-hub/financial-education/resources-hub/financial-education-textbook/>