

Suggested Lesson Plan 2

MATERIAL

'HMRC Junior Tax Facts' resources:

<https://www.gov.uk/government/publications/tax-facts-for-children-and-young-people/tax-facts-resources-for-teachers-and-parents>

Introductory HMRC video on Youtube:

<https://www.youtube.com/watch?v=fbZlWBDplik&list=PL8EcnheDt1zjoRLU0l8WEKqgNzdR3w2xl&index=6>

LESSON PLAN

Introduction [10 – 15 mins]

- Who am I and what are we going to look at?
 - Tax might sound boring but it is very important.
 - Today we're going to think about how the Government gets the money it needs and how they might choose to spend it.
- Brief introduction to tax:
 - The main way the Government gets the money is through taxes
 - The Government set the tax rules and taxpayers, which may be people or companies, pay taxes to the Government.
 - There are lots of different taxes – can anyone name one?
 - When might you pay tax?
 - What do taxes pay for?
- How much tax is collected each year?
 - Ask the class to guess.
 - In advance, you can prepare a long roll of paper with £858bn (£858,000,000,000) written on it – ask for two volunteers to unroll it.

Video + Q&A [10 mins]

- Play the video linked above.
- Ask for any questions.

Exercise 1 – What Do Taxes Pay For? [10 – 15 mins]

- Split the class into small groups and ask them to consider what taxes pay for and what they don't?
- Ask them to come up with suggestions which you can write on a whiteboard or flipchart
- Run through the answers with the whole class.

Exercise 2 – tax and spending priorities [15-20 mins]

- Another small group exercise. this one perhaps a little trickier.
- Use Activity 3 in the HMRC Junior Tax Facts pack – ask the children to prioritise the spending areas.

- After some thinking and discussion time, ask the children to present back or vote as groups. Alternatively you could provide them with cards, one for each area of spending, and ask them to come up and stick them on the board (it might be helpful to draw an arrow on the board showing most money to less money).
- Discuss any points of difference or similarity between groups.
- Ask if the groups found it easy or hard to agree on priorities (likely to be the latter!). Explain it is often equally hard for the Government.
- Outline which are biggest areas of spend in practice (health and education).

Refresh and recap [5 – 10 mins]

- What have we learnt so far?
 - Why do we have taxes?
 - Who pays taxes?
 - How does the government spend the money from taxes?
- Any questions?

Exercise 3 – How much tax should we pay? [15- 20 mins]

- Explain that we've looked so far at how the Government spends the money it raises with taxes, but in this exercise we're going to think about how much tax people should pay.
- Students work in small groups – give each group £100 in Monopoly money / printed out fake cash. This is their salary –how much do they want to pay you (as the Government) in tax?
- Ask them to discuss in their groups bearing in mind what they've learnt so far about what taxes pay for.
- When they've decided, ask them to come to the front and give you the amount they think they should pay in tax.
- Write on the board how much tax each group has paid.
- Discuss results and compare to actual income tax rates.
- If the children are interested and time permits, you can go on to explain what the personal allowance is (and how £100 a week wouldn't normally be taxed as a result) and how tax rates and bands work in practice.

Q&A / Introduction to tax profession

- Draw up on board and explain:
 - Government / HMRC – set the tax rules and collect the tax.
 - Taxpayers – pay taxes and (sometimes file returns).
 - Agents - someone we've not mentioned before. Explain that they help people make sense of the rules and ensure they pay the right amount of tax.
- Why do we need agents? Complexity – if you have one, a book of tax legislation makes a handy prop to demonstrate this.
- Explain the ATT sits in the middle, and wants to make sure the tax system works for everyone involved. You may also want to briefly discuss our education role, and the part we play in making sure agents have high standards and ethics.
- Explain a little about your role, what do you get up to on a typical day? What makes your job interesting?
- Explain that tax is always changing, and why (politics, fixing loopholes, raising more money, incentivising etc.).
- How do you get to work in tax? You can mention exams, apprenticeships etc.

- Different roles in tax – we've mentioned agents, but you can also work in a company helping them sort their tax out, or even in HMRC etc.
- Any questions?

Optional extension exercise – the window tax [15 mins]

- Show them the ATT video about the window tax available at <https://youtu.be/j5mf2Va0IGw>
- Ask the class to say what the impact of the tax might have been for people who were alive at that time, and why they reacted a certain way.
- This was a long time ago – but does it teach us anything about how taxes might work today, and what influence they have on people?

TO BRING

- Required printouts / resources.
- Monopoly / fake money for exercise 3.

TO CHECK

- What facilities are there – can you play YouTube videos, is there a whiteboard / flipchart you can use?
- School policies on safeguarding.