



HM Revenue
& Customs

Teachers' Pack

JUNIOR TAX FACTS

A simple introduction to tax,
aimed at 8 to 11 year olds



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TAX

INTRODUCTION

Section 1

Background

Junior Tax Facts has been designed for primary school children, aged eight to eleven. It introduces them to the subject of taxation by explaining that taxes are the money that people and businesses have to pay to the government.

It explains in simple terms for children that:

- when you have a job and earn money, you pay some of that money back to the government as tax
- if you run a business, some of the profit the business makes is given to the government as a tax
- some of the things you buy also have tax included in the price.

All that tax money is then used by the government to pay for the things that are important to us and our families, our local communities and the country.

The programme also introduces the idea that, as taxpayers and responsible citizens, we all make a small contribution towards the things that benefit everyone.

Curriculum links

Junior Tax Facts can be used to support a number of aspects of the primary school curriculum:

- recognising the rights and responsibilities of citizens
- understanding how money plays an important part in people's lives
- appreciating that resources can be allocated in different ways and that these choices affect individuals, families, communities and our country.

It also supports the promotion of **British values** by explaining the importance of tax law and the role we all play as taxpayers in paying for the things that are essential for our safety, health and wellbeing.

This pack includes a number of exercises that can be included in maths, history, art and design lessons.

Key teaching points

1. What taxes are and that taxes are collected to pay for the things we all need and rely upon, such as roads, schools, hospitals, the police and fire service.
2. The important things in society, that we sometimes take for granted, only exist because everyone pays a little bit towards them, through taxation.
3. It is not just adults who pay taxes; children pay a small amount of tax whenever they buy something that includes Value Added Tax (VAT) in the price.

Objectives

By the end of the lesson, pupils should:

- understand why the government needs money, to pay for the goods and services that benefit society
- be able to identify taxes as an essential source of the money the government spends, to pay for the things we all need and use
- appreciate that, through taxation, we are all helping to pay for the things that are important to our families, local communities and country
- recognise that children also pay a small amount of tax when they buy items that include Value Added Tax (VAT) in the price.

Resources

Junior Tax Facts includes a number of resources that can be used flexibly, depending on the amount of time available and the particular focus of the lesson.

Time	Content
Animation 6 minutes	Core material: Junior Tax Facts – a short, animated video aimed at pupils aged eight to eleven, which provides a simple introduction to taxation.
Exercise 1 15 minutes	What do taxes pay for? – a small group exercise based around an illustration of a town, in which pupils are asked to identify the features and services that the government pays for with money raised through taxation. More information is included in the suggested lesson plan, which follows. The illustration also includes a ‘spot the bean character’ challenge, which can be used to add an additional element of fun and competition to the lesson. An answer sheet is enclosed in the pack.
Exercise 2 15 minutes	Tax priorities – a small group exercise, followed by whole class discussion, in which pupils decide how they would spend the money raised through taxation if they were Chancellor of the Exchequer. More information is included in the suggested lesson plan, which follows.

Extension material

This pack also includes a number of extensions activities in Section 3 that can be used as part of maths, history, art and design lessons. In summary, the activities cover:

- Maths I: a group exercise on paying tax
- Maths II: an exercise that explores the way the government spends the money that is collected through taxes, using a number of different graphs
- History: a group or whole class discussion on Window Tax, its implications and consequences
- Design: an individual or group exercise to design a poster, to show why paying tax is important.

Evaluation and feedback

One of the key objectives of Junior Tax Facts is to help young children understand that taxes are an essential source of the money the government spends, to pay for the things we all need and use; things that are important to their families, local communities and country.

To assess the impact of the learning on this objective, we suggest that at the end of the lesson you ask pupils to name three things that the government pays for using the money that comes from taxes. You can also check - by a show of hands - that pupils understand that they also contribute by paying a small amount of tax when they buy items that include Value Added Tax (VAT) in the price.

You can record this evaluation information in the feedback questionnaire, see the hyperlink below.

Please tell us what you think

We want these resources to be relevant and accessible to young people of all abilities, so HMRC welcomes your questions and comments. Once you've used the material, it would be extremely helpful if you could take just a couple of minutes to complete this feedback questionnaire <https://goo.gl/forms/nioCWNitFF860L7x1> to tell us what you think about the Junior Tax Facts programme.

Your feedback is important and we will use it to improve this material, to support teaching about taxation in junior schools.

You can also email your comments and any suggestions for ways in which Junior Tax Facts could be improved to hmrc.taxeducation@hmrc.gsi.gov.uk

This email address can also be used for any questions about HMRC's tax education programme for young people or requests for DVD copies of the Junior Tax Facts animation, which are available **free of charge**.



The pfeg Quality Mark is awarded to personal finance teaching resources that have passed a rigorous assessment, carried out by independent educational and financial experts. Teachers can have confidence that the resources are suitable, effective and of the highest educational quality

Notes



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LESSON PLAN

Section 2

Suggested lesson plan

This is based on a lesson of approximately 30 or 45 mins, depending on the number of exercises you include.

A **30 minute lesson** would include: introduction; animation; either Exercise 1 or Exercise 2.

A **45 minute lesson** would include: introduction; animation; both Exercise 1 and Exercise 2.

The material in this programme can be used flexibly to fit with your own personal teaching style and the time available. A number of extension activities have been included in Section 3 of this guide, which you can use if you wish to extend the subject into a second lesson.

Preparation

Write the figure £537,000,000,000 on a long piece of paper that can be rolled out gradually, to reveal the number.

This is the total amount of tax collected in 2015-16 by Her Majesty's Revenue & Customs (HMRC).

Time	Content
Intro 10 minutes	<p>Explain that in this lesson, pupils will find out where the money comes from to pay for all the things we need to be safe, healthy and educated. This includes: police officers, fire engines and fire officers; doctors, nurses and hospitals; schools and teachers.</p> <p>Begin by asking pupils to guess how much money was collected in 2015-16 to pay for all the things the government needs to run our country. Write the answers on the board and then invite two pupils to roll out the pre-prepared sheet, showing the figure £537,000,000,000.</p> <p>Explain that this is £537 billion and that this is the amount of money that was collected in 2015-16 by a part of the government called Her Majesty's Revenue and Customs (HMRC). The money that HMRC collects - from people when they work, from businesses and from all of us when we buy things - is called tax.</p> <p>Check to see who was the closest and compare the guesses with the actual tax yield figure.</p>

<p>Quick question to set the scene – what is tax?</p>	<p>Explain that:</p> <ul style="list-style-type: none"> • when you have a job and earn money, you pay some of that money back to the government as tax • if you run a business, some of the profit the business makes is given to the government as a tax • some of the things you buy also have tax included in the price. <p>All that tax money is then used by the government to pay for the things that are important to us and our families, our local communities and the country.</p>
<p>Animation 6 minutes</p>	<p>Junior Tax Facts - introduce the video by saying that it will explain why taxes are important, who pays tax and how the money is used.</p> <p>You should also mention that pupils need to watch and listen carefully because they will be asked a question in the middle of the video and if they think the answer is 'yes' they should put up their hand.</p> <p>At the end of the video, take a minute to ask pupils for some of the key points they have learned.</p>
<p>Exercise 1 15 minutes</p>	<p>What do taxes pay for? - in small groups, pupils should discuss and agree which of the things shown in the illustration of the town are paid for using the money that comes from taxes.</p> <p>This exercise is available at www.tes.com* as an interactive illustration that can be used on a classroom whiteboard; click on each element to find out whether it is paid for using taxes, or not.</p> <p>The correct answers are:</p> <p>Paid from taxes School, Hospital, Police, Fire station, Roads, Museum, Protecting the countryside</p> <p>Not paid from taxes Cafe, Gym, Garage, Shops, Supermarket, Cinema</p> <p>Also ask pupils if they can spot seven of the bean characters from the animation who are hidden within the picture.</p>

* www.tes.com/teaching-resource/junior-tax-facts-teachers-pack-from-hmrc-11351563

<p>Exercise 2 15 minutes</p>	<p>Tax priorities - in small groups, pupils to discuss six areas of life that are paid for using the money that comes from taxes. Each group should agree their own priority order, from the area of greatest spend through to the area of smallest spend.</p> <p>The six areas are:</p> <ol style="list-style-type: none"> 1. health - doctors, nurses and hospitals 2. the police 3. the Armed Forces - the Royal Navy, British Army and Royal Air Force 4. education - schools and teachers 5. protecting the countryside 6. museums. <p>Each group should be invited to say what they decided should be the area of greatest and the area of least spend, and why.</p> <p>Discuss any points of difference and explain that in the same way that families have to discuss and agree how best to spend their money, the government also has to make difficult decisions about how to spend the money that is collected from taxes. In fact, the highest area of government spending from the six items on this list is 'health'.</p>
<p>Conclusion</p>	<p>Ask pupils to say what they have learned about:</p> <ul style="list-style-type: none"> • why we have taxes • who pays taxes • how the government spends the money that comes from taxes.



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EXTENSION
ACTIVITIES

Section 3

Maths extensions

Maths extension I is a group exercise that requires a small amount of preparation time (printing and cutting and an internet click) prior to the lesson.

It should take place only after pupils have had an opportunity to discuss how taxes are spent (Exercise 1) and/or tax priorities (Exercise 2).

Preparation

Print off the 'bean banknotes' in the resource pack.

You will need to divide the class into small groups and each group will need its own set of 'banknotes'. Each sheet should be cut into separate notes, which will total £100:

£20 x 1 £10 x 5 £5 x 6

Time	Content
Exercise 3 20 minutes	<p>Maths extension I - At the start of the exercise, put pupils into small groups and give each group a set of 'bean banknotes'.</p> <p>Ask the pupils to imagine they have a job and that the banknotes represent what they earn in a week. Say that you represent the government and you need them to give you back some of that money as tax. Although the 'real' government decides how much people and businesses have to pay in tax, on this occasion you are going to let them decide how much they think they should pay.</p> <p>Ask each group to think about all the things that are paid for using taxes. Then ask them to agree in their group how much of the £100 they are going to give to the government (in other words, you) as tax.</p> <p>One person from each group should say the amount they have decided to pay in tax and should physically give those 'bean banknotes' back to you. Make a note of how much each group gives back and then discuss why some have chosen to give more than others, and what the implications of that might be.</p> <p>Compare the percentage of income that each group has paid in tax with the actual tax rates for basic rate and higher rate tax payers: you can find the current tax rates at https://www.gov.uk/income-tax-rates/current-rates-and-allowances</p>
Exercise 4 20 minutes	<p>Maths extension II - This exercise contains three questions for small groups. It uses information about the way the government spends the money that is collected through taxes and encourages pupils to examine this using a number of different graphs.</p>

Exercise 4 Question 1

The government has to decide how it will spend the money it collects as taxes from people and businesses. The total amount the government spends in a year can be shown as a bar:



100% of the money spent by the government

- a. What % does each individual section of the bar represent?

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 %

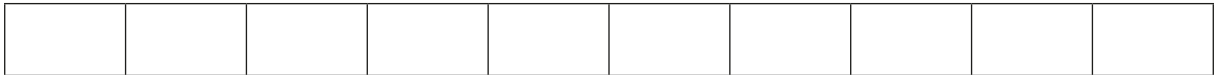
- b. Shade to show the 20% the government spends on pensions for older people.



- c. Shade to show the 18% the government spends on health: doctors and nurses, hospitals and clinics and all the things that keep us well.



- d. Shade to show the 6% the government spends on defence (the Armed Forces), to defend our country.



- e. After the government has paid for pensions for older people, health and the Armed Forces, what % is left to pay for other things?

..... %

- f. Can you name two other things the government will need to pay for using this money?

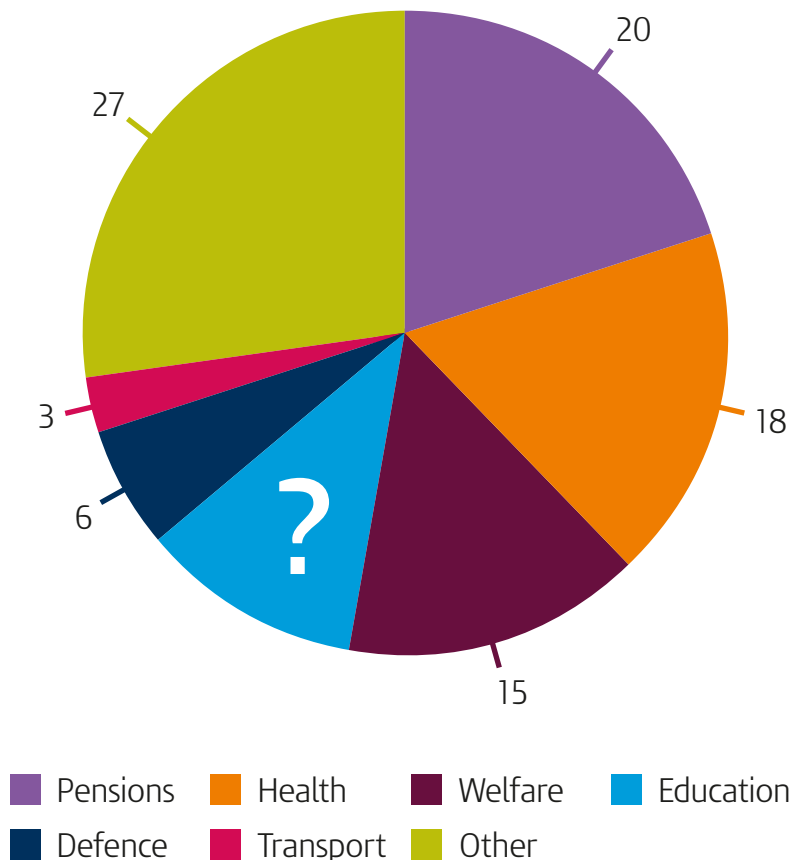
1.

2.

Exercise 4 Question 2

The different things the government pays for using the money it gets from taxes can also be shown in a pie chart.

How the government spends the money it collects as tax



Each of the numbers on the pie chart represents a percentage of the total amount, so the government spends 20% of the money it collects as tax on pensions for older people.

Can you calculate what % of the money that comes from tax is used by the government to pay for education - to build and run schools, pay teachers' salaries and buy all the books and equipment you use to learn?

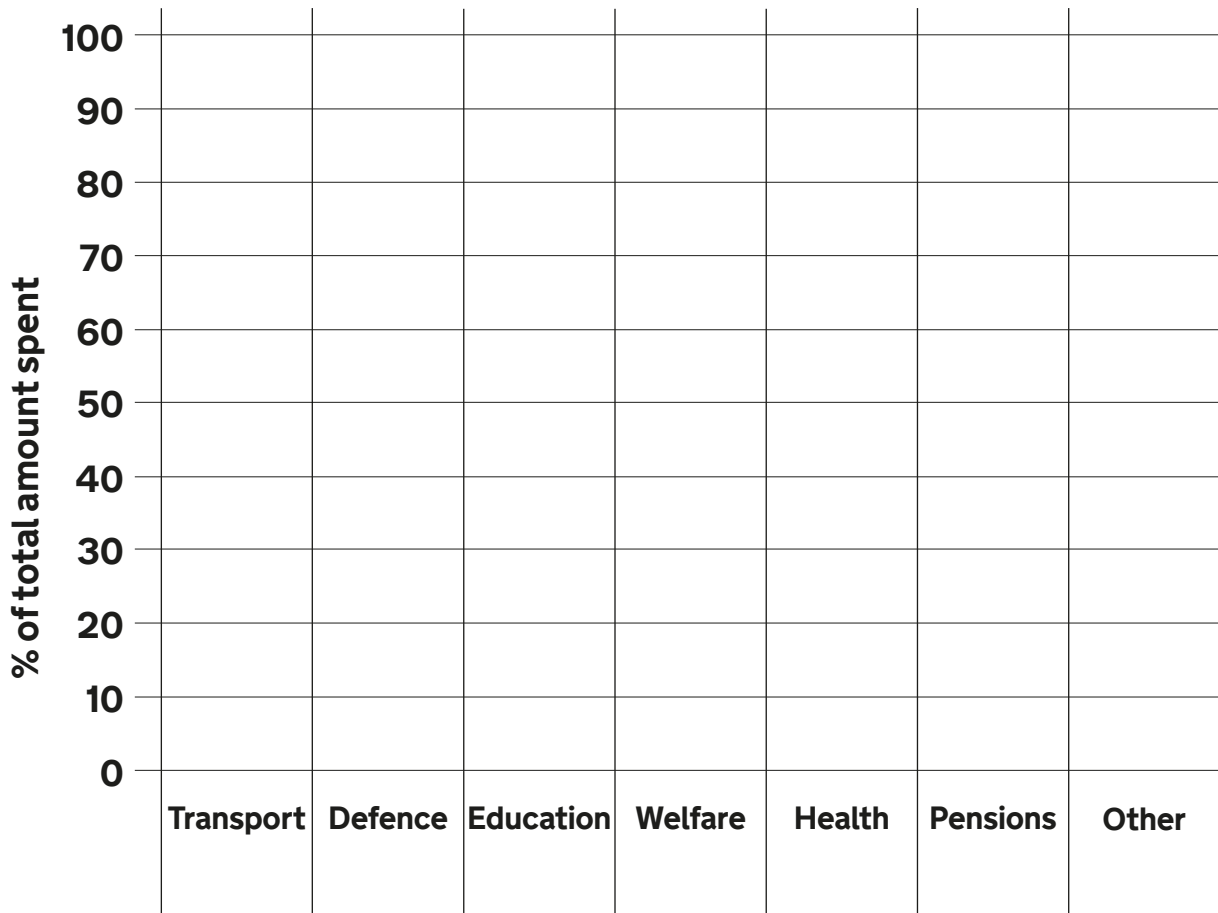
Answer in %

Exercise 4 Question 3

You can also show this information as a bar chart.

Use the information shown in the pie chart in Question 2 to draw a bar chart, showing how the government spends the money it collects as tax.

How the government spends the money it collects as tax



In your opinion, which do you think best presents the information about how the government spends the money it collects as tax, a bar chart or a pie chart?

Why do you think this?

Answer

Answers

Exercise 4 Maths extension II

Question 1

Answer to e: $100 - 44 = 56\%$ to pay for other things.

Question 2

Answer: $27 + 20 + 18 + 15 + 6 + 3 = 89$

$$100 - 89 = 11$$

11% of the money raised from tax is spent on education.

History extension

This exercise centres around a group or whole class discussion about the unintended impacts of 'Window Tax'; a property tax based on the number of windows in a house, which existed in England, Scotland and Wales during the 18th and 19th centuries.

The resource pack includes a photograph of a house with the windows blocked up, illustrating one of the impacts of Window Tax.

Time	Content
Exercise 5 15 minutes	<p>Window Tax - Begin by explaining that 'Window Tax' was a tax that had to be paid by people in England, Scotland and Wales in the 18th and 19th centuries, based on the number of windows in their house. You should make it clear to pupils that this tax no longer exists; the part of the law that introduced Window Tax has been repealed.</p> <p>Show the class a photograph of a house with the windows blocked up, illustrating the impact of Window Tax.</p> <p>If appropriate, mention any buildings locally that have this feature.</p> <p>Ask the class to say what the impact of the tax might have been for people who were alive at that time.</p> <p>You could prompt them by saying that the tax was very unpopular and that some people called it "a tax on light and air".</p> <p>Consequences of Window Tax:</p> <ul style="list-style-type: none">• some home-owners bricked up their windows to avoid paying the tax• new houses were built with fewer windows• the lack of windows tended to create dark, damp rooms, which were a source of disease and ill-health• because there were fewer windows, less glass was needed and this had a negative impact on the glass industry.

Design extension

This exercise can be completed as part of art and design to reinforce earlier teaching about tax, to enable pupils to explore their own ideas and to assess their understanding of this topic.

Exercise 6	<p>Design extension - Individually or in small groups, ask pupils to design, produce and present a piece of work that explains why taxation is important and why people should pay the correct amount of tax. This could be in the form of a:</p> <ul style="list-style-type: none">• poster• information leaflet• PowerPoint slide• newspaper article, with a catchy headline and some illustrations.
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GLOSSARY

Section 4

TAX GLOSSARY



Chancellor of the Exchequer	The member of the government who is responsible for deciding tax levels and how much money the government can spend
Defence	The Armed Forces - the Royal Navy, Royal Marines, British Army and Royal Air Force - who protect our country
Government	The group of people, including Members of Parliament (MPs), who have the power to make all the laws and decisions for the country
Pension	Money the government pays regularly to an older person when they reach a certain age. For some people, this enables them to stop working and retire
Profit	The amount of money that is made by a business after it has paid for all the things it needs to operate or produce something
Ravenous	Very hungry
Repeal	To cancel officially or get rid of a law or tax
Society	All the people who live in a particular country or area
Tax	Money that people and businesses pay to the government, and that the government then uses to provide services: things like schools and teachers, doctors and nurses, hospitals, police officers, fire engines and fire officers
Welfare	The support the government gives to people who are in need



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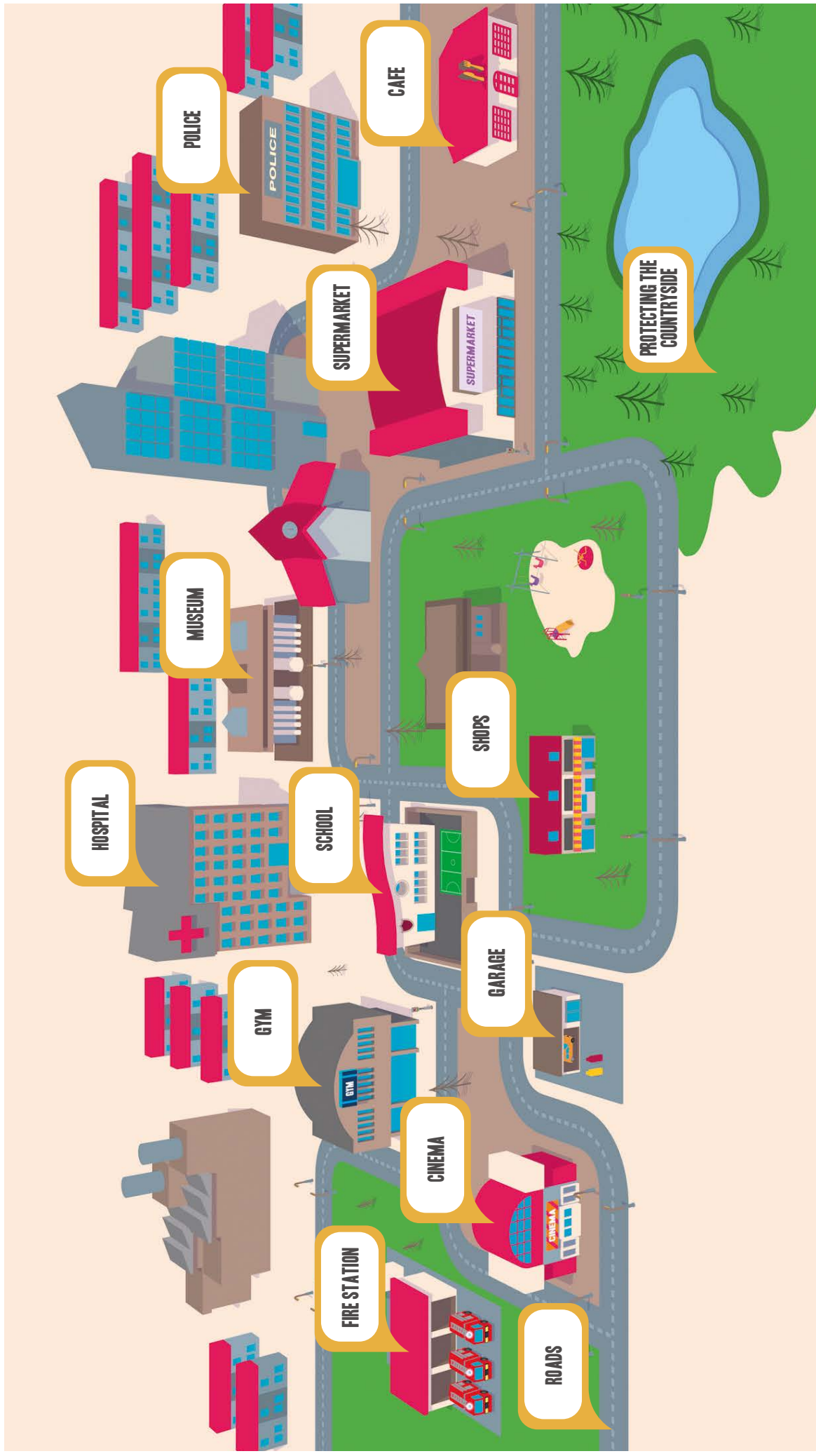
RESOURCE PACK

Section 5

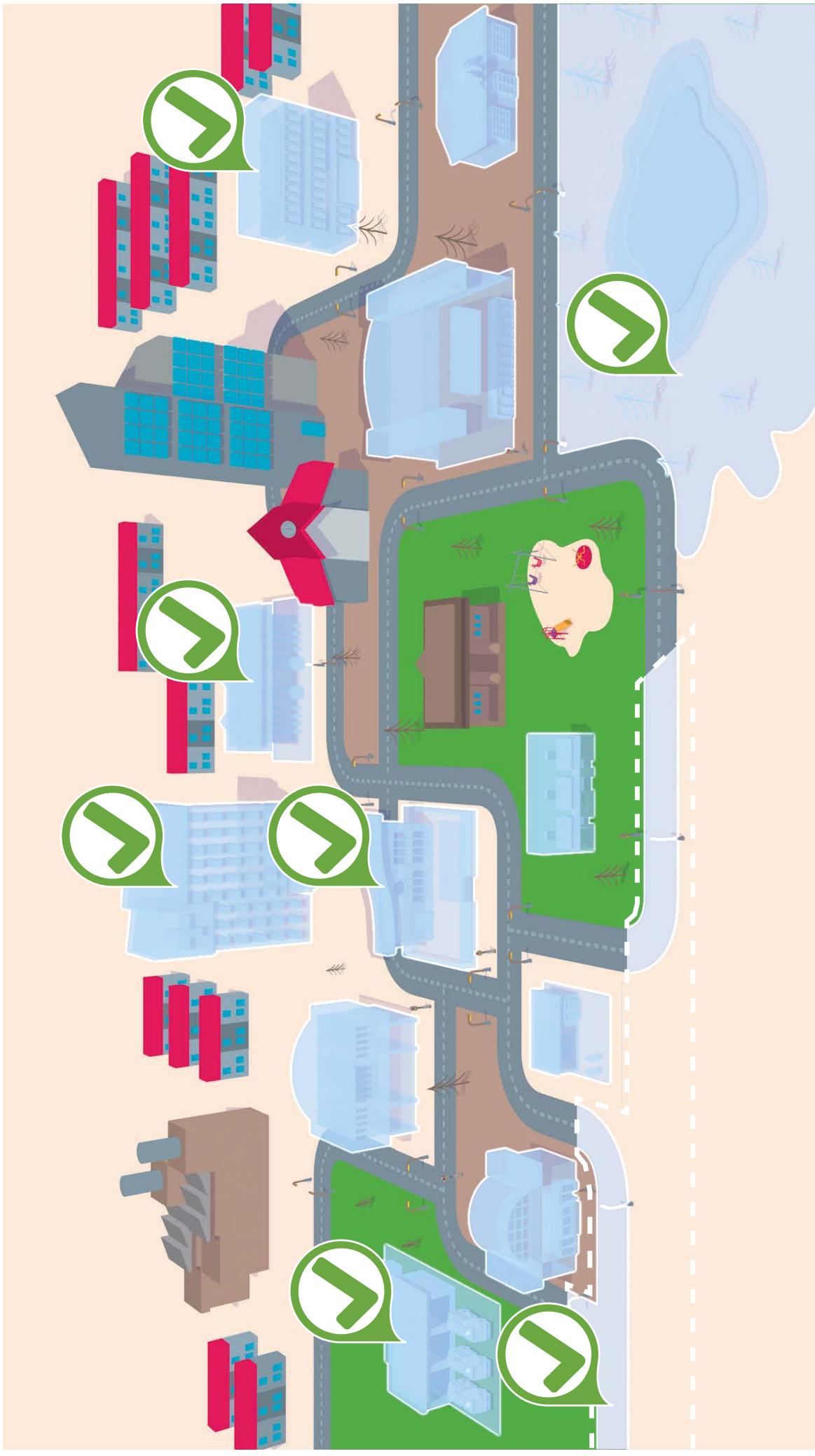
Resource pack contents

What do taxes pay for?	Town map (for Exercise 1) Correct answers Incorrect answers Spot the bean answers
Tax priorities	Illustration of moneybags (for Exercise 2)
Maths extension I	Banknotes to print and cut out (for Exercise 3)
Window Tax	Photograph of a house with the windows blocked up (for Exercise 5)

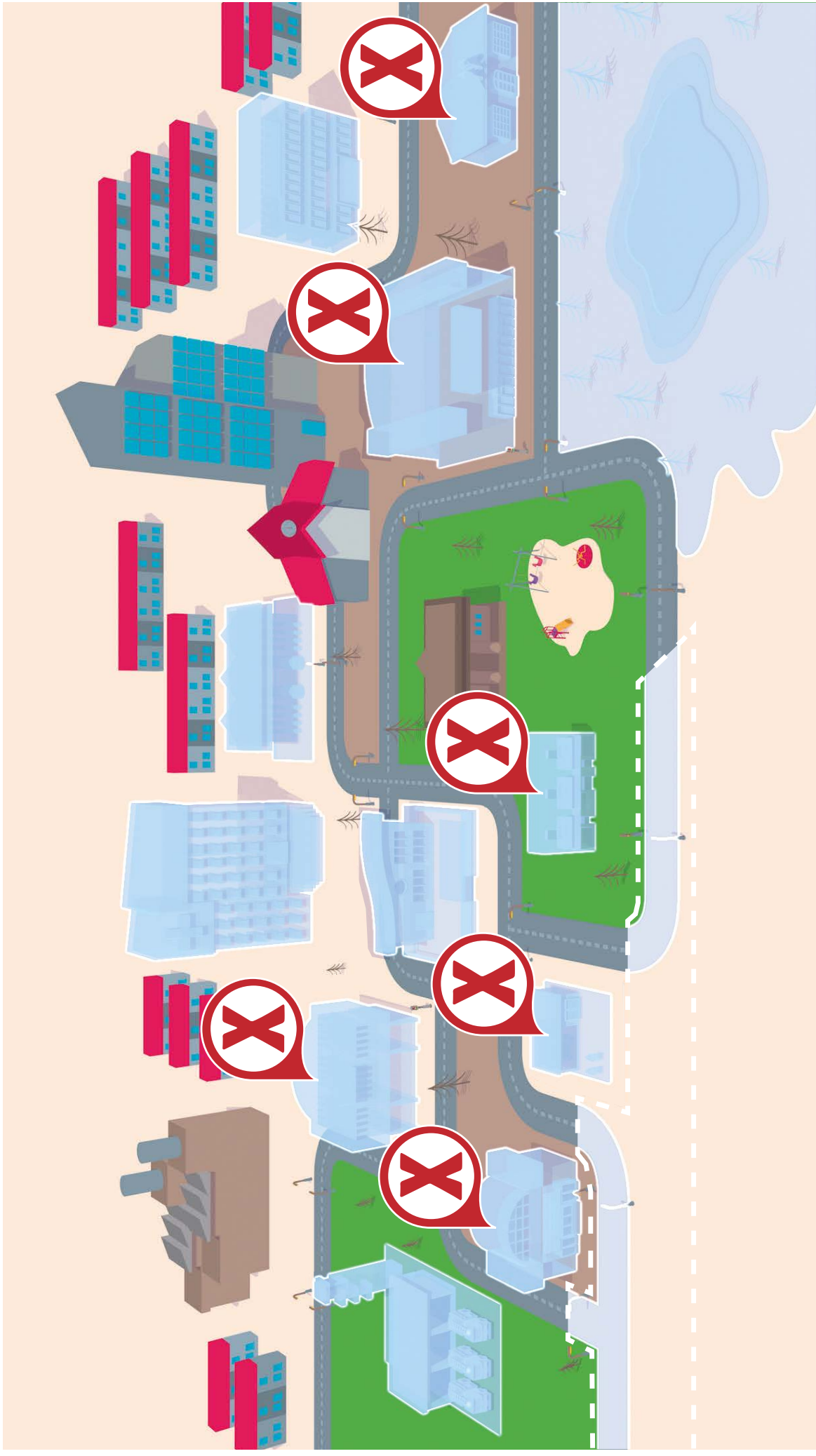
EXERCISE 1 WHAT DO TAXES PAY FOR? TOWN MAP



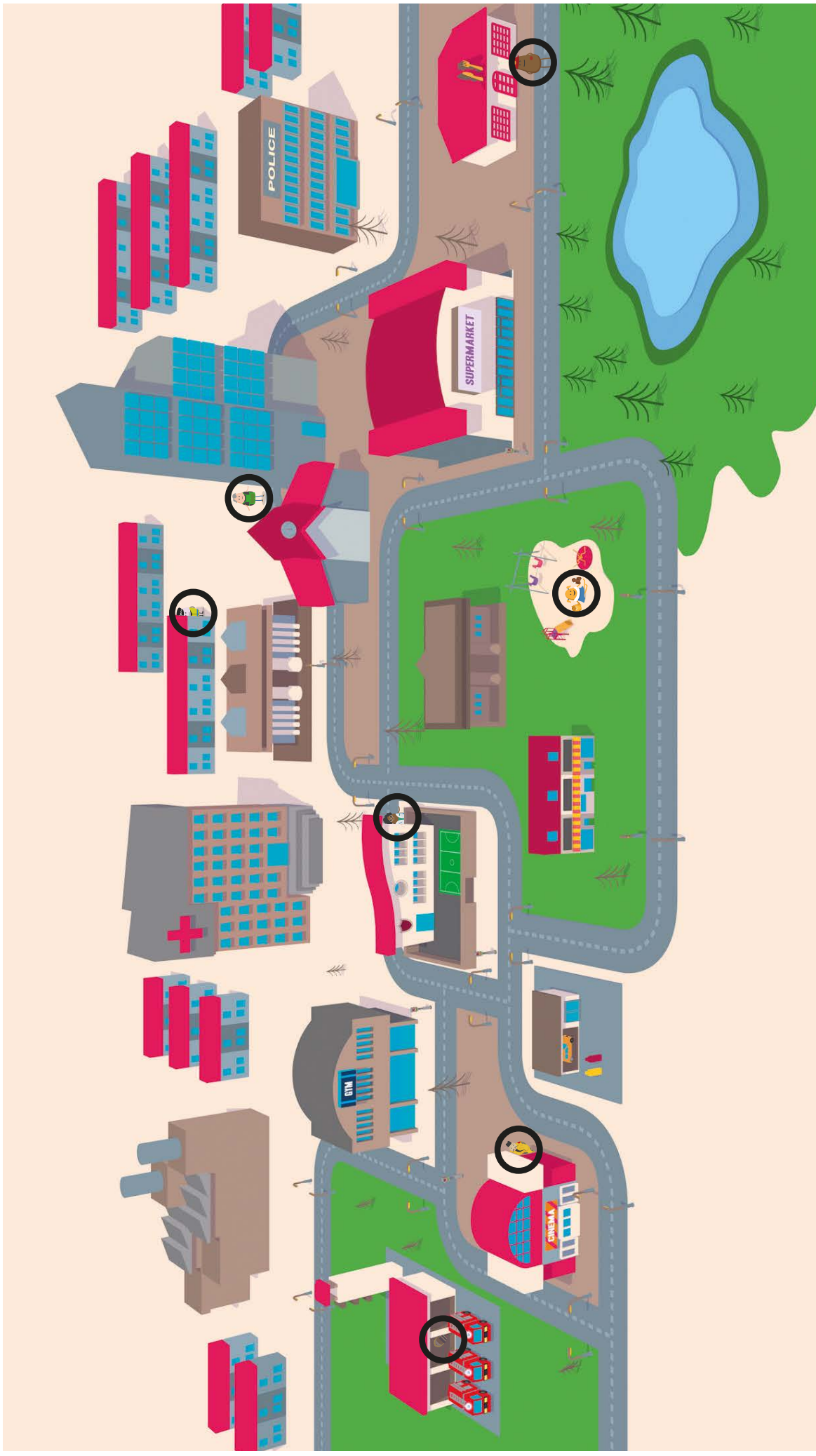
EXERCISE 1 WHAT DO TAXES PAY FOR? CORRECT ANSWERS



EXERCISE 1 WHAT DO TAXES PAY FOR? **INCORRECT ANSWERS**



EXERCISE 1 WHAT DO TAXES PAY FOR? SPOT THE BEAN ANSWERS



EXERCISE 2 TAX PRIORITIES



HEALTH



EDUCATION



ARMED FORCES



POLICE



PROTECTING THE COUNTRYSIDE



MUSEUMS

EXERCISE 3 MATHS EXTENSION I

<div><div>BANK OF BEAN</div><div><div>£20</div></div><div>BANK OF BEAN</div></div>	<div><div>BANK OF BEAN</div><div><div>£10</div></div><div>BANK OF BEAN</div></div>
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EXERCISE 5 **WINDOW TAX**

