

Tax Calculations with Formulas

60 minutes

ICT Specialism 3: Spreadsheets

Outcome M3.U2.1

WHAT THIS LESSON DOES

In this lesson you will build a spreadsheet model to calculate estimated take-home pay from gross salary using a flat tax rate. This demonstrates how real tax calculators work while stressing that it is for practice only.

CURRICULUM OUTCOMES

Outcome	What the specification asks for
M3.U2.1	Create spreadsheets involving different types of data such as VAT, percentages, currency, tax, time and dates, and enter formulas to generate results.

WHAT STUDENTS SHOULD BE ABLE TO DO

- Model a simplified take-home pay calculation from gross salary
- Recognise that real Revenue calculators are spreadsheets under the hood
- State clearly on the sheet that the model is for class practice only and is not real tax advice

BEFORE THE BELL

- Prepare sample gross pay figures on the board: €14 × 12 hrs/week, €2,200 monthly entry-level, €500 owner draw
- Optional: one still of a Revenue take-home estimator (no live login or filing)
- Confirm students can open sm3_vat_calc.xlsx or create a fresh sheet in sm3/; write three sample gross figures on the board
- Project key concepts; circle 0.25 on the board; optional still of a Revenue estimator (no live filing)
- Project one blank TakeHome_Pay sheet layout and the worked snapshot figures on the board before students start
- Board samples visible: €14×12 hrs, €2,200 monthly, €500 draw

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HOW THE LESSON RUNS

5 min	introduction	Introduction
8 min	content	Key concepts
15 min	activity	Step-by-step task
3 min	content	Common issues
20 min	activity	Independent practice
4 min	content	Reflection
5 min	summary	Lesson summary

TEACHING MOVES

- Demonstrate the first formula on the classroom screen then circulate the room
- Watch for students entering 25 instead of 0.25 for the rate
- Core path through live formulas first; currency, second disclaimer and what-if can finish with teacher help
- Use whole-class discussion for reflection prompts
- Check each student against the five success criteria including exact filename and sheet tab

WHAT TO WATCH FOR

- Entering 25 instead of 0.25: Clear the cell, enter 0.25 and format as percentage
- Formatting B4 as currency: undo and keep percentage on the rate cell only
- Calculations not updating: Ensure formulas reference the gross pay cell
- Missing disclaimer or renamed file: restore classroom-only text and keep sm3_vat_calc / TakeHome_Pay

DIFFERENTIATION

- Support: Offer the three classroom sample pay figures if a student has no project data
- Extension: second scenario block in D-E with a different gross, same rate via reference to B4; do not introduce a second tax rate unless you supply a vetted figure after the shared-rate version is done
- Support: Provide individual checks against the five success criteria