

PA CONSULTING GROUP LIMITED SHARES

JACOBS INVESTMENT PERIOD APRIL 2021 ONWARDS

Capital Gains Tax / Share income tax guidance notes for people outside the UK for transactions in Jacobs' period shares.

LAST UPDATED: December 2023

Establish the base cost of any PA shares acquired on 2 March 2021

Your Share history report shows all your transactions in PA shares from 2 March 2021.

If your PA share history starts in May 2021 or later, you can skip this background section. If not, read on.

Jacobs invested in PA Consulting Group Limited (the UK parent company of the PA group) on 2 March 2021. Guidance on the tax treatment of shares held at the time of the 'initial Jacobs investment' on 2 March can be found [here](#).

All Carlyle period B Ordinary, C Ordinary and Preference shares were sold on 2 March 2021 for a mix of cash and new PA shares (Jacobs period B Ordinary and Preference shares). If you held Carlyle period PA shares, you need to know and bring forward into the new Jacobs shares the base cost (effective purchase cost) of the B Ordinary and Preference shares you received on 2 March, in order to deduct this cost against the proceeds of shares you sell during the Jacobs investment period i.e. in May 2021 or later sale dates. For example you could have a brought forward base cost of £0.02 for each £0.05 issued B Ordinary share and a base cost of £0.15 for each £1.00 initial value Preference shares.

You should have calculated your brought forward base cost for you 2021 tax return. If you still need to do this, you can use our guidance notes or contact a tax adviser to do this for you.

The notes below relate to purchases and sales of Jacobs period PA shares (May 2021 onwards).

This document provides guidance for individuals holding Jacobs' investment period PA Share Units (B Ordinary and Preference shares) and (partner held) C Ordinary shares in our UK parent company PA Consulting Group Limited.

Whilst every effort has been made to ensure the accuracy of the tax information provided, PA does not take any responsibility for personal tax obligations which remain with you the taxpayer and with your personal tax adviser if you have one.

PA people can invest in or sell PA Share Units during annual market noted below. For those who left PA employment shares can be sold at any time, but usually this in in May or December.

The annual share market prices were:

Market	Share Unit price
April 2021	£ 5.65 (one £0.05 B Ordinary and 5.6 £1.00 Preference shares)
April 2022	£ 6.58 (one £0.25 B Ordinary and 5.6 £1.13 Preference shares)
April 2023	£ 7.40 (one £0.29 B Ordinary and 5.6 £1.27 Preference shares)
April 2024	£ 8.06 (one £0.11 B Ordinary and 5.6 £1.42 Preference shares)

These notes provide guidance for employees who own shares in PA to understand the Capital Gains Tax ('CGT') or depending on your country called 'Share Income' implications when selling their Share Units (and for Partners for selling C shares). Reporting share sales and any gains you make is a personal tax return obligation.

PA does not deduct any taxes from share sales and does not report any sales to any tax authorities. These matters are your personal obligation.

These below notes are to help you report sales of PA shares April 2021 onwards.

The document provides:

1. General guidance on how CGT / share income taxes work
2. Country specific tax information

1. General guidance on how CGT works

Understanding CGT (or 'share income' tax)

CGT is a tax due on profit made from the sale of certain assets, including PA shares. You may be subject to CGT when you sell your shares. The tax is calculated on the profit you make on the sale.

Your purchase cost (or 'base cost')

When you purchase PA shares this is always made from after-tax monies (any savings or from bonus monies first taxed as income through payroll before the after-tax value buys PA shares). As a result, there is no tax consequence when you buy shares. You are only subject to CGT when you sell the shares at a profit.

The purchase cost of the shares is the price you paid to acquire them, including any stamp duty you may have paid. Stamp duty is a separate UK tax levied on every buyer of PA shares (as they are in a UK company) on purchases of more than £1,000 value. It is calculated as 0.5% of the purchase cost rounded up to £5. For example:

Purchase cost	Stamp duty
£10,000	x 0.5% = £50
In this example your total purchase cost that can normally be deducted from future sale proceeds is £10,050.	

While you are personally responsible to keep your own records of purchase cost, we help with our [share history report](#) which shows all of your PA share transactions including purchase cost since March 2021.

Note: The online share history report is presented in GBP. You can see amounts in your currency by changing the Currency on the top left of the report and then click the "View Report" button on the top right of the report. After the refresh, the report will show amounts in both GBP and your currency.

If you are a former PA employee you can request your share history by emailing shareplans@paconsulting.com

With the exception of The Netherlands where an end of year wealth tax calculation exists for the value of assets held rather than a normal gains calculation (as set out below), there are no tax consequence for any year during which you only purchased shares. The only reporting you may have is for the year you sell shares.

Calculating Capital Gains

In most instance, to calculate your capital gain, you subtract your purchase cost from the sale proceeds received in the tax year. This determines your capital gain (or share income amount).

If you have left PA and all your shares have been sold, this should be a relatively simple calculation and you can use our above referred to Share History report to help with your personal cost and sale proceeds amounts.

If you have sold only some of your shares, it is normal to pro-rate your total purchase cost to deduct from the sale proceeds depending on how many shares you have sold. These calculations can vary by country and if you are in any doubt on how to report you should consult a qualified tax adviser in your country.

2. COUNTRY SPECIFIC INFORMATION

Follows below by country.

[USA](#)

[Norway](#)

[Denmark](#)

[Netherlands](#)

[Sweden](#)

USA

Rate of Capital Gains Tax

Long-Term CGT

Long-term federal CGT rates apply when you held PA shares for more than 12 months. Currently (as of 2023 tax year) long-term CGT rates are 0%, 15%, or 20% of the profit, depending on your income level.

Short-Term CGT

Short-term federal CGT rates apply when you held PA shares for 12 months or less. Short-term CGT rate is determined by your taxable ordinary income bracket.

In simple terms it works like this:

Scenario	Sale proceeds	Purchase cost	Gain	You owned these shares for	The gain is	Your filing status / overall taxable income including CG	Applicable federal income tax rate	Federal income tax on CG
I	\$10,000	\$6,000	\$4,000	13 months	Long-term	Single / \$156,045	15%	\$600
II	\$10,000	\$6,000	\$4,000	7 months	Short-term	Single / \$156,045	24%	\$960

In addition to the federal CGT, the gain may also be subject to a 3.8% net investment income tax and applicable state income tax. Access [here](#) for information regarding capital gains and losses and [here](#) for information regarding the net investment income tax.

Here is an overview of your reporting obligation to IRS:

1. When you purchase PA shares: There is no tax consequence for the year during which the shares are purchased.
2. Informational reporting: Throughout your PA shares holding period, if you reach the reporting threshold, you may need to complete Form 8938, Statement of Specific Foreign Financial Assets as part of your annual federal income tax return filing. This form is generally not required when the aggregate value of your total specified foreign financial assets, including PA shares, do not exceed \$50,000. Access [here](#) for information on Form 8938 reporting requirements.
3. When you sell PA shares: You must report the sale transaction in your federal and state income tax returns for the tax year during which the sale transaction occurs, regardless of whether a gain or loss is generated from the sale transaction. Form 8949 Sales and Other Dispositions of Capital Assets shall be completed and forms part of your federal income tax return (Note: PA does not issue Form 1099-B for PA share sale transactions **as PA shares are not in a US company**). You can find information about Form 8949 [here](#).

Norway

Rate of Capital Gains Tax

Capital gains are treated as investment income. Gains on unlisted shares are taxed at a rate of 22%.

How to report the sale of PA Shares

You will need to report the sale in the same tax return due for the calendar year of the transaction. E.g. any shares sold in May 2023 will be reported in your 2023 tax return.

The deadline for the submission of your tax return is generally on 30 April of the year following the tax year.

Capital gains are reported on your annual tax return and through the digital portal "[Skatteetaten](#)".

Please note the purchase cost of any sold shares which were acquired in March 2021 when Jacobs invested in PA was £5.65 per Share Unit (£0.05 per B Ordinary and £1.00 per Preference share). If this applies, you should have reported and paid tax in your 2021 year return on the gain you made when Jacobs invested on 2 March 2021.

Payment of residual taxes

Payment due date for taxes owed is typically the same as the deadline for submitting the tax return, 30 April.

Denmark

Rate of Capital Gains Tax / share income

Capital gains are treated as investment income.

Share income up to DKK 117,800 (for a married couple) is taxed at 27%. Share income in excess of this amount is taxed at 42%. If you are not married, the first 58,900 DKK is taxed at 27%, and the excess amount at 42%.

How to report the sale of PA Shares.

You will need to report the transaction in the same tax return due for the calendar year of the transaction. E.g. any shares sold in May 2023 will be reported in your 2023 tax return.

The deadline for the submission of your tax return is generally on 1 May of the year following the tax year.

Capital gains are reported on your annual tax return and through the digital portal "[Skattestyrelsen](#)".

Payment of residual taxes

Payment due date for taxes owed is typically the same as the deadline for submitting the tax return, 1 May.

Netherlands

Rate of Tax.

The value of PA Share Units (B Ordinary & Preference shares) are treated as part of your overall investment income and taxed alongside cash and other assets you hold at year end.

When you sell C Ordinary shares you pay ordinary income tax on the increase (if any) in value of the C shares from your purchase cost to your sale price.

The partner held C Ordinary shares are subject to income tax only, reported by you personally in your annual tax return following sale of the C shares

How to report the sale of PA Shares.

The value of PA Share Units to include in your wealth tax reporting at year end is normally unchanged from the value set in March each year for the purposes of the annual share market, so for example this is £7.40 per Share Unit held at 31 December 2023.

You will need to report as income any C Ordinary sales transaction in the same tax return due for the calendar year of the transaction. E.g. any shares sold in May 2023 will be reported in your 2023 tax return.

Your wealth tax assessment and any C Ordinary share income are reported on your annual tax return and through the digital portal "[Belastingdienst](#)".

The deadline for the submission of your tax return is generally on 1 May of the year following the tax year

Payment of residual taxes

Payment due date for taxes owed is typically the same as the deadline for submitting the tax return, 1 May.

Sweden

Rate of Capital Gains Tax.

Capital gains are treated as investment income.
For PA shares (non-quoted), the tax rate is 25%.

How to report the sale of PA Shares.

The value of shares sold and the gain made should be reported in the tax return on form K12 when you file your tax return due for the calendar year of the transaction. E.g. any shares sold in May 2023 will be reported in your 2023 tax return.

The deadline for the submission of your tax return is generally on May 2nd of the year following the tax year.

The tax return can be filed online at the website for the Swedish Tax Agency or as a physical copy.

If a physical copy is submitted, the document should be sent to the following address:

Skatteverket

Inläsningscentralen

Inkomstdeklaration 1, FE8000

107 75 Stockholm

Payment of residual taxes

In June, August or December, you will receive a final tax assessment from the Swedish Tax Agency (Sw. Besked, Beslut om årlig beskattning, inkomstår 2021) that will confirm your final tax liability for that year. You will also receive a tax account statement (Sw. Kontoutdrag) showing whether a refund is due or if additional tax has to be paid. Any outstanding taxes are due no later than three months after you have received your final tax bill.

Interest costs will accrue on your tax account if you are expected to pay residual tax. If your residual tax is less than SEK 30,000 interest will accrue as of May 2. If your residual tax is expected to exceed SEK 30,000 the residual tax should be paid by 12 February in order to avoid interest from being levied.

It is possible to make a payment in advance into your personal tax account to mitigate any interest costs from being levied. Payment instructions can be found on the Tax Agency's website where you also can retrieve your personal reference (Sw. OCR-nummer) that is to be used if you make payments from a Swedish bank account.

If payments are made from a foreign account, please see the separate link below:

[For payments from a Swedish bank account](#)

[For payments from a foreign bank account](#)