

Level III Diploma in Payroll Management

This qualification covers advanced manual and computerised payroll techniques including holiday pay, statutory sickness and maternity pay, family tax credits and student loan repayments and the requirements for directors including benefits in kind. Students must be able to demonstrate their ability to understand and carry out the following functions for both parts:

Part 1 - Manual Payroll

- 1) Explain the legal requirements covering the following
 - a) Holiday pay
 - b) Statutory Sick Pay
 - c) Statutory Maternity Pay

- 2) Calculate and make relevant entries for the following
 - a) Holiday Pay
 - b) Statutory Sick Pay
 - c) Statutory Maternity Pay

- 3) Explain the legal requirements for PAYE and National Insurance covering benefits in kind e.g. company cars, business mileage, private medical insurance, loans, relocation packages

- 4) Calculate the tax and National Insurance due when an employee is given
 - a) a company car
 - b) Business mileage
 - c) Fuel
 - d) Employees using their own cars

- 5) Explain how various benefits such as bonuses and deferred payments to Directors can affect their payment of PAYE and National Insurance contributions.

- 6) Explain
 - a) why a P45 is used and what it represents
 - b) When a form P46 is used

- 7) Explain
 - a) Tax codes including K codes
 - b) Week 1 basis
 - c) Family Tax Credits
 - d) Disabled Persons Credits
 - e) Repayment of student loans

- 8) Explain the requirements for
 - a) Working Time Directive
 - b) Statutory Minimum Wage

9) Explain

- a) The difference between contracted in and contracted out contributions
- b) payment of NI contributions for persons with more than one job

10) Use appropriate tables to calculate the national insurance deductions for a given gross pay figure or both contracted in and contracted out employees

11) Complete the relevant parts of form P11 for national insurance contributions for both contracted in and contracted out employees

Part 2 - Computerised Payroll

1) Set up the details of a new business including:

- i) Company details (Name, rates of pay etc)
- ii) Employee details (name, employee no. tax codes including K Codes, week 1 basis),

2) Enter gross pay details to cover the following situations

- i) Basic gross pay
- ii) Holiday Pay
- iii) Statutory Sick Pay
- iv) Statutory Maternity Pay
- v) Benefits in kind

3) Enter gross pay details to cover the following situations

- i) Tax codes including K codes
- ii) Week 1 basis
- iii) Family Tax Credits
- iv) Disabled Persons Credits
- v) Repayment of student loans

4) Enter details of pay to cover the following situations

- i) Contracted In and Contracted Out
- ii) Directors

5) Run the payroll and produce the reports which will give details of gross pay, tax and NI paid, net pay