

**1450 Exam ID**

**Question Paper for the following Qualifications:**

1400: Level 1 Certificate in Payroll QCF: 60104740

1410: Level 1 Award in Computerised Payroll QCF: 60107339

Units

1406: Computerised Payroll Administration: T5051157

**Time Allowed 1 Hour 30 Minutes**

**Tax Year 2015-16**

General Instructions

1. Enter your IAB Student Number, Candidate Number, Name of Examination Centre and Software used in the spaces provided on the front cover of your Answer Booklet
2. The Tasks are to be answered using legislation relating to the Tax Year 2015/2016, and income tax parameters as at 6<sup>th</sup> April 2015
3. PAYE deductions should be calculated using the income tax legislation as at April 6<sup>th</sup> 2015.
4. National Insurance Contributions should be calculated using either NIC Table A (CA38), NIC Table C (CA41) or NIC Table M (CA38) as appropriate.
5. All Answers to be written in blue or black ink
6. Cross out errors neatly or use correcting fluid in moderation, marks may be deducted for work which is deemed to be untidy and badly presented.
7. Calculators are permitted
8. A blank page is provided in the Answer Booklet for workings if required
9. The Question Paper and Answer Booklet have information and data printed on both sides of the pages
10. Mobile phones are not permitted

## Scenario

In this Examination Paper you are presented with seven Tasks based on basic payroll calculations and processing from the IAB Level 1 Award in Computerised Payroll syllabus.

All Questions will be based on the company, Rise and Shine Cleaning Services; Verity O'Donnell manages the business, which is open Monday to Saturday.

Rise and Shine is based at 17 The Plocks, Blandford Forum, Dorset, DT11 7AA. The HMRC Office is Bournemouth and the Reference No is 155/R246.

There are 2 regular cleaners who are paid weekly, whilst Verity is paid monthly by BACS.

All tasks must be completed.

## Company Information:

### COMPANY DETAILS

Company Name	Rise and Shine Cleaning Services		
Address	17 The Plocks,	Telephone:	01258 963125
	Blandford Forum	Fax	01258 963127
	Dorset DT11 7AA	Email	<a href="mailto:VODonnell@RiseandShine.co.uk">VODonnell@RiseandShine.co.uk</a>
Tax Office	Bournemouth	Tax Reference	155/R246

### BANKING DETAILS

Company Bank	HSBC Bank Plc	Account Name	Rise and Shine
	17 Market Place	Account No:	25865437
	Blandford Forum	Sort Code	40-12-18
	Dorset DT11 7AG	BACS Ref:	RAS

## Additional Information:

- Verity also has an account with the same HSBC branch in Blandford Forum and she is paid directly into her account by BACS each month. Her bank details are shown in her Employee information on page 3.
- Weekly paid staff will be paid in cash, there are no £50.00 notes to be included in their pay.
- A savings scheme is available for all employees to contribute to. The monthly paid staff will pay £25.00 per month whilst the weekly paid staff will pay £5.00 per week.
- The weekly staff are paid on a Friday in arrears, whilst Verity is paid on the last Friday of the month.

## Employee Information

Employee Details			
Works Number:	001	Date of Birth:	27 <sup>th</sup> April 1971
Employee Name:	Verity O'Donnell	Start Date:	2 <sup>nd</sup> August 1999
Address:	41 Orchard Street Blandford Forum Dorset DT11 7QZ	Gender:	Female
		Marital Status:	Married
		Tax Code:	1060L
		NI Number:	JM 436854 D
		NI Category	A
Bank Details:			
Account Name:	Mrs V O'Donnell	NB: You do not need to enter the Bank's address in this employee's record	
Account Number:	25837860		
Sort Code:	40-12-18		
BACS Reference:	RAS01		
Pay Information			
Salary:	£21,000	Job Title:	Manager
Contracted Hours:	175 hours per month Full time	Payment Method:	BACS
		Pays into the Savings Scheme	

Employee Details			
Works Number:	002	Date of Birth:	2 <sup>nd</sup> January 1952
Employee Name:	Teresa Smithe	Start Date:	2 <sup>nd</sup> August 1999
Address:	76 Pidgeon Close Blandford St Mary Dorset DT11 9PP	Gender:	Female
		Marital Status:	Divorced
		Tax Code:	500L
		NI Number:	NR 234526 B
		NI Category	C
Pay Information			
Hourly Rate:	£10.00 per hour	Job Title:	Cleaner
Contracted Hours:	16 hours per week Part time	Payment Method:	CASH
		Pays into the Savings Scheme	
		Teresa has provided evidence that she is of state pension age.	

Employee Details			
Works Number:	004	Date of Birth:	17 <sup>th</sup> February 1980
Employee Name:	Peony James	Start Date:	7 <sup>th</sup> June 2010
Address:	12 Hambledon Close Blandford Forum Dorset DT11 7SA	Gender:	Female
		Marital Status:	Widowed
		Tax Code:	1060L
		NI Number:	AB 379581 A
		NI Category	A
Pay Information			
Hourly Rate:	£9.50 per hour	Job Title:	Cleaner
Overtime Rate:	£11.88 per hour	Payment Method:	CASH
Contracted Hours:	38 hours per week Full time		

**You are required to complete all of the following Tasks.**

## **TASK 1 – Set up Company**

Set up the company information (adding your Student Number after the company name), ensuring that the software is set up for the Income Tax and NI parameters for tax year 2015/2016.

*Candidates are required to compare the legislative information with that given in the Answer Booklet. If the information shows any discrepancies the parameters should be corrected before continuing.*

No marks will be deducted for an incorrect Tax Reference.

**Required:**

Print reports detailing:

- Income Tax bandwidths.
- NI Rates for Tax Year 2015/2016
- Company details.

**3 marks**

## **TASK 2 – Generate Employee Records**

Create employee records for all the employees including their personal details, pay and deductions elements, onto the computerised system.

**N.B. For RTI purposes you need to include the employees Employment Status and Contracted Hours when creating their records.**

**Required:**

Print reports detailing:

- Employee Details (Personal) – to include their employment status.
- Employee Details (Deductions)
- Employee Contracted Hours for RTI

**11 marks**

## **TASK 3 - Processing Pay**

It is now Monday 6<sup>th</sup> April 2015 and you need to process the payroll for the weekly paid employees, using the processing date of Friday 10<sup>th</sup> April 2015 (Week 1).

**Required:**

- Using the information from the completed Gross Pay table, on Page 4 of your Answer Booklet, process the Payroll as at 10<sup>th</sup> April 2015 (Week 1).
- Print a Payroll Summary(ies) using a 'landscape' format, for Week 1 to include Employer's NIC.
- Print payslips for all the weekly paid employees for Week 1.
- Back up and Update your records.

**11 marks**

## TASK 4 – New Employees

Peony has handed in her notice and will be leaving the company on the 17<sup>th</sup> April 2015 and Verity has employed Jason Barclay to replace her. Jason will work a basic 36 hours a week with any additional hours paid at a fixed rate as shown on his employee record card below.

Verity has also taken on Camilla Talbot to provide an ironing service. Camilla's hours are variable depending on demand. Camilla has to complete a timesheet at the end of each week to show what hours she has worked. Camilla receives overtime pay at time and a third of her hourly rate.

The following points apply:

- Both employees started work on the 6<sup>th</sup> April 2015.
- Jason has completed a starter checklist, on which he has ticked Statement B, so his tax code will be on a non-cumulative basis.
- Camilla has handed in her P45, which shows that her Tax Code is 1060L on a cumulative basis. Her starting declaration would therefore be Statement A.
- Both employees will be paid weekly in cash.

Employee Details			
Works Number:	005	Date of Birth:	14 <sup>th</sup> June 1995
Employee Name:	Jason Barclay	Start Date:	6 <sup>th</sup> April 2015
Address:	33 Cobham Road Blandford Forum Dorset DT11 7YB	Gender:	Male
		Marital Status:	Single
		Tax Code:	1060L/Week 1
		NI Number:	EE 458565 A
		NI Category	M
Pay Information			
Hourly Rate:	£8.00 per hour	Job Title:	Cleaner
Overtime Rate:	£10.00 per hour	Payment Method:	CASH
Contracted Hours:	36 hours per week Full time	Pays into the Savings Scheme	
Tax Code:	1060L (W1)		

Employee Details			
Works Number:	006	Date of Birth:	31 <sup>st</sup> March 1985
Employee Name:	Camilla Talbot	Start Date:	6 <sup>th</sup> April 2015
Address:	4 Medbourne Close Blandford Forum Dorset DT11 7UA	Gender:	Female
		Marital Status:	Married
		Tax Code:	1060L
		NI Number:	AB 127394 A
		NI Category	A
Pay Information			
Hourly Rate:	£7.50 per hour	Job Title:	Presser
Overtime Rate:	£9.98 per hour	Payment Method:	CASH
Contracted Hours:	16 hours per week Part time		
Previous Employer Details			
Previous Emp. Ref	732/A912	Total pay to date:	£0.00
Date left employment	3 <sup>rd</sup> April 2015	Total tax to date:	£0.00
Tax Code at leaving:	1060L		

## Task 4 (cont)

### Required:

- Enter Jason and Camilla's details onto your computerised payroll system.
- Print a report showing Jason and Camilla's personal details only.

**6 marks**

## TASK 5 – Processing Pay

The date is Monday 13<sup>th</sup> April 2015 and it is now time to process the payroll for the weekly paid employees, using the processing date of Friday 17<sup>th</sup> April 2015 (Week 2).

- As Peony is leaving on the 17<sup>th</sup> April this is her final week of pay. The weekly staff are paid in arrears so she will receive her normal week's pay plus one week's pay in arrears for this. Peony is also to be paid £361.00 holiday pay, both these payments should be shown as separate payments. (Please note: Peony's holiday pay is NOT to be treated as an Advance Payment.)

### Required:

- Complete Camilla's Time Sheet given on Page 5 of your Answer Booklet.
- Complete the Gross Pay table on page 4 of your Answer Booklet and calculate the Gross Pay for the weekly paid employees. You will need to transfer the TOTAL hours from Camilla's timesheet so that you can calculate her Gross Pay.
- Using this completed Gross Pay information process the Payroll as at 17<sup>th</sup> April 2015 (Week 2).
- Print a Payroll Summary(ies) using a 'landscape' format, for Week 2 to include Employer's NIC.
- Print a Cash Analysis for Week 2, this must show the total net pay due to each employee. (See Additional Information for criteria for Cash Analysis).
- Print payslips for all the weekly paid employees for Week 2.
- Back up and Update.
- Print out Page 1 of Peony's P45.

**27 marks**

## TASK 6 – Processing Pay

It is Monday 20<sup>th</sup> April and you need to calculate and process the Gross Pay due to Verity using a processing date of 24<sup>th</sup> April 2015 (Month 1). You need to take the following information into account:

- You have received notification of a change of Tax Code for Verity, which is to be applied immediately. Her code has been changed to 1005L.
- Verity is to receive a standard month's salary plus a bonus of £250.00.

### Required:

- Using the information given above, process the Payroll as at 30<sup>th</sup> April 2015 (Month 1).
- Print a Payroll Summary(ies) using a 'landscape' format, for Month 1 to include Employer's NIC.
- Print a BACS report which includes the **total** to be paid.
- Print a Payslip for Verity.
- Back up and Update.

**11 marks**

## TASK 7

Using the space on Page 6 of your Answer Booklet, answer the following questions:

- a) What form must be submitted with the FPS to HMRC if a Statutory Payment has been paid?
- b) When generating employee records, why is it important to include Employment Status and the Contracted Hours?
- c) How much National Insurance does an employer pay for a 20 year old earning less than £42,385 p.a.?

**6 marks**

**END OF EXAMINATION**