

## MODEL ANSWERS

### Qualifications:

#### Level 3 Award in Computerised Payroll

(Accreditation No: 601/0481/8)

#### Level 3 Diploma in Payroll

(Accreditation No: 601/0732/7)

### Examination:

Unit: Computerised Payroll Administration – L505139

Paper No: E0024(2)

## SAMPLE ASSESSMENT PAPER Tax Year

2014/2015

<b>Student Number:</b>	
<b>Candidate Number:</b>	
<b>Name of Exam Centre:</b>	

For use by assessor only:

Task	1	2	3	4	5	6	7	8	9	Total
Marks	5	14	30	5	12	34	15	6	4	125

## TASK 1

Below is the correct legislative information for Income Tax and National Insurance Contributions. This must be checked before you start the paper.

### INCOME TAX

Rates:                      Basic Rate                      20%  
                                  Higher Rate                      40%  
                                  Additional Rate                      45%

Bandwidths:              From        £0.01        to        £31,865.00    20%  
                                  From    £31,966.00    to        £150,000.00    40%  
                                  From    £150,001.01    to        Excess            45%

'K' Code regulatory limit        50%                                      Emergency code 1000L

### NATIONAL INSURANCE CONTRIBUTIONS

**Table A - NI Rates:**

Description	Annual Bandwidths £	Employer %	Employee %
Lower Earnings Limit	5,772.01 to 7,956.00	0.00	0.00
Primary Threshold	7,956.01 to 40,040.00	13.80	12.00
Upper Accrual Point	40,040.01 to 41,865.00	13.80	12.00
Upper Earnings Limit	41,865.01 to Excess	13.80	2.00

**Table D - NI Rates:**

Description	Annual Bandwidths £	Employer %	Employee %
Lower Earnings Limit	5,772.01 to 7,956.00	-3.40	-1.40
Primary Threshold	7,956.01 to 40,040.00	10.40	10.60
Upper Accrual Point	40,040.01 to 41,865.00	13.80	12.00
Upper Earnings Limit	41,865.01 to Excess	13.80	2.00

**Task 3**

**Gross Pay Calculations for Payment Month 5 ending 31 August 2014 (Not Marked)**

<b>Employee</b>	<b>Role</b>	<b>Monthly Salary Or Weekly Salary £</b>	<b>Key Holder Allowance £</b>	<b>Gross Pay £</b>	<b>Own Notes</b>
Michelle Mooney	Management (Director)	4,166.67		4,166.67	
Perry Davidson	Administrator	2,916.67		2,916.67	
Fraser Gillespie	Architect	2,283.33	50.00	2,333.33	
Gina Ajabade	Surveyor (Part-time)	1,291.67		1,291.67	

**Pension Calculation:**

**Pension Summary for August 2014**

<b>Mth No.</b>	<b>Total Pensionable Pay £</b>	<b>Employee Pension £</b>	<b>Employer Pension £</b>	<b>Total Pension Contribution £</b>
Mth 5				

**Pension Report produced from Payroll software package?**

**Y/N please circle.**

## Task 6

### Summary of Gross Pay for Month 6 – to be paid 30 September 2014

<b>Employee</b>	<b>Monthly Salary</b> <b>£</b>	<b>Key Holder Allowance</b> <b>£</b>	<b>Repayment of Savings Scheme</b> <b>£</b>	<b>Holiday Pay</b> <b>£</b>	<b>SAP</b> <b>£</b>	<b>Commission on Sales</b> <b>£</b>	<b>Gross Pay</b> <b>£</b>
Michelle Mooney	3958.34 (1 mark)					83.34 (1 mark)	4041.68 (1 mark)
Perry Davidson (LEAVING)	2770.84 (1 mark)		5 X 30 = 150.00 (1 mark)	350.00 (1 mark)		29.17 (1 mark)	3300.01 (1 mark)
Fraser Gillespie	2169.16 (1 mark)	50.00 (1 mark)				22.83 (1 mark2)	2241.99 (1 mark)
Gina Ajabade (0.5 SALARY)	645.85 (1 mark)				197.40	12.92 (1 mark)	856.17 (1 mark)

## Task 7

**Total Due to HMRC = £3612.04**

Tax +	Student Loan +	Employers and Employees NIC -	(SAP + 3% compensation)
£ 1953.52 (½ mark)	£74.00 (½ mark)	£ 1787.84 (1 mark)	£ 197.40 = £203.32 (½ mark for SAP £197.40)  (½ mark for calculating 3% of SAP £5.92)

### Cost of Wages to the Employer for month 6:

Gross pay monthly employees (task 6) + Gross pay weekly employee (task 5)	£ 10,439.85 259.62	£	Marks Deduct 1 mark if GP from task 6 is not included in GP total Deduct 1 mark if GP from task 5 is not included in GP total
=	10,699.47		
- Savings repaid to employee	150.00	10,549.47	Deduct 2 marks if Savings are not deducted
+ Employer NI (monthly employees) + Employer NI (weekly employee)	944.23 14.70		Deduct 1 mark if EER's NI from task 6 is not added to GP Deduct 1 mark if EER's NI from task 5 is not added to GP
=	958.93		
- SAP + 3% compensation	203.32	755.61	Deduct 2 marks if SAP + comp has not been subtracted
+ Employer pension contributions		327.50	Deduct 2 marks if pension contributions had not been added
Total		11,632.58	

Note: Do not penalize the candidate if their figures differ from these. Candidates figures should match their own printouts.

## Task 8

### (A)

From 2012, all employers, starting with the largest employers first, must enrol their eligible workers into a workplace pension, if they are not already in one if they:

- Are at least 22 years old;
- Have not reached state pension age;
- Earn more than a minimum amount a year (currently £10,000); and
- Work, or ordinarily work, in the UK (under their contract).

**Allocate 1 mark for each correct element of this answer to a maximum of 3 marks**

### (B)

The EPS enables an employer to report figures to HMRC that cannot be derived from the Full Payment Submission (FPS).

The Employer Payment Submission (EPS) allows Planning Services to report the Statutory Payment Recovered plus NIC compensation.

The submission should be made on or before the payment is due to HMRC.

**Allocate 1 mark for each correct element of this answer to a maximum of 3 marks**

### (C)

The Employment Allowance is available from 6 April 2014. If you are eligible you can reduce your employer Class 1 NICs by up to £2,000 each tax year.

You can use your own 2014 to 2015 payroll software (see your software provider's instructions), or HM Revenue and Customs' (HMRC's) Basic PAYE Tools for 2014 to 2015 to claim the Employment Allowance.

When you make your claim (using the software of your choice), you must reduce your employer Class 1 NICs payment by an amount of Employment Allowance equal to your employer Class 1 NICs due, but not more than £2,000 per year.

For example, if your employer Class 1 NICs are £1,200 each month, in April your Employment Allowance used will be £1,200 and in May £800, as the maximum is capped at £2,000.

**Allocate 1 mark for each correct element of this answer to a maximum of 4 marks**

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