



Exam ID 367

QUESTION PAPER

Qualifications:

Level 3 Certificate in Payroll

(Accreditation No: 500/9358/7)

Level 3 Award in Computerised Payroll

(Accreditation No: 500/9359/9)

Examination:

Unit 367: Computerised Payroll Administration

JUNE 2012

Tax Year 2011/2012

Time Allowed: 3 Hours

General Instructions

- **Your answers should be written in either black or blue ink. Your work should not be completed in pencil.**
- **Two marks will be deducted if your work is not neat and well presented.**
- **All tasks should be answered using a payroll software package setup for the 2011/2012 Tax Year.**
- **PAYE deductions should be calculated using the income tax legislation as at April 6th 2011.**
- **National Insurance Contributions should be calculated using either NIC Table A (CA38), NIC Table C (CA41) or NIC Table D (CA39) as appropriate.**

Scenario

You work for Pills & Potions, a small company that specialise in Homeopathy

It is owned by Janice and Will Bernard, who are both directors of the company. There is a part-time member of staff that does the administration for the company and 3 members of staff that work in the shop.

Janice, Will and the part-timer are paid monthly, whilst the 3 shop workers are paid weekly by cash.

Both the directors and the part-time employee are paid directly into the Bank, by BACS.

You have been given the employee data for the year to date, as at 31st December 2011, which is Month 9 and 15th January 2012 (Week 41) of Tax Year 2011/2012

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Company Information:

COMPANY DETAILS

Company Name	Pills & Potions Ltd		
Address	Home Farm St Endellion Cornwall PL28 8XP	Telephone:	01208 797911
		Fax	01208 797920
		Email	Janice@pills&potions.co.uk
Tax Office	Plymouth	Tax Reference	525/P098

BANKING DETAILS

Company Bank	Lloyds TSB plc The Market Place Wadebridge Cornwall PL28 9OR	Account Name	Pills & Potions Ltd
		Account No:	96836715
		Sort Code	56-43-19
		BACS Ref:	P&P Wages

FINANCIAL ANALYSIS

DEPARTMENT		COST CENTRES	
M	Directors & Administration	D	Directors
W	Sales	A	Administration
		S	Sales Staff

COMPANY PENSION SCHEME

SCHEME DETAILS

Scheme Reference	PP2010
Description	P&P
Type	COSRS
ECON	3333333L
SCON	1234567N
Employee Contribution	4%
Employer Contribution	6%
Company Pension Administrator	Janice Bernard
Email Address	Janice@pills&potions.co.uk
Telephone	01208 797912

PROVIDER DETAILS

Name	Bennett's Insurance Services
Address	46 Pendennis Place Truro Cornwall TR4 8LW
Contact Name	Amanda Dornier
Email Address	a.dornier@bennetts.co.uk
Telephone	01211 715649
Payment Method	Cheque

NOTES:

Contributions based upon Gross Pay including bonuses.

Additional Information:

- As directors of the company both Janice and Will have their NICs deducted using the "Director" method.
- The monthly paid staff have accounts with Lloyds TSB plc in Wadebridge.
- The company administers direct contributions to an HMRC approved 'Payroll Giving' Scheme.
Any employees who are members of the scheme contribute at the rate of 2.75% of basic wage/salary.
- There is a savings scheme available for all employees to contribute to. Monthly employees can contribute £75 per month and Weekly paid staff will pay £15.00 per week.
- The Sales staff has a standard working week of 40 hours but are quite often required to work overtime.
Overtime is paid at the rate of Time and a Quarter for any hours they work over their standard hours.
- Will, Janice and the part time administrator do not receive overtime payments.
- The company pays only statutory payments for Sickness, Maternity, Paternity or Adoption leave and, as a small company is entitled to reclaim Small Employers Relief (SER). Payments are calculated on a daily basis with Statutory Sick Pay (SSP) at £16.32 per day whilst Statutory Adoption Pay (SAP) is calculated at 18.39 per day.
- Employees that are paid in cash do not receive any £50.00 notes in their pay packet but want at least 6 £1.00 coins and 5 50p pieces in it.
- Daily rate of SSP for a 5 qualifying days working pattern is £16.32
- Daily rate for SAP for £18.39 for 7 days a week

Candidates should not check YTD figures.

Without knowing the employees' circumstances throughout the Tax Year it is impossible to check the YTD figures accurately. The candidates' exam papers are marked based on the belief that they have used the YTD figures as stated.

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Employee Information

Employee Details				
Works Number:	001	Date of Birth:	13 November 1962	
Employee Name:	Will Bernard	Start Date:	1 st April 2000	
Address:	Home Farm St Endellion Cornwall PL28 8XP	Gender:	Male	
		Marital Status:	Married	
		Tax Code:	K65	
		NI Number:	AB 653987 C	
Year to Date Figures		£	£	£
Total Gross Pay	37,500.00	Employee's Net NIC	2,868.93	EE Rebate 23.04
Gross Pay for NIC	37,500.00	Employer's Net NIC	3,480.93	ER Rebate 49.06
Gross Pay for Tax	34,968.74			
Tax Paid	8,935.20			
Bank Details				
Account Name:	Mr & Mrs W & J Bernard			
Account Number:	96357712			
Sort Code:	56-43-19			
BACS Reference:	PP001			
Additional Information				
Department:	Managing Director	Member of the Company Pension Scheme		
Pension:	Salary: £50,000.00	Contributes to Payroll Giving scheme.		

Employee Details				
Works Number:	002	Date of Birth:	16 th December 1969	
Employee Name:	Janice Bernard	Start Date:	1 st April 2000	
Address:	Home Farm St Endellion Cornwall PL28 8XP	Gender:	Female	
		Marital Status:	Married	
		Tax Code:	747L	
		NI Number:	YA 235623 D	
Year to Date Figures		£	£	£
Total Gross Pay	33,750.00	Employee's Net NIC	2,793.96	EE Rebate 23.04
Gross Pay for NIC	33,750.00	Employer's Net NIC	2,961.81	ER Rebate 49.06
Gross Pay for Tax	31,471.88			
Tax Paid	5,172.40			
Bank Details				
Account Name:	Mr & Mrs W & J Bernard			
Account Number:	96357712			
Sort Code:	56-43-19			
BACS Reference:	PP002			
Additional Information				
Department:	Director	Member of the Company Pension scheme.		
Salary:	£45000.00	Contributes to Payroll Giving scheme. Pays into the Savings Scheme.		

Employee Information (continued)

Employee Details			
Works Number:	003	Date of Birth:	29 th October 1949
Employee Name:	Julie Garston	Start Date:	1 st April 2001
Address:	Daisy Cottage Tresillick Cornwall PL29 6QP	Gender:	Female
		Marital Status:	Widowed
		Tax Code:	BR
		NI Number:	JT 641637 A
Year to Date Figures		£	
Total Gross Pay	10,500.00	Employee's Net NIC	0.00
Gross Pay for NIC	10,500.00	Employer's Net NIC	717.39
Gross Pay for Tax	10,164.61		
Tax Paid	2,032.80		
Bank Details			
Account Name:	Mrs J Garston		
Account Number:	96835427		
Sort Code:	56-43-19		
BACS Reference:	PP003		
Additional Information			
Department:	Administration	Pays into the Savings Scheme.	
Salary:	20,000.00 (<i>0.7 pro-rata</i>)	Contributes to Payroll Giving scheme.	
		We hold a form CA4140 for this employee	

Employee Information (continued)

Employee Details			
Works Number:	004	Date of Birth:	2 nd February 1987
Employee Name:	Alfie Simmonds	Start Date:	31 st May 2006
Address:	16 The Priory Truro Cornwall TR1 1QE	Gender:	Male
		Marital Status:	Single
		Tax Code:	747L
		NI Number:	JC 984302 D
Year to Date Figures		£	
Total Gross Pay	14,108.31	Employee's Net NIC	1,009.01
Gross Pay for NIC	14,108.31	Employer's Net NIC	1,177.11
Gross Pay for Tax	14,108.31		
Tax Paid	1,640.00		
Additional Information			
Department:	Sales Staff	Pays into the Savings Scheme.	
Hourly Rate:	£7.75		

Employee Details			
Works Number:	005	Date of Birth:	3 rd September 1979
Employee Name:	Becky Junesko	Start Date:	29 th July 2005
Address:	14 West Street Wadebridge Cornwall PL28 9JJ	Gender:	Female
		Marital Status:	Married
		Tax Code:	747L
		NI Number:	JB 598713 C
Year to Date Figures		£	
Total Gross Pay	14,331.68	Employee's Net NIC	1,036.07
Gross Pay for NIC	14,331.68	Employer's Net NIC	1,207.86
Gross Pay for Tax	14,331.68		
Tax Paid	1,681.00		
Additional Information			
Department:	Sales	Contributes to the Payroll Giving	
Hourly Rate:	£7.93		

Employee Information (continued)

Employee Details			
Works Number:	006	Date of Birth:	22 nd June 1974
Employee Name:	Susanna Hart	Start Date:	1 st April 2011
Address:	95 Truro Road Wadebridge Cornwall PL28 4UR	Gender:	Female
		Marital Status:	Civil Partnership
		Tax Code:	747L/Wk1
		NI Number:	YA 651346 C
Year to Date Figures		£	
Total Gross Pay	11,930.40	Employee's Net NIC	747.84
Gross Pay for NIC	11,930.40	Employer's Net NIC	876.58
Gross Pay for Tax	11,602.31		
Tax Paid	1,139.80		
Additional Information			
Department:	Sales	Pays into the Savings Scheme (which she joined in Week 1 of 2011/12 tax year)	
Hourly Rate:	£7.88		

You are required to complete all of the following Tasks.

TASK 1

Set up the company information ensuring that the software is set up for the Income Tax and NI parameters for tax year 2011/2012

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.

Required:

Print reports detailing:

- Income Tax bandwidths.
- NI Rates for Tax Year 2011/2012
- Company details.
- Company Pension Scheme (page 1 only).
- Pension Provider (page 1 only).

5 marks

TASK 2

Create employee records for the 2 directors and all other employees, including their personal details, pay and deductions elements, onto the computerised system.

Required:

Print reports detailing:

- Employee Details (Personal).
- Employee Details (Cumulative).

25 marks

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TASK 3

It is the 21st January 2012 and time to process the payroll for the weekly paid. The following information should be taken into consideration:

- You have received a Student Loan notification for Alfie Simmonds to be applied from 21st January 2012.
- A notification has been received that Becky Junesko has been given an AOE for non payment of Council Tax, this is to start immediately. The total amount owed is £450.00 and is to be deducted by using the Table method for deductions of AOE's.

Required:

- Using the Gross Pay table given on page 2 of your Answer Booklet, along with the information given above, process the Payroll as at 21st January 2012 (Week 42).
- Print a Payroll Summary(ies) using a 'landscape' format, for Week 42 to include Employer's NIC.
- Print a Cash Analysis for Week 42, this must show the total net pay due to each employee. (See Additional Information for criteria for Cash Analysis).

20 marks

TASK 4

You have been informed that Will Bernard has taken receipt of a new company pick up truck, which is used for both business and personal use. The details are as follows:

- The pickup truck is a Nissan Navara dCi, registration number W61 PPS, first registered on 1st January 2012 and delivered to him on 3rd January 2012. It has a 2.5 Litre diesel engine (Euro IV Emissions Standard) which is currently 224 g/km emissions and no fuel is provided for personal use. The list price of the car when new was £21,750 with no additions and Will has made no personal capital contribution.

Required:

- Input these details into the system.
- Print a report detailing the company car details (P46).

5 marks

TASK 5

It is Friday 27th January and you need to calculate and process the Gross Pay due to the monthly paid staff for payment on 31st January 2012 (Month 10).

- Both Will and Janice have agreed to pay themselves' a bonus this month, they will each receive 2.5% of their ANNUAL SALARY.
- Julie Garston has been given a company loan of £1,800.00, which she will pay back at £75 per month, starting this month, for the next 24 months.
- Julie is taking a month off and it has been agreed that she will be paid 50% of her February Salary in advance. She will pay half contributions to her Payroll Giving but still wishes to save the same amount as normal, her loan deduction is also to be made for the month that she is off work.

Required:

- Finish completing the Gross Pay table on page 3 of your Answer Booklet, you only need to calculate Julie's Advance Pay and her Gross Pay.
- Process the payroll for Month 10 as at 31st January 2012.
- Print out a payslip for **all** the monthly staff, this must include loan payments.
- Print a Payroll Summary(ies) for Month 10 to include Employer's NIC and the Loan payment made by Julie Garston.
- Print a Pension report to show the amount of pension paid by Will and Janice for the month (to include employers contributions). It is acceptable to print a report from your software, if you use this option then please indicate this in your Answer Booklet on the bottom line.

35 marks

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TASK 6

It is now Monday 30th January 2012 and you need to process the payroll for the weekly paid employees, using the processing date of Saturday 28th January 2012 (week 43). You should take the following information into consideration:

- You have received notification of a change of Tax Code for Alfie Simmonds. His code has been changed to 625L/Week 1 and is to be applied immediately.
- Susanna Hart has started her Adoption leave as from Monday 23rd January 2012, she was matched with a little girl on the 12th January 2012 who will be moving in with Susanna and her partner on the 25th January 2012. All the relevant conditions have been met.
- She has asked to be repaid the money that she has paid into the Savings Scheme since April 2011, this should be entered as a **negative deduction**.

Note: no contribution should be deducted for this pay period.

Required:

- Finish completing the Gross Pay table on page 4 of your Answer Booklet by calculating the Statutory Adoption Pay for the week, refund of Savings Scheme and Gross Pay for Susanna Hart.
- Using this completed Gross Pay information process the Payroll as at 28th January 2012 (Week 43).
- Print a Payroll Summary(ies) using a 'landscape' format, for Week 43 to include Employer's NIC.
- Print a Departmental Analysis to show the pay to date for all the weekly employees as at Week 43.
- Print a P32 for January 2012, to include both monthly and weekly employees' payments.

35 marks

TASK 7

As Susanna has gone on Adoption Leave, it has been decided that Pills & Potions will take on a temporary member of staff whose details are given below:

Employee Details			
Works Number:	007	Date of Birth:	22 nd December 1994
Employee Name:	Sasha Jenkins	Start Date:	30 th January 2012
Address:	Rose Cottage St Endellion Cornwall PL28 5PR	Gender:	Female
		Marital Status:	Single
		Tax Code:	
		NI Number:	AB 968312 B
Additional Information			
Department:	Sales		
Hourly Rate:	£6.18		

Required:

- Enter Sasha's details onto your computerised payroll system.
- This is Sasha's first and only job as she is still at college. She has not been able to hand in a P45 so you will need to tick the correct box when entering her as a new employee to ensure that she is allocated the correct Tax Code.
- Print a report showing Sasha's personal details.

10 marks

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TASK 8

Janice has asked Julie to show her how to calculate what payments are due to HMRC as Julie will be on holiday when it is time to make the payment for January 2012.

A completed Payroll Summary Sheet for December 2011 is given on page 5 of your Answer Booklet which details all relevant figures.

NB: Pills & Potions may be able to reclaim some Statutory Payments as they are registered for Small Employer's Relief.

Required:

- Transfer the appropriate figures from the Payroll Summary Sheet to the P32 (extract) for Dec 2011 (given on Page 6 of your Answer Booklet).
- Write the total Tax and NIC's due to HMRC along with any Statutory Payments that may be reclaimed in the space provided on page 6 of your Answer Booklet.

5 marks

TASK 9

Using the space on Pages 7 and 8 of your Answer Booklet, answer the following questions:

- a) If your computer has lost all the Payroll data from your programme how would you get it back?
- b) What is the "Rollback" function used for?
- c) Name 2 forms that are currently filed on-line?

10 marks

END OF EXAMINATION