

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: Computerised Payroll Administration

JANUARY 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) or NIC Table F (CA43) as appropriate.**

Scenario

You work for Bring It On, a local company that specialise in providing Bookkeeping and Payroll services to small businesses. Casey's Caravans is one of the clients and it is your task to administer the payroll for the company.

Casey's Caravans is a small company that specialises in the making, servicing and selling of caravans and their accessories.

Besides Craig and Barbara Casey, the owners, there are 2 other staff in the sales department, these are all paid monthly. The 4 full time staff that work in the workshop are paid on a weekly basis, in arrears.

All employees are paid directly into the Bank, by BACS.

You have been given the employee data for the year to date, as at 31st October 2011, which is Month 7 and 18th November (Week 33) of Tax Year 2011/2012

Company Information:

COMPANY DETAILS

Company Name	Casey's Caravans		
Address	15 Beach Road East Wittering West Sussex PO20 8DU	Telephone:	01243 615378
		Fax	01243 615555
		Email	caravans@caseys.co.uk
Tax Office	Chichester	Tax Reference	439/C044

BANKING DETAILS

Company Bank	HSBC plc The Cross Chichester West Sussex PO19 9ZH	Account Name	Casey's Caravans
		Account No:	01743920
		Sort Code	34-43-19
		BACS Ref:	CC

FINANCIAL ANALYSIS

DEPARTMENT		COST CENTRES	
MAN	Manual Workforce	W	Workshop
NON	Non-Manual Workforce	S	Sales
		A	Administration

COMPANY PENSION SCHEME

SCHEME DETAILS

Scheme Reference	CCS2011
Description	CSS
Type	COMPS
ECON	3333333L
SCON	1234567N
Employee Contribution	5%
Employer Contribution	5%
Company Pension Administrator	Barbara Casey
Email Address	b.casy@caseys.co.uk
Telephone	07777 685421

PROVIDER DETAILS

Name	Noons Financial Investments
Address	16 The Pallent Chichester West Sussex PO19 9LT
Contact Name	Paula Angelis
Email Address	p.angelis@noons.co.uk
Telephone	01243 737739
Payment Method	Cheque

NOTES:

Contributions based upon Gross Pay including bonuses.

Additional Information:

- Craig is a director of the company and has his NIC's deducted using the "Director" method, as his NICs are calculated using the Exact Percentage Method.
- The owners and all the employees have accounts with HSBC plc in Chichester.
- 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 3% of basic wage/salary.
- There is a savings scheme available for all employees to contribute to. Monthly employees can contribute £40 per month and Weekly paid staff will pay £10.00 per week.
- A commission scheme is in place for the Sales Department.
Craig receives a monthly commission of 4% of his monthly salary, payable if the target, based on the previous month's sales figures, is met. This is included for pension contributions.
The other 2 Sales staff will receive 2% per month of basic monthly salary.
- The workshop staff work Monday to Friday 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 of 37.5 per week.
- Craig, Barbara and the Sales staff do not receive overtime payments.
- All monthly paid staff are due to receive a Salary increase this month which Craig and Barbara are still in discussions about.
- Joanna James is the designated Key Holder and receives £50 a month and an additional £25 for each callout made during the hours of 8pm to 8am.
- 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).

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Employee Information

Employee Details				
Works Number:	001	Date of Birth:	9 th March 1967	
Employee Name:	Craig Casey	Start Date:	1 st January 2005	
Address:	The Gables Stoners Lane West Wittering West Sussex PO21 8OQ	Gender:	Male	
		Marital Status:	Married	
		Tax Code:	K35	
		NI Number:	JB 976342 C	
Year to Date Figures		£	£	£
Total Gross Pay	26781.00	Employee's Net NIC	2003.08	EE Rebate 30.74
Gross Pay for NIC	26781.00	Employer's Net NIC	2419.17	ER Rebate 24.75
Gross Pay for Tax	25441.95			
Tax Paid	6177.06			
Bank Details				
Account Name:	Mr C & Mrs B Casey			
Account Number:	01789654			
Sort Code:	34-43-19			
BACS Reference:	CC001			
Additional Information				
Department:	Sales Director	Member of the Company Pension Scheme		
Pension:	Salary: £45,000.00			
Commission:	4% of basic salary			

Employee Details				
Works Number:	002	Date of Birth:	16 th December 1969	
Employee Name:	Barbara Casey	Start Date:	1 st January 2005	
Address:	The Gables Stoners Lane West Wittering West Sussex PO21 8OQ	Gender:	Female	
		Marital Status:	Married	
		Tax Code:	747L	
		NI Number:	YA 235623 D	
Year to Date Figures		£	£	£
Total Gross Pay	24333.31	Employee's Net NIC	2090.06	EE Rebate 17.92
Gross Pay for NIC	24333.31	Employer's Net NIC	2505.30	ER Rebate 14.42
Gross Pay for Tax	23116.64			
Tax Paid	3750.60			
Bank Details				
Account Name:	Mr C & Mrs B Casey			
Account Number:	01789654			
Sort Code:	34-43-19			
BACS Reference:	CC002			
Additional Information				
Department:	Administration	Member of the Company Pension scheme.		
Salary:	£40,000.00	Contributes to Payroll Giving scheme.		
		Pays into the Savings Scheme.		

Employee Information (continued)

Employee Details			
Works Number:	003	Date of Birth:	25 th September 1985
Employee Name:	Joanna James	Start Date:	1 st April 2008
Address:	15 East Shore Road East Wittering West Sussex PO20 8XL	Gender:	Female
		Marital Status:	Single
		Tax Code:	652L
		NI Number:	JT 167176 A
Year to Date Figures		£	£
Total Gross Pay	16250.00	Employee's Net NIC	1444.31
Gross Pay for NIC	16250.00	Employer's Net NIC	1673.49
Gross Pay for Tax	16250.00		
Tax Paid	2488.20		
Bank Details			
Account Name:	Ms J James		
Account Number:	01734965		
Sort Code:	34-43-19		
BACS Reference:	CC003		
Additional Information			
Department:	Sales	Pays into the Savings Scheme.	
Salary:	£27,000.00		
Commission:	2% of basic salary		
Key Holder Allowance:			

Employee Details			
Works Number:	004	Date of Birth:	2 nd February 1959
Employee Name:	Gina Mallick	Start Date:	1 st April 2008
Address:	The Pebbles Beach Lane East Wittering West Sussex PO20 3TZ	Gender:	Female
		Marital Status:	Divorced
		Tax Code:	BR
		NI Number:	YX 671269 D
Year to Date Figures		£	£
Total Gross Pay	6404.00	Employee's Net NIC	262.78
Gross Pay for NIC	6404.00	Employer's Net NIC	314.72
Gross Pay for Tax	6211.88		
Tax Paid	1242.20		
Bank Details			
Account Name:	Mrs G Mallick		
Account Number:	01789696		
Sort Code:	34-43-19		
BACS Reference:	CC004		
Additional Information			
Department:	Sales	Contributes to the Payroll Giving	
Salary:	£19,500.00 (0.5 <i>pro rata</i>)	Works Thursday, Friday and Saturday	
Commission:	2% of basic salary		

Employee Information (continued)

Employee Details			
Works Number:	005	Date of Birth:	13 th April 1977
Employee Name:	Jonas Mikail	Start Date:	1 st May 2006
Address:	19 Albretia Avenue West Wittering West Sussex PO21 2MP	Gender:	Male
		Marital Status:	Married
		Tax Code:	747L
		NI Number:	ZY 133441 B
Year to Date Figures		£	
Total Gross Pay	11489.94	Employee's Net NIC	828.30
Gross Pay for NIC	11489.94	Employer's Net NIC	966.24
Gross Pay for Tax	11489.94		
Tax Paid	1346.20		
Bank Details			
Account Name:	Mr J Mikail		
Account Number:	01746430		
Sort Code:	34-43-19		
BACS Reference:	CC005		
Additional Information			
Department:	Workshop	Pays into the Savings Scheme.	
Hourly Rate:	£8.29		

Employee Details			
Works Number:	006	Date of Birth:	3 rd November 1979
Employee Name:	Brendan Porter	Start Date:	29 th April 2009
Address:	98 The Ridings Bracklesham Bay West Sussex PO22 3KY	Gender:	Male
		Marital Status:	Married
		Tax Code:	747L
		NI Number:	JB 598713 C
Year to Date Figures		£	
Total Gross Pay	11864.16	Employee's Net NIC	873.18
Gross Pay for NIC	11864.16	Employer's Net NIC	1017.72
Gross Pay for Tax	11508.24		
Tax Paid	1275.40		
Bank Details			
Account Name:	Mr B Porter		
Account Number:	01788867		
Sort Code:	34-43-19		
BACS Reference:	CC006		
Additional Information			
Department:	Workshop	Contributes to the Payroll Giving	
Hourly Rate:	£8.56		

Employee Information (continued)

Employee Details			
Works Number:	007	Date of Birth:	12 th May 1988
Employee Name:	Sean Jarvis	Start Date:	1 st May 2011
Address:	15 The Lanes Chichester West Sussex PO19 8BS	Gender:	Male
		Marital Status:	Single
		Tax Code:	747L/Wk1
		NI Number:	JA 365489 B
Year to Date Figures		£	
Total Gross Pay	10797.60	Employee's Net NIC	745.14
Gross Pay for NIC	10797.60	Employer's Net NIC	870.54
Gross Pay for Tax	10473.67		
Tax Paid	1076.80		
Bank Details			
Account Name:	Mr S Jarvis		
Account Number:	01764321		
Sort Code:	34-43-19		
BACS Reference:	CC007		
Additional Information			
Department:	Workshop	Contributes to the Payroll Giving	
Hourly Rate:	£8.18		

Employee Details			
Works Number:	008	Date of Birth:	21st April 1945
Employee Name:	Steven Lincoln	Start Date:	1 st May 2005
Address:	41 Coney Road East Wittering West Sussex PO20 6LJ	Gender:	Male
		Marital Status:	Widower
		Tax Code:	366L
		NI Number:	NA 417893 A
Year to Date Figures		£	
Total Gross Pay	11669.79	Employee's Net NIC	0.00
Gross Pay for NIC	11669.79	Employer's Net NIC	990.99
Gross Pay for Tax	11319.70		
Tax Paid	1725.20		
Bank Details			
Account Name:	Mr S Lincoln		
Account Number:	01768957		
Sort Code:	34-43-19		
BACS Reference:	CC008		
Additional Information			
Department:	Workshop	Pays into the Savings Scheme.	
Hourly Rate:	£9.43	Contributes to the Payroll Giving	
		We hold a form CA4140 for this employee	

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

Enter the owners and all employees, their personal details, pay and deductions elements onto the computerised system.

Required:

Print reports detailing:

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

25 marks

TASK 3

It is the 25th November 2011 and time to process the payroll for the weekly paid. The following information should be taken into consideration:

- A change of tax code was received for Brendan Porter – the new code of 497L/Week 1 should be applied with immediate effect.
- You have received a Student Loan notification for Sean Jarvis to be applied from 20th November 2011.

Required:

- Using the Gross Pay information given on page 2 of your Answer Booklet process the Payroll as at 25th November 2011 (Week 34).
- Print a Payroll Summary(ies) using a 'landscape' format, for Week 34 to include Employer's NIC.
- Print a BACS Payment Schedule for Week 34, this must show the total net pay due to each employee.

30 marks

TASK 4

You have been informed that Craig Casey has taken receipt of a new company car, which is used for both business and personal use. The details are as follows:

- The car is a Skoda Superb Estate TDI, registration number C61 CCS, first registered on 1st November 2011 and delivered to him on 3rd November 2011. It has a 2000cc diesel engine which is currently 143 g/km emissions and no fuel is provided for personal use. The list price of the car when new was £22,535 with no additions and Craig 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 Monday 28th November and time to calculate the Gross Pay due to the monthly paid employees for payment on 30th November 2011 (Month 8).

- You have been informed that Barbara became a Director as from the 1st November 2011 (you are to treat her NIC in the same way as her husband's).
- Both Craig and Barbara have now agreed on the Salary increase and they will receive an additional £400.00 a month as from this month, whilst the other Sales department employees are to receive a 2.5% pay rise forthwith.
- Gina Mallick (Sales department) has been off sick during November, she went sick on Wednesday 2nd November and returned to work on Monday 14th November. Her normal working week is Thursday to Saturday which should be a total of 12 days in November and her Average Weekly Earnings are £245.65.
- Joanna James, as designated Key Holder, was called out 3 times during the month, after 8 o'clock at night.
- Joanna James has been given a company loan of £1,000.00, which she will pay back at £50 per month starting this month.
- The sales target for October was met so the commission will be paid this month.

Required:

- Calculate the Gross Pay for each employee for 30th November 2011 (Month 8), using the Table on page 3 of your Answer Booklet and information given in the Scenario and above.
- Change Barbara's status to Director.
- Process the payroll for Month 8 as at 30th November 2011.
- Print out a payslip for Gina Mallick and Craig Casey only.
- Print a Payroll Summary(ies) for Month 8 to include Employer's NIC

35 marks

TASK 6

On Wednesday 30th you process the payroll for the weekly paid employees, this will be for the hours worked up to the 26th November 2011 and is to be paid on Friday 2nd December 2011. The following information should be taken into consideration:

- Brendan Porter started his 2 weeks paternity leave as from Monday 21st November 2011, his baby son having been born on the 15th November 2011. His Average Weekly Earnings are £359.52.
- Jonas Mikail has handed his notice in and finished work on 25th November and, as the weekly paid staff are paid 1 week in arrears, this will be his final pay.

He is to be paid his basic weekly wage along with 8 days holiday pay that he has accrued. This is to be calculated at 7½ hours per day at his basic hourly rate of £8.29.

He will also have to be repaid the money that he 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 Overtime Pay, Holiday Pay, Statutory Paternity Pay and Gross Pay where appropriate.
- Using this completed Gross Pay information process the Payroll as at 2nd December 2011 (Week 35).
- Print a Payroll Summary(ies) using a 'landscape' format, for Week 35 to include Employer's NIC.
- Print Payslips for all the weekly employees as at Week 35.
- Print out a P45 for Jonas Mikail

35 marks**TASK 7**

Barbara has asked for some employee costings for the workforce and, in particular, the Sales Department. She would like a Departmental Analysis of Pay, along with an actual schedule of payments for the Monthly paid staff.

Required:

- Print a Departmental Analysis of Pay to Date for Casey's Caravans for Month 8.
- Using the table on Page 5 of your Answer Booklet enter the required figures from the Payroll Summary(ies) printed in Task 5.

10 marks**TASK 8**

As it is the end of the month, it is time to pay HMRC any Tax, NIC and Student loan due, along with any payments due to the Pension Company.

NB: Casey's Caravans may be able to reclaim some Statutory Payments.

Required:

- Print a P32 for November (Month 8).
- On page 6 of your Answer Booklet, calculate the Cost of Pension contributions for month ending 30th November 2011 using the information given in the Scenario. 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.

5 marks

TASK 9

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

- a) Why is it so important to carry out regular Back Ups?
- b) How often should you carry out a Back Up, particularly when using a computerised payroll system?
- c) Explain why it is necessary to have Data Security and how it would be carried out in relation to a computerised payroll system.
- d) Explain briefly how you would be able to check that the total payment due to HMRC as given on a P32 is correct.

10 marks