



EXAM ID 367

MODEL ANSWERS

Qualifications:

Level 3 Award in Computerised Payroll

Accreditation No: 500/9359/9

Level 3 Certificate in Payroll

Accreditation No: 500/9358/7

Unit: Computerised Payroll Administration A601/8171

June - 2011

Suite 30, 40 Churchill Square, Kings Hill, West Malling, Kent ME19 4YU
Tel: 01732 897750, Fax: 01732 455848, email: education@iab.org.uk

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	50%

Bandwidths:	From £0.01	to £37,400	20%
	From £37,400.01	to £150,000	40%
	From £150,001.00	to Excess	50%

'K' Code regulatory limit 50% Emergency code 647L

NATIONAL INSURANCE CONTRIBUTIONS

Table A - NI Rates:

Description	Annual Bandwidths £	Employer %	Employee %
Standard Rate Contributions	£5,044 to £5,715	0.00	0.00
Standard Rate Contributions	£5,715.01 to £40,040	12.80	11.00
Standard Rate Contributions	£40,040.01 to £43,875.00	12.80	11.00
Standard Rate Contributions	£43,875.01 to Excess	12.80	1.00

Table F - NI Rates:

Description	Annual Bandwidths £	Employer %	Employee %
Standard Rate Contributions	£5,044 to £5,715	-1.40	-1.60
Standard Rate Contributions	£5,715.01 to £40,040	11.40	9.40
Standard Rate Contributions	£40,040.01 to £43,875.00	12.80	11.00
	£43,875.01 to Excess	12.80	1.00

Task 3

GROSS PAY CALCULATIONS FOR PAYMENT MONTH 9 ENDING 31ST December 2010

Employee	Annual Salary excluding allowances £	Monthly Salary or Weekly Salary £	First Aider Allowance £	Gross Pay £	Overtime COMPLETE	Commission £ COMPLETE	TOTAL £ COMPLETE
Mavis Murphy 1.5%	35,000.00	2,916.66		2,916.66		43.75	2960.41
Priscilla Dean 2%	17,000.00	1,416.66		1,416.66		28.33	1444.99
Farouk Gueves 2%	15,000.00	1,250.00	50.00 NO COMM	1,300.00		25.00	1325.00
Grace Adnett 2%	10,000.00	833.33		833.33		16.67	850.00
Lee Lycosia 0%		130.50		130.50	32.58		163.08

Cost of Wages calculation Monthly Employees:

Payroll Summary for December 2010

Mth No.	Total Gross Pay £	E'ee Pension £	Payroll Giving £	Income Tax £	E'ee NIC £	Savings Scheme £	Attachment £	NET PAY £	E'er NIC £	E'er Pension £
Mth 9	6580.40	218.75	29.17	1143.40	473.75	30.00	20.59	4664.74	563.00	175.00

Total Cost of Wages Calculation for Month 9 Monthly

TOTAL GROSS PAY + ERS NI + ER PENSION + Prof Fees

6580.40+563+175.00 + 250= 7838.40

TASK 5

SUMMARY OF GROSS PAY FOR MONTH 10 – TO BE PAID 31st January 2011

Employee	Monthly Salary including First Aider Allowance £	First Aider Allowance	Holiday Pay £	Redundancy + £	Commission on sales target £	SSP £	Gross Pay £
Mavis Murphy	2916.66				0.00		2916.66
Priscilla Dean-Regis	1079.36 1416.66/21*16				0.00	94.98	1174.34
Farouk Gueves	1250.00	50.00	250.00	Statutory 2yrs service 287.5*1*2 week pay 575.00 Company 130.00 £65*2	0.00		2255.00
Grace Adnett	833.33				0.00		833.33

TASK 6

For each question, place an X in the box by the answer which you believe is the correct answer.

Each question is worth 1 mark.

1. When an employees leaves and they have an attachment of earnings what must you do?
- a. Nothing
 - b. Advise the employee to inform their new employer
 - c. Inform the relevant authority
2. Net payments made to an employee will have the following automatically added by the Payroll Software.....
- a. Tax and -NIC
 - b. Tax
 - c. NIC
3. Which of the following deductions is a pre-tax deduction?
- a. Approved Payroll Giving Scheme
 - b. Student Loan
 - c. Private Health Scheme
4. The P9 form gives which information?
- a. Employees National Insurance number
 - b. Tax code
 - c. Year to date figures

TASK 7

If the employee is not entitled to SMP the form SMP1 must be issued, this form explains why SMP is not payable.

Return the copy of the maternity certificate (MAT B1) that has been received

The employee may be able to claim Maternity Allowance (MA) instead. If they want to claim MA they need to send the form SMP1 to Jobcentre Plus along with a MA claim form.

TASK 8

Original documents stored in locked cupboard.

Encrypted/secure backups if data taken off site

Employment guidelines to employee trustworthy staff, may have clause in contract to prohibit disclosure of payroll information

Individual security logon to identify individual members of staff

Function key to immediately minimise the screen so unauthorised staff can't see sensitive data