



QUESTION PAPER

Qualification:

Level 3 Certificate in Computerised Payroll

Accreditation No: 500/9363/7

Examination:

Unit 367: Computerised Payroll Administration

JANUARY 2013

Tax Year 2012/2013

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 2012/2013 Tax Year.**
- **PAYE deductions should be calculated using the income tax legislation as at April 6th 2012.**
- **National Insurance Contributions should be calculated using either NIC Table A (CA38), Table C (CA41) or NIC Table D (CA39) as appropriate.**

Scenario

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

Barty's Bikes is a small company that specialises in the selling and servicing of bicycles and their accessories.

Brian and Rachel are the owners of the company and Brian is in the sales department along with 1 other member of staff, whilst Rachel sees to the admin, these are all paid monthly, directly into the Bank, by BACS.

The 3 full time staff that work in the workshop are paid in cash, on a weekly basis in arrears, no £50.00 notes are to be included but there must be a minimum of 2 £10.00 notes, 7 £1.00 coins and 5 50p pieces.

You have been given the employee data for the year to date, as at 31st October 2012, which is Month 7 and 17th November (Week 33) of Tax Year 2012/2013

Company Information:

COMPANY DETAILS

Company Name	Barty's Bikes		
Address	15 Beach Road East Wittering West Sussex PO20 8DU	Telephone:	01243 615378
		Fax	01243 615555
		Email	bikes@bartys.co.uk
Tax Office	Chichester	Tax Reference	439/B044

BANKING DETAILS

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

FINANCIAL ANALYSIS

DEPARTMENT

MAN	Manual Workforce
NON	Non-Manual Workforce

COST CENTRES

W	Workshop
S	Sales
A	Administration

COMPANY PENSION SCHEME

SCHEME DETAILS

Scheme Reference	BBS2012
Description	BBS
Type	COSR
ECON	3333333L
SCON	1234567N
Employee Contribution	5%
Employer Contribution	5%
Company Pension Administrator	Rachel Bartholomew
Email Address	r.bartholomew@bartys.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 only.

Additional Information:

- Brian 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.
- Brian and Rachel also 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.
Brian 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 NOT to be included for calculation of his pension contributions.
Joanna James will receive 2% per month of her 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.
- Brian, Rachel and the Sales staff do not receive overtime payments.
- Jonas Mikail is the designated Key Holder and receives £15 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).

Employee Information

Employee Details				
Works Number:	001	Date of Birth:	9 th March 1967	
Employee Name:	Brian Bartholomew	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 NIC	2199.54	EE Rebate 16.66
Gross Pay for NIC	26781.00	Employer's NIC	2159.09	ER Rebate 38.08
Gross Pay for Tax	25468.50			
Tax Paid	6260.52			
Bank Details				
Account Name:	Mr B & Mrs R Bartholomew			
Account Number:	01789654			
Sort Code:	34-43-19			
BACS Reference:	BB001			
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:	Rachel Bartholomew	Start Date:	1 st January 2005	
Address:	The Gables Stoners Lane West Wittering West Sussex PO21 8OQ	Gender:	Female	
		Marital Status:	Married	
		Tax Code:	810L	
		NI Number:	YA 235623 D	
Year to Date Figures		£	£	£
Total Gross Pay	24333.31	Employee's NIC	2105.88	EE Rebate 16.66
Gross Pay for NIC	24333.31	Employer's NIC	2071.44	ER Rebate 38.08
Gross Pay for Tax	22466.66			
Tax Paid	3547.20			
Bank Details				
Account Name:	Mr B & Mrs R Bartholomew			
Account Number:	01789654			
Sort Code:	34-43-19			
BACS Reference:	BB002			
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 NIC	1417.43
Gross Pay for NIC	16250.00	Employer's NIC	1639.68
Gross Pay for Tax	16250.00		
Tax Paid	2487.80		
Bank Details			
Account Name:	Ms J James		
Account Number:	01734965		
Sort Code:	34-43-19		
BACS Reference:	BB003		
Additional Information			
Department:	Sales	Pays into the Savings Scheme	
Salary:	£27,000.00		
Commission:	2% of basic salary		

Employee Details			
Works Number:	004	Date of Birth:	13 th April 1947
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:	810L
		NI Number:	ZY 133441 B
Year to Date Figures		£	
Total Gross Pay	11489.94	Employee's NIC	0.00
Gross Pay for NIC	11489.94	Employer's NIC	929.94
Gross Pay for Tax	11489.94		
Tax Paid	1268.60		
Additional Information			
Department:	Workshop	Pays into the Savings Scheme	
Weekly Basic Pay:	£310.88	Jonas has handed in a CA4140	
Overtime Rate:			
Key Holder Allowance	£15 per callout between 8pm and 8am		

Employee Details			
Works Number:	005	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:	810L
		NI Number:	JB 598713 C
Year to Date Figures		£	
Total Gross Pay	11864.16	Employee's NIC	845.46
Gross Pay for NIC	11864.16	Employer's NIC	981.42
Gross Pay for Tax	11508.24		
Tax Paid	1272.20		
Additional Information			
Department:	Workshop	Contributes to the Payroll Giving	
Weekly Basic Pay:	£321.00		
Overtime Rate:	£10.70		

Employee Details			
Works Number:	006	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:	810L/Wk1
		NI Number:	JA 365489 B
Year to Date Figures		£	
Total Gross Pay	10797.60	Employee's NIC	716.10
Gross Pay for NIC	10797.60	Employer's NIC	834.24
Gross Pay for Tax	10467.60		
Tax Paid	1062.60		
Additional Information			
Department:	Workshop	Contributes to the Payroll Giving	
Weekly Basic Pay:	£306.75		
Overtime Rate:	£10.23		

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 2012/2013

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 2012/2013
- 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).

17 marks

TASK 3

It is the 23rd November 2012 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 2012.

Required:

- Using the Gross Pay information given on page 2 of your Answer Booklet process the Payroll as at 23rd November 2012 (Week 34).
- Print a Payroll Summary(ies) using a 'landscape' format, for Week 34 to include Employer's NIC.
- Print a Cash Analysis for Week 34, this must show the total net pay due to each employee. (See Additional Information on page 1 for criteria for Cash Analysis).

22½ marks

TASK 4

You have been informed that Rachel Bartholomew 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 B12 RMB, first registered on 1st November 2012 and delivered to her on 3rd November 2012. It has a 2000cc diesel engine (Euro Standard IV Emissions) 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 Rachel 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 26th November and time to calculate the Gross Pay due to the monthly paid employees for payment on 30th November 2012 (Month 8).

- You have been informed that Rachel became a Director as from the 1st November 2012 (you are to treat her NIC in the same way as her husband's).
- Both Brian and Rachel have agreed to pay themselves a bonus of £400.00 for this month.
- Joanna has been off sick during November. She reported in sick on Wednesday 7th November and returned to work on Thursday 22nd November. Her normal working week is Monday to Saturday, with a day off every Wednesday, she is to be paid 50% of her normal monthly salary and any SSP due to her. Her average pay for SSP is £519.23 per week or £2250.00 per month.
- 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, however, due to having been off work sick this month, Joanna will only receive 50% of the commission that she should have received.

Required:

- Calculate the Gross Pay for each employee for 30th November 2012 (Month 8), using the Table on page 3 of your Answer Booklet and information given in the Scenario and above.
- Finish completing the Gross Pay Table on page 3 of your Answer Booklet by calculating the commission due to Brian and Joanna, Joanna's Statutory Sick Pay, Gross Pay for each employee and Total Taxable pay for each employee.
- Change Rachel's status to Director.
- Process the payroll for Month 8 as at 30th November 2012.
- Print out a payslip for Joanna James and Rachel Bartholomew only, Joanna's must show her Company Loan Repayment.
- Print a Payroll Summary(ies) for Month 8 to include Employer's NIC.
- Print a BACS Report to show total due to all employees.

22 marks

TASK 6

On Wednesday 28th you process the payroll for the weekly paid employees, this will be for the hours worked up to the 24th November 2012 and is to be paid on Friday 30th November 2012. The following information should be taken into consideration:

- Brendan Porter started his 2 weeks paternity leave as from Friday 23rd November 2012, his baby son having been born on the 19th November 2012. His Average Weekly Earnings are £359.52. As a Gesture of Goodwill, Brian and Rachel have decided to pay Brendan 50% of his normal Basic Pay along with his Paternity Pay due for the week.
- Jonas Mikail has handed his notice in and finished work on 24th 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 and Key Holder Allowance as shown in the Gross pay table on Page 4 of your Answer Booklet. He is also to receive 8 days holiday pay that he has accrued at a rate of 7½ hours per day at his basic hourly rate of £8.29.

He is to be repaid the money that he has paid into the Savings Scheme since April 2012, 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, along with Jonas Mikail's Savings Scheme Refund.
- Using this completed Gross Pay information process the Payroll as at 30th November 2012 (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 a Cash Analysis for Week 35, this must show the total net pay due to each employee. (See Additional Information for criteria for Cash Analysis).
- Print out a P45 for Jonas Mikail

28½ marks

TASK 7

Rachel 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 Barty's Bikes 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

UNIT: COMPUTERISED PAYROLL ADMINISTRATION

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: Barty's Bikes 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 2012 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) Explain briefly how you would be able to check that the total payment due to HMRC as given on a P32 is correct.
- b) What procedure must be carried out to finalise the payroll, this should include the name of the form that must be submitted to HMRC and the relevant date?
- c) What forms must be submitted to HMRC before the employees are paid each pay period?
- d) State at least two reasons why it is important to "Back Up" your work.

10 marks

END OF EXAMINATION