



QUESTION PAPER

Qualification:

Level 3 Award in Computerised Payroll

Accreditation No: 500/9359/9

Examination:

Unit 367: Computerised Payroll Administration

JUNE 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 Jayne's Accounting Services, a local company that provides Bookkeeping and Payroll services to small businesses. The Bees Knees Ltd is one of their clients and it is your task to administer the payroll for the company.

The Bees Knees Ltd specialises in selling clothes and accessories for special functions.

Sarah Parkinson is the owner of the company and spends most of her time sourcing and buying stock, so she has a Manageress to run the shop on a day to day basis. They are both paid monthly, directly into the Bank, by BACS.

There are three other members of staff who work in the shop and are paid cash each Saturday for the hours worked in the previous week.

You have been given the Monthly employee data for the year to date as at 30th September 2012 which is Month 6, whilst the Weekly employee data for the year to date as at 13th October 2012 (Week 28).

Company Information:

COMPANY DETAILS

Company Name	The Bees Knees Ltd		
Address	369 The High Street	Telephone:	01386 615378
	Chipping Campden	Fax	01386 615555
	Gloucestershire	Email	sales@beesknees.co.uk
GL55 6HQ			
Tax Office	Cheltenham	Tax Reference	439/B044

BANKING DETAILS

Company Bank	Santander	Account Name	The Bees Knees Ltd
	156 The High Street	Account No:	99546178
	Chipping Campden	Sort Code	40-31-12
	Gloucestershire	BACS Ref:	BK
	GL55 6HQ		

FINANCIAL ANALYSIS

DEPARTMENT		COST CENTRES	
1	Senior Staff	D	Directors
2	Shop Staff	M	Managers
		S	Sales Staff

COMPANY PENSION SCHEME

SCHEME DETAILS		PROVIDER DETAILS	
Scheme Reference	BK0234	Name	Pete's Pension Services
Description	BK1	Address	49 Rose Tower Cheltenham Gloucestershire GL50 8HP
Type	COSR		
ECON	3333333L	Contact Name	Pete Petrovas
SCON	1234567N	Email Address	p.petrovas@pps.com
Employee Contribution	3.5%	Telephone	01242 512778
Employer Contribution	7.5%	Payment Method	Cheque
Company Pension Administrator	Gemma Masters		
Email Address	g.masters@beesknees.co.uk		
Telephone	07781 311843		

NOTES:

Contributions based upon Basic Gross Pay only.

Additional Information:

- Sarah is a director of the company and has her NIC's deducted using the "Director" method, as her NICs are calculated using the Exact Percentage Method.
- Sarah and her manager also have accounts with Santander in Chipping Campden.
- 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 £50 per month and Weekly paid staff will pay £10.00 per week.
- A commission scheme is in place for the sales staff in the shop, this varies depending on seniority and length of service, (see each employee's details).
- Sarah receives a monthly bonus of 2.75% of the shop's takings for the previous month.
- The shop manageress receives a monthly bonus of £250.00 if the shop has met its sales target for the previous month.
- The shop staff work Monday to Saturday, with a day off in the week but may be required to work overtime.
Overtime is paid at the rate of Time and a Third for any hours they work over their standard hours of 37.5 per week.
- Becky Frier, who works in the shop, is the First Aider and receives an additional payment of £20 a week for this.
- 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:	16 th January 1960
Employee Name:	Sarah Parkinson	Start Date:	1 st May 2002
Address:	15 The Cottages Moreton-In-Marsh Gloucestershire GL56 4RD	Gender:	Female
		Marital Status:	Divorced
		Tax Code:	K29
		NI Number:	JB 976342 C
Year to Date Figures		£	£
Total Gross Pay	25014.00	Employee's NIC	2179.80
Gross Pay for NIC	25014.00	Employer's NIC	3018.00
Gross Pay for Tax	24467.00		
Tax Paid	6349.80		
Bank Details			
Account Name:	Mrs S Parkinson		
Account Number:	99546193		
Sort Code:	40-31-12		
BACS Reference:	BK001		
Additional Information			
Department:	Senior Staff	Job Title:	Director
Salary:	£46,428.00	Contributes to Payroll Giving scheme	
Monthly Bonus:	2.75% of Shop Takings	Sarah has an FSAVC of £150 per month (this is to be treated as a post tax deduction)	

Employee Details				
Works Number:	002	Date of Birth:	10 th April 1983	
Employee Name:	Gemma Masters	Start Date:	1 st May 2002	
Address:	The Beeches Park Avenue Draycott Gloucestershire GL56 9KL	Gender:	Female	
		Marital Status:	Married	
		Tax Code:	810L	
		NI Number:	YA 235623 D	
Year to Date Figures		£	£	£
Total Gross Pay	19000.02	Employee's NIC	1596.48	EE Rebate 14.28
Gross Pay for NIC	19000.02	Employer's NIC	1554.00	ER Rebate 32.64
Gross Pay for Tax	17862.54			
Tax Paid	2761.40			
Bank Details				
Account Name:	Mrs G Masters			
Account Number:	99545897			
Sort Code:	40-31-12			
BACS Reference:	BK002			
Additional Information				
Department:	Senior Staff	Job Title:	Manageress	
Salary:	£35,000.00	Member of the Company Pension scheme		
Monthly Bonus:	£250.00	Contributes to Payroll Giving scheme		
		Pays into the Savings Scheme		

Employee Information (continued)

Employee Details			
Works Number:	003	Date of Birth:	23 rd November 1950
Employee Name:	Marcella Pierre	Start Date:	9 th April 2003
Address:	9 Japonica Terrace Draycott Gloucestershire GL56 4PS	Gender:	Female
		Marital Status:	Married
		Tax Code:	810L
		NI Number:	JB 598713 C
Year to Date Figures		£	
Total Gross Pay	10388.00	Employee's NIC	0.00
Gross Pay for NIC	10388.00	Employer's NIC	878.24
Gross Pay for Tax	10118.36		
Tax Paid	1150.20		
Additional Information			
Department:	Sales	Job Title:	Assistant Manageress
Weekly Basic Pay:	£321.00	Contributes to the Payroll Giving	
Overtime Rate:	£11.38	Pays into the Savings Scheme	
Commission:	¾% of sales	Marcella has handed in a CA4140	

Employee Details			
Works Number:	004	Date of Birth:	25 th September 1985
Employee Name:	Becky Frier	Start Date:	19 th December 2008
Address:	36 Main Road Chipping Campden Gloucestershire GL55 1TU	Gender:	Female
		Marital Status:	Civil Partnership
		Tax Code:	652L
		NI Number:	JT 167176 A
Year to Date Figures		£	
Total Gross Pay	9747.36	Employee's NIC	679.00
Gross Pay for NIC	9747.36	Employer's NIC	788.76
Gross Pay for Tax	9747.36		
Tax Paid	1246.20		
Additional Information			
Department:	Sales	Job Title:	Sales Assistant
Hourly Rate:	£7.95	Pays into the Savings Scheme	
Overtime Rate:	£10.57	First Aider	
Commission:	½% of sales		

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Employee Details			
Works Number:	005	Date of Birth:	13 th April 1990
Employee Name:	Leah Matthews	Start Date:	1 st May 2012
Address:	31 Upper Street Draycott Gloucestershire GL56 7PK	Gender:	Female
		Marital Status:	Single
		Tax Code:	810L
		NI Number:	ZY 133441 B
Year to Date Figures		£	
Total Gross Pay	9992.64	Employee's NIC	703.12
Gross Pay for NIC	9992.64	Employer's NIC	816.56
Gross Pay for Tax	9992.64		
Tax Paid	1125.20		
Additional Information			
Department:	Sales	Job Title:	Sales Assistant
Hourly Rate:	£7.65		Pays into the Savings Scheme
Overtime Rate:	£10.17		
Commission:	½% of sales		

NB: 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.

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).

4 marks

TASK 2

Enter Sarah's and all the employees' personal details, pay and deductions elements onto the computerised system.

Required:

Print reports detailing:

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

15 marks

TASK 3

It is the 17th October 2012 and time to process the payroll for the weekly paid. The following information should be taken into consideration:

- The sales for the previous week were £13,638.00, which exceeded the target.
- A change of tax code was received for Becky Frier, the new code of 568L/Week 1 should be applied with immediate effect.
- You have received a Student Loan notification for Leah Matthews to be applied from 20th October 2012.

Required:

- Using the Gross Pay information given on page 2 of your Answer Booklet process the Payroll as at 20th October 2012 (Week 29).
- Print a Payroll Summary(ies) using a 'landscape' format, for Week 29 to include Employer's NIC.
- Print a Cash Analysis for Week 29, this must show the total net pay due to each employee.

21 marks

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TASK 4 – New Employee

Sarah has taken on a new Sales Director. Her name is Veronica Crisp, her details are shown below, and she has signed a P46 on which she has ticked box C.

She will be paid monthly by BACS (note you DO NOT have to enter any banking details for this employee).

Her previous Employers details are 439/P6812 and she left that employment on the 30 September 2012.

Required:

- Enter Veronica's details onto your computerised payroll system.
- Print a report showing Veronica's personal details.
- Veronica has signed a P46, ticking Box C.

3½ marks

Employee Details			
Works Number:	006	Date of Birth:	16 th May 1979
Employee Name:	Veronica Crisp	Start Date:	1 st October 2012
Address:	The Chestnuts	Gender:	Female
	Pickering Lane	Marital Status:	Married
	Chipping Campden	Tax Code:	BR
	Gloucestershire	NI Number:	JB 598713 C
GL56 1RS			
Bank Details			
Enter her name and BACS Reference only:		Mrs V Crisp	BK003
Additional Information			
Department:	Sales	Job Title:	Sales Director
Salary:	£39215.00	Contributes to the Payroll Giving	
Monthly Bonus:	2% of Sales	Pays into the Savings Scheme	

TASK 5

You have been informed that Sarah Parkinson 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 Peugeot 308 Coupe 1.6 e-HDi, registration number SAP 12, first registered on 1st October 2012 and delivered to her on 9th October 2012. It has a 1560cc diesel engine (Euro Standard IV Emissions) which is currently 128 g/km emissions and no fuel is provided for personal use. The list price of the car when new was £19,265 with no additions and Sarah has made no personal capital contribution.

Required:

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

3 marks

TASK 6

On Wednesday 24th you process the payroll for the weekly paid employees, this will be for the hours worked up to the 20th October 2012 and is to be paid on Saturday 27th October 2012. The following information should be taken into consideration:

- The sales target for week ending 20th October 2012 of £12,163.00 was achieved.
- Marcella Pierre has handed her notice in and finished work on 20th October and, as the weekly paid staff are paid 1 week in arrears, this will be her final pay.
She is to be paid her basic weekly wage as shown in the Gross pay table on Page 3 of your Answer Booklet. She is also to receive 12.5 days holiday pay that she has accrued at a rate of 7½ hours per day at her basic hourly rate of £8.56. Marcella is to be paid a "Golden Handshake" equivalent to 6 weeks basic pay.
She is due a repayment of the money that she 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.
- Becky Frier has been off sick, she reported in sick on Monday 15th October and has not yet returned to work. She normally works Monday to Friday and her Average Weekly Earnings are £348.12. NB: she will not get her Commission or First Aider payment this week as these are only paid when she is in work and she has emailed in to ask that you do not deduct any Savings Scheme this week.
- Leah Matthews has been given a company loan of £1,000.00, which she will pay back at £15 per week starting this week.
- Leah Matthews has worked an extra 7.25 hours this week for which she has received Overtime Pay as detailed on the Gross Pay table on page 3 of your Answer Booklet.

(Task 6 Continued)

Required:

- Finish completing the Gross Pay table on page 3 of your Answer Booklet by calculating the Commission, Overtime Pay, Golden handshake, Holiday Pay, Statutory Sick Pay and Gross Pay where appropriate, along with Marcella Pierre's Savings Scheme Refund.
- Using this completed Gross Pay information process the Payroll as at 27th October 2012 (Week 30).
- Print a Payroll Summary(ies) using a 'landscape' format, for Week 30 to include Employer's NIC.
- Print Payslips for all the weekly employees as at Week 30.
- Print a Cash Analysis for Week 30, this must show the total net pay due to each employee.
- Print a report to show the Loan made to Leah Matthews and her repayments.
- Print out a P45 for Marcella Pierre.

29½ marks

TASK 7

It is Friday 26th October 2012 and time to calculate the Gross Pay due to the monthly paid employees for payment on 31st October 2012 (Month 7).

- You are to treat Veronica's NIC in the same way as Sarah's.
- Gemma is adopting a baby and was matched on the 5th October. She will officially get the baby on the 18th October 2012 and her Adoption leave is to start from Tuesday 16th October, she has met all the necessary criteria. Gemma is taking 2 weeks holiday before taking her Adoption leave so is to be paid half her normal monthly pay.

Her normal working week is Tuesday to Saturday, she is to be paid any Holiday pay and SAP due to her. Her average pay for SAP is £671.27 per week or £2916.66 per month.

She has also asked to only pay half her savings scheme whilst she is receiving SAP.

- The sales target of £49,735.00 for the Month end of September was met so Sarah will be paid her bonus this month, (Veronica will not receive any bonus this month as she has just started) and, due to going on Adoption leave, Gemma will only receive 50% of the monthly bonus that she should have received.

Required:

- Calculate the Gross Pay for each employee for 31st October 2012 (Month 7), using the Table on page 4 of your Answer Booklet and information given in the Scenario and above.
- Finish completing the Gross Pay Table on page 4 of your Answer Booklet by calculating Sarah's bonus along with Gemma's Adoption Pay, any salary due and her monthly bonus. Process the payroll for Month 7 as at 31st October 2012.
- Print out a payslip for Gemma Masters and Veronica Crisp only, Gemma's payslip must show her SAP.
- Print a Payroll Summary(ies) for Month 7 to include Employer's NIC.
- Print a BACS Report to show total due to all employees.

28 marks

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TASK 8

Sarah has asked for some employee costings for the workforce including Pension costs. She would like you to produce a Departmental Analysis of Pay.

Required:

- Print a Departmental Analysis of Pay to Date for The Bees Knees Ltd for Month 7.
- On page 5 of your Answer Booklet, calculate the Cost of Pension contributions for month ending 31st October 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.

4 marks

TASK 9

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: The Bees Knees Ltd may be able to reclaim some Statutory Payments.

Required:

- Print a P32 for October (Month 7).
- Complete the table on page 5 to check that the total payment due to HMRC as given on the P32 is correct.

7 marks

TASK 10

Using the space on Page 6 of your Answer Booklet, answer the following questions:

- a) **Print an Update Log** and explain what this demonstrates.
- b) Explain why it is necessary to carry out regular Back Ups.
- c) Identify the minimum employee data required in order to process the payroll.
- d) Explain the importance of the processing date in relation to preparing and submitting the payroll data.

10 marks

END OF EXAMINATION