



Institute of
accountants &
bookkeepers

Qualification Specification

IAB Level 2 Certificate in Computerised
Payroll for Business

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Qualification No: 601/0476/4

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Introduction and Purpose

The objective of this Qualification Specification is to provide an overview of the IAB 2 Certificate in Computerised Payroll for Business. This document includes the aim, size, level, structure and content, including learning outcomes and assessment criteria for each unit. There is guidance relating to the centre approval requirements, delivery and assessment for this qualification, and details of grading criteria and the grading of units.

This qualification is specifically aimed to:

- Enable learners to undertake advanced tasks including Statutory Sick Pay, Statutory Maternity Pay and a basic Pension Scheme. The process for starters and leavers is practiced and full use is made of the Real Time Information functionality
- Provide learners the necessary skills to assess the implications of maintaining accuracy when performing payroll tasks
- Assess the learner's understanding of the importance of maintaining accuracy, security and data integrity in performing any payroll tasks
- Enable learners to progress in their learning to further develop their knowledge, understanding and skills of dealing with payroll transactions.

This qualification has been designed for learners who:

- Have achieved the IAB Level 1 Award in Computerised Payroll and are looking to progress in their career
- Are new to Payroll but have some prior knowledge of payroll procedures
- Wish to improve their skills and knowledge to that required of payroll processors in a computerised environment prior to seeking employment
- Have previously worked in a payroll environment and have not as yet gained a formal payroll qualification
- Wish to return to employment and need to update their payroll knowledge and understanding
- Are already employed in payroll processing or associated roles and who wish to ensure that they have both a firm foundation and the knowledge and skills to perform some non-routine payroll tasks

Access and Entry Requirements

There are no formal entry requirements for this qualification; however, it is recommended that aspiring learners have basic skills in numeracy and literacy. Ideally, learners should have completed the IAB Level 1 Award in Computerised Payroll.

Progression and Articulation

Learners who have completed this qualification may progress to several other level two qualifications offered by the IAB, for example, the IAB level 2 Certificate in Finance.

Qualification Level, Size and Structure

The Office of Qualifications and Examinations Regulation (Ofqual), Qualification Wales (QiW) and CCEA Regulations regulates qualifications, examinations, and assessments in England, Wales, and

Northern Ireland. This qualification adheres to the regulations set out in the regulators' Handbooks. The IAB Level 2 Certificate in Computerised Payroll for Business is a vocationally related qualification on Qualification Wales, CCEA Regulations and Ofqual Regulated Qualification Frameworks.

Regulated qualifications are recognised and trusted by parents, employers and educational establishments globally due to the stringent controls and quality assurance requirements the regulators place on awarding organisations, qualifications and approved delivery centres.

Qualification Size

The qualification is designed to be delivered in 190 hours of TQT (Total Qualification Time), of which 95 are Guided Learning Hours (GLH). TQT is the total amount of time, in hours, expected to be spent by a learner to achieve a qualification.

Definitions:

- Guided Learning Hours – GLH
This is the amount of time the average learner is expected to spend in supervised learning and practice but may vary by learner.
- Total Qualification Time – TQT
TQT is made up of Guided Learning Hours plus all other time taken in preparation, study or any form of participation in education and training but not under the direct supervision of a lecturer or centre marker.

The following activities are indicative of those included in TQT:

- Guided Learning (GLH) when the lecturer is present, e.g. formal classes, lectures, seminars, tutorials, supervised assessment such as exams or observed practice.
- Independent and unsupervised learning or research.
- Unsupervised coursework or directed activity.
- Watching pre-recorded webinars or podcasts.
- Work placement, self-study, visits to accounting or finance firms, revision and time spent on written assignments.

Learners completing this qualification should demonstrate their ability as independent learners.

Qualification Level

This qualification is at

- Level 2 on the Regulated Qualifications Framework in England, Wales, and Northern Ireland.

IAB qualifications comply with level descriptors set by the regulators, which are divided into two categories:

- Knowledge and Understanding.
- Skills.

The descriptors below set out the generic knowledge and skills associated with the typical holder of a qualification at that level.

Knowledge descriptor: The holder...	Skills descriptor: The holder can...
<ul style="list-style-type: none"> Has knowledge and understanding of facts, procedures and ideas in an area of study or field of work to complete well-defined tasks and address straightforward problems. Can interpret relevant information and ideas. Is aware of a range of information that is relevant to the area of study or work. 	<ul style="list-style-type: none"> Select and use relevant cognitive and practical skills to complete well-defined, generally routine tasks and address straightforward problems. Identify, gather and use relevant information to inform actions. Identify how effective actions have been.

Qualification Structure

The following table sets out the qualification structure, units, sizing information, and assessment types for the IAB Level 2 Certificate in Computerised Payroll for Business. Further details of the unit are included later in the specification.

Credit Value (CV): 12				
Guided Learning Hours (GLH) for Qualification: 70				
Unit Title	L	CV	GLH	Assessment Method
Termination of Employment	2	1	5	All modules are assessed by a combination of knowledge tests and a practical assignment in conjunction with Sage and using the prescribed Sage Cloud Payroll software
Fundamentals of Employment legislation for payroll	2	2	10	
Calculate gross pay	2	3	15	
Elements of gross pay	2	2	10	
Computerised payroll theory	2	2	10	
Statutory and non-statutory payments and additions	2	3	15	
Composition of an employee payroll record	2	2	10	
Computerised payroll skills	2	4	20	
Total		19	95	

Qualification Grading Criteria

To achieve the qualification, learners must take and pass the assessments for the two mandatory units of which the qualification is comprised. To pass an assessment, the learner must achieve a minimum of 60% in each assessment to be awarded the certificate.

There are no grade scales – learners will receive either a pass or a fail result.

Assessment Methodology

The assessment methodology implemented by the IAB has been designed to ensure that learners are familiar with the format of the final assessment and ensure that continuous learning and assessment takes place.

The IAB uses a variety of assessment methodologies to ensure learners' competence. These methodologies include online multiple-choice knowledge tests, assignments (if applicable) and a final online summative assessment.

All assessments for this qualification will be conducted via Sage using their assessment platform and relevant software provided as part of the registration for this qualification.

Reasonable Adjustment

As an Awarding Organisation, the IAB has a duty not to discriminate against individuals in relation to conferring qualifications regarding the protected characteristics set out in the Equality Act 2010. The IAB will develop specifications, identify the assessment criteria, and draft assessment content to minimise the impact on individuals with differing protected characteristics.

The duty for the IAB to make a reasonable adjustment will apply where assessment arrangements would put a learner who has a disability or learning need at a substantial disadvantage compared to a learner who does not have a disability or learning need. In such circumstances, the IAB is required to take steps to mitigate that disadvantage.

Qualification Units

Module	Termination of Employment		
Level	2		
GLH	5	TQT	10
Learning Outcomes	Assessment Criteria		
1. Understand what constitutes a leaver	1.1 Describe the term 'leaver'		
2. Know the amendments to make to a leaver's final pay	2.1 List additional payments to leaver's final gross pay 2.2 List changes that may be made to voluntary deductions for a leaver's final pay-run		
3. Understand statutory requirements when processing a leaver	3.1 State the necessary entries to be made on a leaver's payroll record 3.2 State the necessary entries to be made on a P45 for a leaver 3.3 Explain why payroll data is retained		

Module	Fundamentals of Employment Legislation for Payroll		
Level	2		
GLH	10	TQT	20
Learning Outcomes	Assessment Criteria		
1. Know what payroll information is to be prepared and kept by law	1.1 Identify a payroll document which contains personal employee information 1.2 Identify a legal employment or payroll document to be kept by the employer		

	1.3 State how long payroll documents should be kept by the employer
2. Understand data protection legislation in relation to payroll	<p>2.1 Identify what constitutes reliable and useable personal data, data security and security in relation to payroll</p> <p>2.2 Identify two places where you would find relevant payroll information:</p> <ul style="list-style-type: none"> • Contracts of employment • Employer • Finance department <p>2.3 Outline employer responsibilities in relation to payroll, under data protection legislation and accepted security practice</p>
3. Know the general principles of employment rights legislation	<p>3.1 Give an example of employment rights legislation in relation to employees. Including:</p> <ul style="list-style-type: none"> • Pay advice • National minimum wage • Holiday entitlement • Sickness <p>3.2 Identify how you would find relevant guidance on employment rights legislation</p> <p>3.3 Outline the main responsibilities of the employer in relation to employment rights legislation</p>

Module	Calculate Gross Pay		
Level	2		
GLH	15	TQT	30
Learning Outcomes	Assessment Criteria		
1. Be able to demonstrate basic pay for different payroll periods	<p>1.1 Accurately calculate basic gross pay for weekly paid employees from given information, e.g. timesheets, basic hourly rates, weekly salaries</p> <p>1.2 Accurately calculate basic gross pay for monthly paid employees from given annual salaries</p> <p>1.3 Accurately calculate gross pay for non-standard periods, i.e. daily, four weekly</p>		
2. Be able to calculate overtime pay from given information	<p>2.1 Check rates of overtime payable against agreed information and limits</p> <p>2.2 Accurately calculate overtime hours payable from given information, e.g. timesheets</p> <p>2.3 Accurately calculate the value of overtime payments due including lump sum payments</p>		
3. Be able to calculate additional information payments from given information	<p>3.1 Apply commission payable from given information</p> <p>3.2 Apply bonus payments from given information</p> <p>3.3 Accurately calculate unsocial hours and shift payments</p> <p>3.4 Accurately calculate holiday pay from given information</p>		

	3.5 Apply temporary changes to rates of pay and salaries including lump sum payments and negative payroll situations
4. Be able to implement permanent changes to rates of pay from given organisational information	<p>4.1 Apply any additional permanent changes in rates of pay from given organisational information, e.g. pay scales, cost of living rises, performance enhanced pay, promotion, changes in working situations</p> <p>4.2 Apply changes to rates of pay retrospectively ensuring accuracy in back payments</p>
5. Be able to implement relevant statutory additions to pay when entitlement has been determined	<p>5.1 Verify that the correct statutory payment has been applied to gross pay when entitlement has been established including:</p> <ul style="list-style-type: none"> • Statutory sick pay • Statutory maternity pay • Statutory adoption pay • Statutory paternity pay

Module	Elements of Gross Pay		
Level	2		
GLH	10	TQT	20
Learning Outcomes	Assessment Criteria		
1. Understand what constitutes basic pay for different payroll periods	<p>1.1 Explain how basic gross pay for weekly paid employees is calculated from given information i.e. timesheets, basic hourly rates, weekly salaries</p> <p>1.2 Explain how basic gross pay for monthly paid employees is calculated from given annual salaries</p> <p>1.3 Explain what is meant by positive and negative payrolls</p>		
2. Understand the principles of calculating overtime payments	<p>2.1 Explain how payable overtime hours are determined payable from given information e.g. timesheets</p> <p>2.2 Describe other types of payments which are derived from set rates</p>		
3. Know what constitutes gross pay from additional payments	<p>3.1 Describe three additional payments which may constitute gross pay from the following payments including:</p> <ul style="list-style-type: none"> • Bonuses • commission payments on sales • unsocial hours and shift payments • productivity payments • piece rates • holiday pay • lump sum payments • statutory payments <p>3.2 Explain why changes to rates of pay and salaries may need to be applied to take account of:</p> <ul style="list-style-type: none"> • unsocial hours • overtime 		

	<ul style="list-style-type: none"> • piece rates
4. Understand the need and procedures to make temporary and permanent changes to rates of pay	4.1 Describe any temporary and permanent changes that may be made in rates of pay e.g., pay scales, cost of living rises, performance enhanced pay, promotion, changes in working situations

Module	Principles of Computerised Payroll Theory		
Level	2		
GLH	10	TQT	20
Learning Outcomes	Assessment Criteria		
1. Understand potential health and safety and security risks	1.1 Identify a range of risks to data 1.2 Explain the need to carry out visual safety checks before starting up the computer system and be responsible for that environment 1.3 Identify ways to minimise security risks 1.4 Explain the health and safety risks in using IT systems 1.5 Explain the health and safety responsibilities of the employer in the context of a computerised workplace		
2. Maintain the security of data within a computerised environment	2.1 Describe the procedures for maintaining the security and confidentiality of personal data and all other information 2.2 Explain the importance of storage of data and the backup procedures of all other Information		
3. Understand organisational procedures for processing payroll in a computerised environment	3.1 Explain the importance of ensuring that the software is updated in line with any changes issued by the tax authority or software company 3.2 Explain the advantages and disadvantages of positive payrolls when using a computerised system 3.3 Explain the advantages and disadvantages of negative payrolls when using a computerised system 3.4 Explain the organisation's procedures and timelines for initiating, making and monitoring payments when using a computerised system		
4. Understand the statutory requirements for submitting information	4.1 Outline the importance of the processing date 4.2 Identify the minimum employee data needed for processing the Payroll 4.3 Outline the procedures for submitting payroll data at each pay period 4.4 Outline the procedures for reclaiming reimbursements of statutory additions to pay where applicable 4.5 Explain why a submission may fail and how successful submission can be achieved		

Module	Statutory and Non-Statutory Payments and Additions		
Level	2		
GLH	15	TQT	30
Learning Outcomes	Assessment Criteria		
1. Understand the principles of the PAYE system	<p>1.1 Identify:</p> <ul style="list-style-type: none"> • two pre-tax deductions • two post-tax deductions <p>1.2 Outline the differences between pre-tax and post-tax deductions.</p> <p>1.3 Explain how the PAYE system works.</p> <p>1.4 Describe a likely scenario for the use of a standard suffix tax code used:</p> <ul style="list-style-type: none"> • Cumulatively • non-cumulatively <p>1.5 Distinguish between the terms cumulative and non-cumulative when used in relation to the PAYE system</p> <p>1.6 Describe a likely scenario for the use of the following tax codes:</p> <ul style="list-style-type: none"> • BR • NT • OT • D0 • D1 <p>1.7 Identify one example of the authority needed to change an employee's tax code.</p>		
2. Understand the principles of the National Insurance system	<p>2.1 Explain the purpose of NICs</p> <p>2.2 Explain the use of NI thresholds</p> <p>2.3 Explain when you would use NI Category A</p> <p>2.4 Explain when you would use NI Category C and the implications of its use</p> <p>2.5 Explain the authority needed to implement Category C deductions, and the implications of using it without authority.</p>		
3. Understand the principles of Student Loan deductions	<p>3.1 Explain how an employee's student loan repayments are calculated for the pay period</p> <p>3.2 Identify where student loan deduction amounts are recorded</p> <p>3.3 Know the statutory authorisation to both commence and stop student loan deductions</p> <p>3.4 State who student loan deductions are paid to and how</p>		
4. Understand the principles of Statutory Sick Pay (SSP).	<p>4.1 Describe the conditions that employee must satisfy to be eligible to receive SSP.</p> <p>4.2 Define the terms Period of Incapacity for Work (PIW), Waiting Days and Qualifying Days.</p> <p>4.3 Illustrate the principle of linked PIWs.</p> <p>4.4 State the tax and NIC implications for SSP payments.</p> <p>4.5 Describe how an employer can reclaim SSP payments</p>		

5. Understand the principles of Statutory Maternity Pay (SMP).	5.1 Describe the basic employment and earnings conditions that employee must satisfy to be eligible to receive SMP 5.2 State where the appropriate rates of a mother's entitlement to SMP during her maternity leave can be found 5.3 State the tax and NIC implications for SMP payments
6. Understand the principles of Statutory Adoption Pay (SAP).	6.1 Describe the basic employment and earnings conditions that employee must satisfy to be eligible to receive SAP. 6.2 State the appropriate rates of an adopter's entitlement to SAP.

Module	Composition of an Employee Payroll Record		
Level	2		
GLH	10	TQT	20
Learning Outcomes	Assessment Criteria		
1. Know the information required to set up a payroll record for a new employee	1.1 Prepare a checklist to show the information required to complete an employee payroll record for a new employee 1.2 Indicate on a checklist where would obtain the information		
2. Know how to complete a P11 deduction sheet or equivalent, for a new employee	2.1 Outline the information required to complete an employee record with both personal and other details of a new employee 2.2 Outline the purpose of a National Insurance Number and the employee's responsibility to retain their NI number 2.3 Outline the procedure for checking or obtaining a National Insurance Number		
3. Know how to deal with income tax forms for a new employee	3.1 Explain the composition of form P45 3.2 Explain the procedure you should follow for a new employee with a P45. 3.3 Explain the procedure you should follow for a new employee who does not have a P45		
4. Understand the procedure for aligning employer data with HMRC records	4.1 Explain the purpose of, and when to submit the Employer Alignment Submission 4.2 Explain why a submission may fail and how a successful submission can then be achieved.		

Module	Computerised Payroll Skills		
Level	2		
GLH	20	TQT	40
Learning Outcomes	Assessment Criteria		
1. Process information on starters, leavers and changes to current employees	1.1 Set up and maintain company information 1.2 Create a record for a new employee, producing reports as necessary 1.3 Complete the records for a leaver producing reports as necessary		

	1.4 Update records for all PAYE, NIC parameters and rates, and statutory payments in accordance with instructions
2. Process payroll accurately on a pay period basis	2.1 Update all employee records prior to the Payroll being run 2.2 Input all the necessary authorised data 2.3 Run the Payroll in accordance with organisational timescales, checking results conform to expected limits 2.4 Produce reports to include payslips and payment summaries and ensure they are accurate and complete 2.5 Run internal period end returns, with required report runs, in accordance with all relevant Timescales
3. Back up and update systems when required	3.1 Make a permanent backup and store this safely according to organisational guidelines 3.2 Restore previous pay period data from a backup

Sample Assessments and practice exercises

The IAB has deliberately not included sample assessment questions within this qualification specification. The bespoke material developed will provide sufficient sample questions and practices exercises to ensure that learners are well prepared for the questions covered in the tests, assignments and final exam.

Furthermore, as the curriculum is updated to ensure that learners exiting with the qualification are meeting the needs of business and the latest regulations, legislation and practices, the bespoke material will encompass these changes, whilst any sample paper produced here could become obsolete over time.

About IAB

Introduction

Setting world-class standards offer learners worldwide the chance to gain the very best financial qualifications – as well as lifelong skills. The IAB is one of the most prestigious not-for-profit organisations for professional bookkeepers globally. With qualifications regulated by Ofqual, the IAB is a statutory supervisory body under the Money Laundering Regulations. The IAB is also a professional body for bookkeepers.

Founded in 1973, the IAB is both an awarding and professional body. Today, celebrating 50-years of success, it not only offers a host of regulated bookkeeping and business qualifications, but it also supports and regulates professionals on their career paths.

With membership attracting learners, business owners and accounting professionals alike, the IAB's sights are on the future – helping members maintain their skills and respected status.

At the forefront of benchmarking, the IAB works with the government and standard-setting bodies to promote the professional integrity of bookkeepers.

Under the UK Money Laundering Regulations, the IAB is a statutory supervisor – ensuring members in practice comply with the law. Alongside this, it also plays a key role in developing national qualifications.

Policies

IAB Policies are available to Approved Centres and learners to refer to in the programme's administration and delivery.

Location

IAB offices are located in central London, United Kingdom, within easy walking distance of underground and bus stops. We always welcome visits from Centres and encourage this wherever possible.

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