



Institute of
accountants &
bookkeepers

Qualification Specification

IAB Level 3 Certificate in Computerised
Payroll for Business

February 2023

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Introduction and purpose

The Level 3 Certificate in Computerised Payroll for Business qualification aims to provide learners with a comprehensive range of knowledge and the practical skills that they will be able to use as a senior payroll processor or payroll administrator for a variety of businesses.

On successful completion of the qualification the learner will have the knowledge and skills to:

- accurately process and/or administer the payroll under Real Time Information (RTI) regulations using computer-based skills.
- keep accurate payroll records keeping; giving the learner the necessary skills to record financial payroll transactions in a both a manual and computerised environment
- assess their own competence in carrying out a range of payroll routines and activities in a computerised payroll system including day-to-day, monthly and year end routines. The activities will include the calculation of pay data and processing of that data using day-to-day payroll processing skills and reconciling the payroll at period ends
- deal with different payroll situations, such as directors and those leaving their employment due to redundancy
- assess the implications when accuracy is not maintained.
- understand the importance of security and confidentiality in performing all payroll task.

Learners successfully completing the qualification will have a knowledge and understanding of the services, advice and guidance that can be offered to businesses by HMRC, NICO and other payroll agencies i.e. pension providers and Department of Work and Pensions. They will also have the skills required to prepare, check and use source documents from which the payroll is processed and reconciled, using computerised payroll systems as required under Real Time Information requirements.

As learners progress through the course of study they will develop skills that will enable them to gather the required information in order to prepare an employee payroll record using commercially available payroll software. They will further acquire the skills necessary to calculate the gross pay due to employees from a range of information sources and for a variety of pay periods as detailed above. The learner will be able to process the payroll accurately producing the net pay due to the employee and updating and reconciling all internal payroll records. Furthermore, they will be able to produce a range of internal and external reports detailing payroll information for a variety of pay periods.

Access and Entry Requirements

The Level 3 Certificate in Computerised Payroll for Business qualification has been designed to appeal to learners:

- who wish to further their studies of payroll and gain a qualification at Level 3 of the regulated qualification framework
- who already have some practical knowledge and skills and wish to gain an accredited qualification in the subject of payroll and who hold the IAB Level 2 Certificate in Computerised Payroll for Business
- who are considering a career as a self-employed practitioner.

- and businesses owners who would like to be actively involved in the gathering, processing and reconciling of payroll data and keeping of payroll records for their business.

Progression and Articulation

Learners who have completed this qualification may progress to several other level three qualifications offered by the IAB.

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 3 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 130 hours of TQT (Total Qualification Time), of which 80 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 3 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 3 Certificate in Computerised Payroll for Business. Further details of the unit are included later in the specification.

Credit Value (CV): 13				
Guided Learning Hours (GLH) for Qualification: 80				
Unit Title	L	CV	GLH	Assessment Method
Principles of payroll administration	3	4	25	All modules are assessed by a combination of skills tests and a practical assignment in conjunction with Sage and using the prescribed Sage Cloud Payroll software
Computerised payroll administration	3	9	55	
Total		13	80	

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	Principles of payroll administration		
Level	3		
GLH	25	TQT	40
Learning Outcomes	Assessment Criteria		
1. Understand employment legislation as it applies to payroll.	1.1 Define the main features of employment legislation which impacts upon payroll: <ul style="list-style-type: none"> • Employment Act 2002 • Employment Rights Act 1996 • Working Time Directives 1998 • Health and Safety at Work 1974 		

	<ul style="list-style-type: none"> • Asylum and Immigration Act • Pension Act 2008 (auto-enrolment) • Work and Families Act 2006 • Data Protection Act <p>1.2 Understand the employer’s responsibilities under Employment Rights legislation, in relation to payroll</p> <p>1.3 Know the principles of payroll processing under Real Time Information regulations including the forms and submission criteria</p>
<p>2. Understand how to apply statutory and voluntary deductions to non-standard situations.</p>	<p>2.1 Understand the criteria for determining if an employee should pay the Scottish Rate of Income Tax</p> <p>2.2 Know how the principles of the Scottish Rate of Income Tax (SRIT) are applied to relevant employees</p> <p>2.3 Understand that the SRIT is administered by HMRC but determined by the Scottish Government</p> <p>2.4 Know which deductions have an effect on the calculation of income tax including:</p> <ul style="list-style-type: none"> • additional voluntary contributions • share incentive plan. • tax approved occupational pension • charitable giving • trivial Benefits exemption <p>2.5 Know the effect on income tax, NIC and pension deductions of exceptional payments including:</p> <ul style="list-style-type: none"> • payments not made on the contractual pay day, such as late payments, miss-timed payments or payments to starters. • special one-off bonuses not paid with normal pay. • payments made to employees after they have left employment. • expenses and allowances <p>2.6 Identify the legislative requirements in relation to NIC for Directors</p> <p>2.7 Identify the principles governing the calculation of NIC for all directors in line with relevant legislation</p>
<p>3. Know what constitutes Gross Pay for a leaver</p>	<p>3.1 Identify leavers from correctly authorised source documentation.</p> <p>3.2 Know the amendments to be made to leavers’ records to ensure that they will not continue to be paid</p> <p>3.3 Identify the correct termination payments to be made, including:</p> <ul style="list-style-type: none"> • pay in lieu of notice. • ex gratia payments • damages • restrictive covenants • statutory redundancy payments • occupational redundancy payment

	<ul style="list-style-type: none"> • employee death in service <p>3.4 Define the criteria used to calculate statutory redundancy payments.</p> <p>3.5 Identify payments due under a contractual, non-statutory redundancy scheme including notice periods</p>
4. Understand the statutory and non-statutory reporting requirements in line with current regulations and organisational requirements	<p>4.1 Define the procedure you should follow for a new employee, if a director:</p> <ul style="list-style-type: none"> • with a P45 or leavers statement • without a P45 or leavers statement <p>4.2 Understand the importance of knowing the date an employee was appointed as a director.</p> <p>4.3 Identify the correct statutory reports required by external agencies relating to termination payments, including:</p> <ul style="list-style-type: none"> • death in service • redundancy • standard termination of employment <p>4.4 Identify forms and procedures adopted under Real Time Information requirements for the submission of pay-period and year-end payroll information for:</p> <ul style="list-style-type: none"> • employees • external agencies <p>4.5 Identify the penalties for non-compliance with statutory requirements and reports.</p> <p>4.6 Identify reports and procedures in respect of a leaver i.e. return of organisation equipment, company cars, keys and identity and company credit cards</p> <p>4.7 Identify sums to be recovered from a leaver, in respect of loans, excessive holiday and other recoverable elements of pay</p> <p>4.8 Identify the correct statutory reports required by external agencies relating to termination payments, including:</p> <ul style="list-style-type: none"> • death in service • redundancy • standard termination of employment

Module	Computerised payroll administration		
Level	3		
GLH	55	TQT	90
Learning Outcomes	Assessment Criteria		
1. Be able to set up and maintain a computerised payroll system	<p>1.1 Enter company data and legislative parameters into commercial payroll software in accordance with company policy</p> <p>1.2 Maintain the company data and legislative parameters in accordance with company policy and updated payroll legislation ensuring verification of the information to be changed</p>		

	<p>1.3 Enter pension scheme information in accordance with company policy.</p> <p>1.4 Apply any given changes to payroll information in relation to:</p> <ul style="list-style-type: none"> • legislation • tax codes • agreed and authorised employment status including from employee to director. • pension provision • change of National Insurance Contributions status
<p>2. Be able to set up and maintain employee records within a computerised payroll system</p>	<p>2.1 Create employee records within the payroll software from given information e.g., Human Resources information, contract of employment, P45:</p> <ul style="list-style-type: none"> • Employees • directors <p>2.2 Maintain the employees payroll records ensuring that all changes have been correctly authorised by either the employee, employer or statutory body</p>
<p>3. Be able to determine an employee's gross pay from a range of payroll information</p>	<p>3.1 Determine the amount of pay due to an employee from given information and applying statutory rates where necessary:</p> <ul style="list-style-type: none"> • basic pay and overtime • salaries • National Minimum Wage • National Living Wage • lump sum allowances • shift pays. • performance related pay • bonuses and commission • back-dated pay • advanced holiday pay • statutory additions to pay. <p>3.2 Update rates of pay for permanent and temporary payments against agreed pay-scales, age related changes, other given information</p> <p>3.3 Determine exceptional payments and deductions in accordance with organisational requirements and by the agreed deadlines</p> <p>3.4 Determine taxable gross pay for each employee by applying relevant pre-tax deductions</p> <p>3.5 Calculate the amount of any statutory termination payments due an employee being made redundant</p> <p>3.6 Apply given information relating to the Transfer of Undertakings (Protection of Earnings) regulations in relation to the calculation of statutory redundancy payments</p> <p>3.7 Calculate any sums due in respect of termination which are not covered by exemptions and concessions so that payments will be</p>

	<p>made at the correct time and with the appropriate income tax and NIC treatment</p> <p>3.8 Prepare and record termination payments in accordance with legislative requirements</p>
4. Be able to enter details of gross pay elements into the computerised payroll system	<p>4.1 Input elements of gross pay for a range of pay periods and employees from given information e.g., timesheets, summaries, salary information, hourly rates, overtime etc.</p> <p>4.2 Input additional gross pay information e.g. commission and bonus payments, lump sums, unsocial hours and shift payments</p> <p>4.3 Input all information relating to statutory additions to pay:</p> <ul style="list-style-type: none"> • statutory sick pay • statutory maternity pays. • statutory adoption pays. • statutory paternity pays. • parental and shared parental leave. <p>4.4 Deal with net payments</p> <p>4.5 Deal with expenses paid through the payroll.</p> <p>4.6 Deal with holiday pay information in an appropriate way including advancing the payment date.</p> <p>4.7 Input all elements relating to a leavers gross pay including termination payments relating to redundancy</p>
5. Be able to enter details of voluntary and statutory deductions.	<p>5.1 Input information relating to voluntary deductions ensuring that the correct authorisation has been given e.g. company loan repayments, savings scheme, Payroll Giving, social clubs, pension contributions</p> <p>5.2 Input information relating to statutory deductions ensuring that the correct authorisation has been given e.g. student loan repayments, AEOs and DEOs and process this information in a timely manner</p> <p>5.3 Input relevant information relating to the employee and employers contributions to a pension schemes</p> <p>5.4 Input 'salary sacrifice' arrangements in respect of:</p> <ul style="list-style-type: none"> • pension contributions • company cars • childcare (until cancellation of this policy in 2018) • share save schemes
6. Be able to process the payroll within given timescales.	<p>6.1 Change the processing date.</p> <p>6.2 Process gross pay, standard pre- tax deductions and post-tax deductions in accordance with company policy and legislative requirements for:</p> <ul style="list-style-type: none"> • employees • directors

	<p>6.3 Process non-standard statutory deductions and statutory additions to pay in accordance with company policy and legislative requirements.</p> <p>6.4 Process the final pay for a leaver</p>
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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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