INSTITUTE OF ACCOUNTANTS AND BOOKKEEPERS

Qualification Specification

IAB Level 2 Certificate in Computerised Payroll for Business

Qualification Number: 601/0476/4

Reviewed: August 2026

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Document history

Version/date	Changes	Owner	Authorised by
v2.0 August 2026	Review and minor revisions made and reformatted	AO Director	Professional Standards Committee (PSC)
v1.2 December 2024	Qualification review	Chief Examiner	Chief Executive Officer
v1.1 Feb 2023	Revised format	AO Manager	Chief Executive Officer
v1.0 July 2018	Document created	Head of Awarding	Chief Executive Officer

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Introduction

The objective of this Qualification Specification is to provide an overview of the IAB Level 2 Certificate in Computerised Payroll for Business.

This document includes the aim, size, level, structure and content, including learning outcomes and assessment criteria.

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.

Purpose of the qualification

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 designed 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.

Target learners

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 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.

Entry requirements

The entry requirements below are for guidance only as applicants may apply with various backgrounds and qualifications.

Approved IAB Centres are responsible for checking applications against the following entry requirements and ensuring learners can fulfil the demands of the qualification before registration.

There are no formal entry requirements for the IAB Level 2 Certificate in Computerised Payroll for Business qualification. However, it is recommended that prospective learners have:

- basic skills in both numeracy and literacy
- completed the IAB Level 1 Award in Computerised Payroll.

Progression

Holders of the IAB Level 2 Certificate in Computerised Payroll in Business qualification may progress to another qualification at:

- Level 2 carrying with them credits for units achieved to expand their knowledge and skills in the subject area
- a higher level, thereby developing their knowledge and skills in the subject area.

Qualification size, level and structure

The Office of Qualifications and Examinations Regulation (Ofqual), and CCEA regulate qualifications, examinations, and assessments in England, and Northern Ireland. The IAB Level 2 Certificate in Computerised Payroll for Business is a vocationally-related qualification on the Ofqual and CCEA Register of Regulated Qualifications.

Qualification size

The Total Qualification Time (TQT) and Guided Learning Hours (GLH) for this qualification are as follows:

Total Qualification Time (TQT)	Guided Learning Hours (GLH)
190 hours	95 hours

TQT, including GLH, is calculated by considering the different activities that learners would typically complete to achieve and demonstrate the learning outcomes of the qualification.

Individual learners' requirements and individual teaching styles mean there may be variation in the actual time taken to complete a qualification.

Values for TQT, including GLH, are estimates.

Some examples of activities that can contribute to TQT include:

- independent and unsupervised research/learning
- unsupervised e-learning
- unsupervised e-assessment
- unsupervised coursework
- watching a pre-recorded podcast or webinar
- unsupervised work-based learning
- all GLH.

Some examples of activities that can contribute to GLH include:

- classroom-based learning supervised by a teacher
- work-based learning supervised by a teacher
- live webinar or telephone tutorial with a teacher in real time
- e-learning supervised by a teacher in real time
- all forms of assessment that take place under the immediate guidance or supervision of a teacher, supervisor, tutor or other appropriate provider of education or training.

Qualification level

This qualification is at Level 2 on the Register of Regulated Qualifications in England and Northern Ireland.

IAB qualifications comply with level descriptors set by Ofqual, 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 learner:	Skills descriptor The learner can:
• 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 • is aware of a range of information that is relevant to the area of study or work • can interpret relevant information and ideas.	• 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 qualification is made up of eight mandatory units. The structure, units, sizing information and assessment types for the IAB Level 2 Certificate in Computerised Payroll are set out in the following table.

Unit title	GLH	Assessment method
Termination of employment	5	Sage Business Cloud online practical assignment (3 hours)
Fundamentals of employment legislation for payroll	10	
Calculate gross pay	10	
Elements of gross pay	10	
Computerised payroll theory	10	
Statutory and non-statutory payments and additions	15	
Composition of an employee payroll record	10	
Computerised payroll skills	25	
Total	95	

Assessment, achievement and grading

Methods of assessment

The assessment is delivered online via the Sage platform using software provided as part of the registration for this qualification. Self-test activities and a practice simulation and test are provided for the purposes of practice and revision. These practice tests are not timed and can be undertaken as many times as the learner chooses. Once the practice simulation and test is passed, the learner can attempt the live assessment.

The live assessment is timed and must be completed under controlled conditions.

Non-programmable calculators are required to complete the assessments.

Delivering assessments

The IAB 'Assessment Delivery Policy' applies to all IAB qualifications and assessments and must be followed by approved centres to ensure that IAB assessments are delivered in accordance with the requirements.

A copy of this policy is made available to centres upon approval. The policy can also be requested from the IAB Awarding Organisation team at ao@iab.org.uk.

Marking and moderation

Marking is completed automatically by the Sage platform against the relevant assessment criteria and mark scheme. Moderation is a process undertaken following the marking of assessments prior to a result being released to learners. Moderation acts as a filter, which ensures that an assessment outcome (for example a mark and / or grade) is fair, valid, and reliable. Moderation ensures that the mark scheme was applied correctly, all parts of the assessment were marked and that the marks were totalled and recorded correctly

Achievement and grading

To achieve the qualification, learners must take and pass the online practical assignment. To pass the assessment, the learner must achieve a minimum of 70%.

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

Certification

Upon confirmation of achievement of the eight mandatory units, the learner will receive an IAB Level 2 Certificate in Computerised Payroll for Business certificate. The certificate will carry the full name of the learner as registered.

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 take steps when developing specifications, identifying the assessment criteria, and drafting assessment content to minimise the impact on individuals with differing protected characteristics.

The duty of 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 must take steps to mitigate that disadvantage.

Please refer to the Centre Area of the IAB website www.iab.org.uk for a copy of the policy and associated procedure.

Results enquiries and appeals

Please refer to the Centre Area of the IAB website www.iab.org.uk for further information about the process, procedures and policies for making a results enquiry and/or an appeal.

Unit specifications

The unit specifications (*see* below) indicate the content, in terms of learning outcomes and assessment criteria, of each of the eight mandatory units within the Level 2 Certificate in Computerised Payroll for Business qualification.

All the learning outcomes and assessment criteria must be covered by providers when delivering the qualification. Each live assessment covers a selection of the unit learning outcomes and assessment criteria and full coverage is achieved across the live assessment variations.

The content of the assessments is subject to ongoing review by the IAB and changes periodically.

Unit	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

Unit	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	2.1 Identify what constitutes reliable and useable personal data, data security and security in relation to payroll 2.2 Identify two places where you would find relevant payroll information: • contracts of employment • employer • finance department 2.3 Outline employer responsibilities in relation to payroll, under data protection legislation and accepted security practice
3 Know the general principles of employment rights legislation	3.1 Give an example of employment rights legislation in relation to employees. Including: • pay advice • national minimum wage/National living wage • holiday entitlement • sickness • maternity/paternity/adoption 3.2 Identify how you would find relevant guidance on employment rights legislation 3.3 Outline the main responsibilities of the employer in relation to employment rights legislation

Unit	Calculate gross pay		
Level	2		
GLH	15	TQT	30

Learning Outcomes	Assessment Criteria
1 Be able to demonstrate basic pay for different payroll periods	1.1 Accurately calculate basic gross pay for weekly paid employees from given information, e.g. timesheets, basic hourly rates, weekly salaries 1.2 Accurately calculate basic goss pay for monthly paid employees from given annual salaries 1.3 Accurately calculate gross pay for non-standard periods, i.e. daily, four weekly
2 Be able to calculate overtime pay from given information	2.1 Check rates of overtime payable against agreed information and limits 2.2 Accurately calculate overtime hours payable from given information, e.g. timesheets 2.3 Accurately calculate the value of overtime payments due including lump sum payments
3 Be able to calculate additional information payments from given information	3.1 Apply commission payable from given information 3.2 Apply bonus payments from given information 3.3 Accurately calculate unsocial hours and shift payments 3.4 Accurately calculate holiday pay from given information 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	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 4.2 Apply changes to rates of pay retrospectively ensuring accuracy in back payments
5 Be able to implement relevant statutory additions to pay when entitlement has been determined	5.1 Verify that the correct statutory payment has been applied to gross pay when entitlement has been established including: • statutory sick pay • statutory maternity pay • statutory adoption pay • statutory paternity pay

Unit	Elements of gross pay		
Level	2		
GLH	10	TQT	20

Learning Outcomes	Assessment Criteria
1 Understand what constitutes basic pay for different payroll periods	1.1 Explain how basic gross pay for weekly paid employees is calculated from given information i.e. timesheets, basic hourly rates, weekly salaries 1.2 Explain how basic gross pay for monthly paid employees is calculated from given annual salaries 1.3 Explain what is meant by positive and negative payrolls
2 Understand the principles of calculating overtime payments	2.1 Explain how payable overtime hours are determined payable from given information e.g. timesheets 2.2 Describe other types of payments which are derived from set rates
3 Know what constitutes gross pay from additional payments	3.1 Describe three additional payments which may constitute gross pay from the following payments including: • bonuses • commission payments on sales • unsocial hours and shift payments • productivity payments • piece rates • holiday pay • lump sum payments • statutory payments 3.2 Explain why changes to rates of pay and salaries may need to be applied to take account of: • unsocial hours • overtime • 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

Unit	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

Unit	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	1.1 Identify: • two pre-tax deductions • two post-tax deductions 1.2 Outline the differences between pre-tax and post-tax deductions. 1.3 Explain how the PAYE system works. 1.4 Describe a likely scenario for the use of a standard suffix tax code used: • cumulatively • non-cumulatively 1.5 Distinguish between the terms cumulative and non-cumulative when used in relation to the PAYE system 1.6 Describe a likely scenario for the use of the following tax codes: • BR • NT • 0T • D0 • D1 1.7 Identify one example of the authority needed to change an employee's tax code.
2 Understand the principles of the National Insurance system	2.1 Explain the purpose of NICs 2.2 Explain the use of NI thresholds 2.3 Explain when you would use NI Category A 2.4 Explain when you would use NI Category C and the implications of its use 2.5 Explain the authority needed to implement Category C deductions, and the implications of using it without authority.
3 Understand the principles of Student Loan deductions	3.1 Explain how an employee's student loan repayments are calculated for the pay period 3.2 Identify where student loan deduction amounts are recorded 3.3 Know the statutory authorisation to both commence

	and stop student loan deductions 3.4 State who student loan deductions are paid to and how
4 Understand the principles of Statutory Sick Pay (SSP).	4.1 Describe the conditions that employee must satisfy to be eligible to receive SSP. 4.2 Define the terms Period of Incapacity for Work (PIW), Waiting Days and Qualifying Days. 4.3 Illustrate the principle of linked PIWs. 4.4 State the tax and NIC implications for SSP payments.
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.

Unit	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 how this may form part of the first FPS submitted to HMRC within the tax year. 4.3 Explain why a submission may fail and how a successful submission can then be achieved.

Unit	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

The IAB has deliberately not included sample assessment questions within this qualification specification. Self-test activities and a practice simulation and test are provided on the Sage platform for the purposes of practice and revision. These practice tests are not timed and can be undertaken as many times as the learner chooses.

Delivering IAB qualifications

Staffing and physical resource requirements for centres

The IAB, in line with regulatory requirements, has a Centre Agreement in place which covers the two-way obligations between the IAB as the Awarding Organisation and each centre delivering our qualifications. A key section of this agreement is to ensure a professional approach to the delivery of teaching, learning and assessment, leading to the best learner experience.

Each centre engaged with the IAB is required to ensure viable levels of staffing, managerial and financial resources are in place to enable it to effectively and efficiently deliver the qualifications as required by the Awarding Organisation.

Quality assurance

Any centre approved to offer IAB qualifications is subject to a rigorous quality assurance regime to ensure compliance with the requirements set out in the Centre Agreement and any regulatory conditions. This regime includes, but is not limited to, policy and procedure review, performance review, on-site monitoring visits and virtual interviews to assess how well that centre operates in delivering IAB qualifications.

IAB policies and procedures

Policies and procedures are in place to provide a framework and outline the IAB's approach and objectives for key areas along with defined processes to be followed. These documents ensure credibility, compliance, consistency, and quality in the design, delivery, and awarding of qualifications. Relevant policies are issued to approved centres alongside Centre Agreements. These can also be accessed by contacting our awarding organisation team via ao@iab.org.uk

Examples of the Policies that can be found include, but are not limited to:

- Adverse Effects
- Anti-Bribery and Anti-Corruption
- Assessment Delivery
- Complaints
- Conflict of interest

- Contingency Plan
- Enquiries and appeals
- Equality, Diversity and Inclusion
- Malpractice and Maladministration
- Plagiarism, Collusion and Cheating
- Reasonable Adjustments
- Recognition of Prior Learning
- Results and Certification
- Sanctions
- Special Considerations
- Withdrawal of approval

Centres delivering IAB qualifications should refer to the relevant policy for guidance as appropriate.

Equality and diversity

The IAB is committed to ensuring an inclusive, safe and welcoming environment for all learners undertaking its qualifications. Our Equality, Diversity and Inclusion Policy requires all learners to have equal opportunity to access our qualifications and assessments, and our qualifications to be awarded in a way that is fair to every learner.

Approved centres delivering IAB qualifications must have a policy relating to equal opportunities, diversity and inclusion to ensure a positive learning environment is provided to all learners. This is reviewed and assessed as part of our monitoring process which may include on-site inspections.

Contact us

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