



IAB LEVEL 2 CERTIFICATE IN COMPUTERISED PAYROLL (Qualification Accreditation Number 500/3368/2)

INTRODUCTION

The overall aim of the qualification is to accredit candidates' knowledge and understanding of the fundamental principles relating to the basic calculations and preparation of both a weekly and monthly payroll, using some manual routines but mainly commercially available payroll software.

In addition, it accredits some book-keeping skills of candidates in understanding and performing the routine tasks of calculating the cost of wages to the employer.

Within the qualification, candidates have the opportunity to expand their knowledge of income tax and National Insurance calculations for the PAYE employee. Candidates are also introduced to processing additional payments and allowances and payments of statutory sickness pay, maternity leave, adoption pay and paternity pay. The syllabus also deals with the treatment of student loan repayments, and the practice relating to both further routine and some non-routine tasks.

This qualification requires candidates to understand those payments which constitute Gross Pay and therefore liable for income tax and National Insurance contributions.

The processing of payroll data, such as hours worked, hourly rates, bonuses and commissions are important elements of the IAB Level 2 Certificate in Computerised Payroll qualification and may be carried out in both a manual format or using the payroll software.

Candidates may progress to the IAB Level 3 Diploma in Payroll and/or IAB Level 3 Diploma in Computerised Payroll on successful completion of this qualification.

To be awarded the qualification, candidates are required to successfully demonstrate their competence in by means of an external examination. It will also provide progression to the NVQs in Payroll Administration at Levels 2 and 3. Candidates will receive acknowledgement of successful completion of this qualification by means of formal letter and Certification.

CERTIFICATION

All candidates who achieve a Pass grade in the examination, will be informed of their achievement in an official IAB Results Letter sent within ten weeks following the examination. Additionally candidates who pass will receive the IAB Level 2 Certificate in Computerised Payroll.

IAB Level 2 – Certificate in Computerised Payroll

SINGLE UNIT (IAB UNIT Code P2.2) – COMPUTERISED PAYROLL PROCESSING

Aim of the Unit

Upon the completion of study for this unit, it is intended that the candidate will be able to:

- Provide an introduction to the Payroll Function
- Operate basic functions of a computer.
- Set up key parameters, codes and details in payroll software
- Calculate and enter Gross Pay
- Enter details relating to additions and deductions
- Amend settings and details
- Process details of those starting or leaving employment
- Perform weekly/ monthly routines
- Understand confidentiality, security and other statutory responsibilities
- Take printouts

Prior Knowledge and Skills Requirements

Before starting a course of study or training leading to the assessment for this qualification, it is assumed and is advisable that the candidate has already acquired the knowledge and skills as specified in the IAB Levels 1 and 2 Certificate in Payroll

| Learning Outcome | Assessment Criteria |
|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.2.1 Provide an introduction to the Payroll Function | Understand and be able to discuss: <ul style="list-style-type: none">• The role of the Payroll Office• How the Accounts department, Personnel department and Payroll department work together• The necessity for confidentiality, security and accuracy• The need and application of Internal checks and controls• Verification of information |
| 2.2.2 Operate basic functions of a computer | Understand the need to carry out visual simple safety checks when starting up the computer system. Understand the purpose of Passwords and the organisational procedures for changing them. Be able to undertake the procedures for taking back-up copies of software and data and understand what it means to restore data. Be able to save, print, transfer documents using various software i.e. email Understand the effects of: <ul style="list-style-type: none">• Fire damage• Disk corruption and rotation• Secure and Off Site storage• Anti virus and Firewall safety software. |

| | |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>2.2.3 Set up of key parameters, codes and details in payroll software</p> | <p>Be able to:</p> <ul style="list-style-type: none"> • Check/ change government parameters • Set up Company details • Set up payment and deductions types • Enter employee details including year to date figures |
| <p>2.2.4 Calculate and enter Gross Pay</p> | <p>Understand what constitutes Gross Pay for Income Tax and National Insurance Contributions (NIC).</p> <p>Be able to calculate Gross Pay for the week, month or year based on</p> <ul style="list-style-type: none"> • Annual Salary • Basic weekly or monthly pay <p>Be able to calculate:</p> <ul style="list-style-type: none"> • Overtime from information on timesheets or clock/swipe cards/ docketts • Temporary pay, lump sums and retrospective pay • Commission and bonuses • Piece Rates • Holiday Pay <p>Be able to enter details of Gross Pay comprising:</p> <ul style="list-style-type: none"> • Hourly rate and hours worked including overtime • Monthly/annual salary • Commission, bonuses etc • Holiday Pay • Temporary pay, lump sums and retrospective pay |
| <p>2.2.5 Enter details relating to additions and deductions</p> | <p>Be able to enter details of:</p> <ul style="list-style-type: none"> • Pension Contributions (not including the setting up of Pension Schemes) • Periods of sickness • Maternity leave/pay • Paternity leave/Pay • Statutory Adoption leave/Pay • Parental Leave Entitlement <p>Understand and be able to deal with the repayment of Student Loans and Attachment of Earnings Orders.</p> <p>Be able to enter information relating to other voluntary deductions e.g. Social Club, Private Health, Payroll Giving, etc. and understand the pre- and post- tax implications.</p> |
| <p>2.2.6 Amend settings and details</p> | <p>Be able to make changes to stored information:</p> <ul style="list-style-type: none"> • Government parameters and legislation • Personal Information • Tax Codes • Organisational procedures including amendments to Cash Analysis requirements |

| | |
|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>2.2.7 Process details of those Starting or Leaving a place of employment</p> | <p>Be able to enter details of new employees including:</p> <ul style="list-style-type: none"> • Personal details • Tax code/NIC category • Previous employment pay and income tax figures <p>Appreciate the processes necessary for those starters without a P45.</p> <p>Be able to process leavers, including printing of P45 details</p> |
| <p>2.2.8 Perform Weekly/ Monthly Routines</p> | <p>Understand and be able to complete</p> <ul style="list-style-type: none"> • Back-Up/ Restore/ 'Check Data' routines • An update of the system <p>Understand the total cost to the business of the payroll including employer's costs</p> <p>Understand the information required by the book-keeper/Accountant relating to posting the wages information to the accounts of the business.</p> |
| <p>2.2.9 Understand Confidentiality, Security and other statutory Responsibilities</p> | <p>Understand and have an appreciation of the need for complete confidentiality of employees and employer information at all times</p> <p>Be aware of legislation, e.g. Data Protection Act 1998, Employment Rights Act 1996, Asylum and Immigration Act 1996 and Health and Safety regulations where it relates to working with a computer or VDU.</p> <p>Be able to give assistance to the employee wherever possible and know when they should be referred to the HMRC</p> <p>Understand the Employer's legal responsibility to forward all appropriate monies to external agencies at the appropriate time.</p> <p>Be aware of Age Discrimination Regulations</p> |
| <p>2.2.10 Take Printouts</p> | <p>Be able to take routine printouts:</p> <ul style="list-style-type: none"> • Government Parameters • Company and Employee Details • Company and Employer Year to Date information • Payslips • Payment Summaries • P11 • Cash Analysis • P45 |

UNIT ASSESSMENT

The examination of this single unit qualification will be of 2 hours duration. Any examinations sat from 1st September to 31st August of the following year will be set using information relating to the Tax Year legislation in operation as at 1st September. For example the examinations set for January 2009 and June 2009 will be set using legislative limits relating to Tax Year 2008/09.

Candidates may sit the Examination on either the specific dates set and published by the IAB or on dates set by Centres on an 'On-demand' basis.