

2012 Course Outline*

Payroll Practice Essentials

What Is Payroll?

- The nature of the payroll profession
- Role of the payroll professional
- Challenges in payroll
- The payroll process

Determining Worker Type

- Types of workers
 - Employees
 - Independent contractors
 - Temporary employees
 - Leased employees
- Making the determination between employees and independent contractors
 - Common law test
 - Form SS-8

What Do I Need From an Employee?

- Form I-9
- Form W-4
- New hire reporting
- Social security numbers
 - Social Security Number Verification Service (SSNVS)

Fair Labor Standards Act

- Exempt or nonexempt
- Child labor

Employee Wages

- The federal minimum wage
 - State minimum wage
- Tips and the tip credit
- Shift premiums
- Paid time off and gifts
- Defining overtime
- When must overtime be paid?
 - Time of payment
- Workweek
- Changing workweeks

Calculating Overtime Payments

- Rates of pay
- Regular rate of pay
- Overtime premium rate

- Piecework and commission
- Bonuses
- Multiple pay rates
- Overtime for salaried employees

Defining Time Worked

- Collecting time worked
- Portal-to-Portal Act of 1947
- Call-back and show-up pay
- Waiting to work
- Preparing to work

Withholding Taxes

- Form W-4
 - Employee's Withholding Allowance Certificate – Form W-4
 - State withholding allowance certificates
 - Withholding allowances
 - Lock-in letters
 - Exemption from withholding
 - Time of submission
 - Invalid Form W-4
 - Employer responsibilities
- Federal income tax
 - Constructive receipt
 - Factors affecting withholding
 - Wage-bracket method
 - Percentage method
 - Supplemental wages
 - Optional flat rate method
 - Aggregate method
 - Mandatory flat rate method
- Social security and Medicare taxes
 - Medicare tax for highly compensated in 2013
- State and local taxes
 - State income taxes
 - State disability taxes
 - State unemployment insurance tax withholding
 - Local income taxes
- Calculating the gross-up
 - Crossing the social security wage base
- Deceased employees

Determining Tax Treatment of Employer-Paid Benefits

- Fringe benefits
- IRS definition of compensation
- Taxable/nontaxable compensation
- Fair market value
- Imputed income
- Fringe benefit frequency and withholding requirements
- When to withhold and deposit taxes on noncash fringe benefits
- Nontaxable fringe benefits
 - De minimis fringe benefits
 - No-additional-cost services
 - Qualified employee discounts
 - Working condition fringes
 - Use of athletic facilities
 - Qualified transportation fringes
 - Retirement advice
 - Qualified moving expense reimbursements
- Prizes and awards
- Personal use of company vehicles
 - Nontaxable use of a company vehicle
 - General valuation method
 - Annual lease valuation method
 - Cents-per-mile method
 - Commuting value method
 - Accounting for company vehicle use
- Group-term life insurance
 - Tax considerations of group-term life insurance
 - Calculating the value of excess group-term life insurance
 - Dependent group-term life insurance coverage
- Deferred compensation
 - Qualified versus nonqualified plans
 - Qualified plans
 - 401(k) plans
 - 403(b) plans
 - Nonqualified plans
 - 457(b) plans
- Cafeteria plans
 - Tax implications

2012 Course Outline* *cont'd*

Payroll Practice Essentials

- Flexible spending accounts

Voluntary and Involuntary Deductions

- Voluntary deductions
 - Wage assignments
 - Charitable contributions
 - Overpayments
 - Employer-provided loans
- Involuntary deductions
 - Wage attachments
 - Priorities of wage attachments
 - Child support orders
 - Federal tax levies
 - Creditor garnishments
 - Multiple withholding orders

Paying Employees

- Pay frequencies
- Regulation of payment timing
- Pay calendars
 - Weekly payrolls
 - Biweekly payrolls
 - Semimonthly payrolls
 - Monthly payrolls
- Direct deposit
 - Direct deposit process
 - Setting up direct deposit
 - Resolving direct deposit issues
- Paying by check
- Payroll cards
- Unclaimed wages

Reporting Taxes and Wages

- Employer Identification Numbers
- Depositing federal taxes
 - Deposit schedules
 - Making deposits
 - Penalties
- Quarterly Federal Tax Return – Form 941
 - Due dates
 - Filing Form 941
 - Form 941 preparation
- Unemployment taxes
 - FUTA rates

- Calculating FUTA tax
- Depositing and reporting FUTA tax
- Form 940
- State unemployment insurance reporting
- Form W-2, *Wage and Tax Statements*
 - Tips for completing Form W-2
 - Deadlines
 - Extensions
 - Transmitting Forms W-2
 - Reconciling totals
 - Electronic filing
 - Filing paper forms
 - Correcting Form W-2
 - Penalties
- Form 1099-MISC
 - Backup withholding

Payroll Accounting

- Accounting basics
- Recording transactions
 - General ledger
 - Journal
- Chart of accounts
- Double-entry accounting
- Balancing accounts
- Accounting period
- Accruals and reversals

Payroll Systems, Auditing, and Recordkeeping

- Payroll systems
 - Upgrading/updating the payroll system
- Batch and real-time processing
- Employee and manager self-service
- Interfaces
- Integrated systems
- Reconciliations
- Control procedures
 - Sarbanes-Oxley Act (SOX)
 - SOX and the payroll department
 - Documentation
 - Outsourcing
- Payroll system controls
- System security

- System edits
- Balancing and reconciliation
- Data auditing and validating
- Correction procedures
- Accumulator totals
- Audit trails
- Internal controls
 - Control your own staff
 - Controls for a small payroll department
 - “Phantom employees”
 - Undelivered checks
 - Voided payments
- Audits

Recordkeeping

- Employee master file
- Updating the master file
- Record retention
 - How long documents must be kept

The Payroll Profession

- The payroll professional
- Principles of customer service
 - Reliability
 - Responsiveness
 - Assurance
 - Empathy
 - Tangibles
- Compliance
- Confidentiality
- Problem solving
- Keeping up with changes affecting the payroll department
 - Internal Revenue Service
 - Wage and Hour Division
- Advancing your payroll career
 - Certification