

Payroll 101: Foundations of Payroll Certificate Program

Course Outline*

This seminar is ideal for those new to the payroll profession, supervisors and managers new to the payroll environment, and those preparing for payroll certification.

What Does the Payroll Department Do? (1.5 Hours)

- Pay employees
- Deduct, withhold, and deposit taxes
- Report to federal, state, and local tax authorities
- Pay federal and state unemployment taxes
- Deduct, withhold, and pay child support and garnishments
- Deduct and withhold employees' benefit contributions
- Make and keep payroll records
- Provide support to auditors
- Explain impact of payroll issues on employees' pay
- Respond to inquiries confidentially
- Share information with other areas of the company

Who Is an Employee? (1.0 Hour)

- Independent contractors vs. employees
- Common law test
- Misclassification problems
- Forms new employees complete
 - Form I-9
 - Form W-4

How Are Employees Paid (FLSA)?

(5.5 Hours)

- What is the significance of exempt and nonexempt employees?
- Calculating pay
- Minimum wage
- Tips
- Tip credit
- Shift differentials
- Special payment issues
- Calculating overtime
 - What are hours worked?
 - Workweek definition
 - What is included in the regular rate of pay?
- Overtime pay calculations
 - Hourly paid employee calculations
 - Multiple hourly rate calculations
 - Piecework calculations
 - Salaried nonexempt calculations
- What is time worked?
- Hospital/nursing home differences
- Overtime for public sector employees

What Withholding Is Required? (6.5 Hours)

- What wages are subject to withholding?
- Factors affecting withholding
- Form W-4
 - Requirements
 - Invalid forms
 - Exempt forms
- Federal income tax withholding
 - How does Form W-4 determine withholding?
 - Wage-bracket method
 - Percentage method
 - ∞ Flat rate method
 - ∞ Aggregate method
- Social security/Medicare tax withholding
 - Tax rates
 - Wage bases
 - Employer matching
- Withholding issues
 - Constructive payment
 - Deceased employees
 - Grossing-up

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Course Outline* *Cont'd*

An Introduction to Deferred Compensation Arrangements

(1.0 Hour)

- Qualified plans
 - 401(k) plans
 - 403(b) plans
- Nonqualified plans
 - 457(b) plans

An Introduction to Cafeteria Plans

(1.0 Hour)

- Payroll department's role in cafeteria plans
- Requirements and options
- Tax implications
- Flexible spending arrangements
- Health Care Reform's impact on cafeteria plans

What Benefits Are Taxable?

(3.0 Hours)

- Nontaxable benefits
- Imputing income
- Defining fair market value
- Calculating taxable benefits
 - Company vehicles
 - Group-term life insurance
- Relocation benefits
- Prizes and awards
- Gift cards/certificates
- Education assistance

Deductions From Pay (2.0 Hours)

- Voluntary deductions
- Involuntary deduction calculations
 - Priority
 - Disposable earnings/take-home pay
 - Child support
 - Federal tax levies
 - Creditor garnishments

Depositing Taxes (1.0 Hour)

- Frequency
 - Monthly/semiweekly
 - One-day rule
- Special circumstances
 - Fixed liabilities
 - Holidays
 - Quarter-ends
 - Shortfall deposits
- Making the deposit
 - Electronic Federal Tax Payment System

Preparing the Payroll and Tax Returns

(2.0 Hours)

- Complete tax returns
 - Form 941
 - Form W-2
- Federal unemployment tax
 - Form 940
 - Deposits
- Reconciliation of Forms

941 and W-2

- Penalties

Methods of Payment (1.0 Hour)

- Checks
- Direct deposit
- Payroll cards

Payroll Accounting (1.0 Hour)

- Accounting statements
- Types of accounts
- Double entry accounting
 - Debits/credits
 - Posting entries
- Accounting periods
- Accruals/reversals
- General ledger reconciliation
- Payroll balancing
- Internal controls

Recordkeeping (0.5 Hour)

- Payroll master file
- Retention requirements
- Methods of retention
- Penalties

Improving Your Work Efficiency (2.0 Hours)

- How does the payroll department impact the company's mission?
- Customer service
- Time management
- Improving your communication skills