

Unit 306 Managing the payroll function

Unit summary

Control the accuracy and compliance of the payroll, provide information to employees and managers and implement redundancy pay procedures. This unit is imported from the national occupational standards developed by the Accountancy Occupational Standards Group.

Skills

You will apply the following skills:

- Planning
- Organising
- Researching
- Checking
- Communicating
- Using technology
- Reading
- Recording
- Problem solving
- Using number
- Managing time

Performance indicators

You will:

Apply management controls to the payroll function

1. Ensure the treatment of all allowances and enhancements is correctly identified with respect to tax, National Insurance and pensions deductions
2. Update rates for permanent and temporary payments and deductions against agreed scales for each type of employee affected
3. Calculate exceptional payments in accordance with organisational requirements, to the deadlines agreed
4. Reconcile the National Insurance liability for directors against the National Insurance actually paid
5. Monitor compliance with attachments to earnings legislation
6. Ensure termination payments are processed accurately and in accordance with legislative requirements
7. Reconcile total charges to organisational budgets against aggregate payroll totals and correctly code them for allocation

Resolve queries and produce management information

8. Seek clarification or additional information from employees or managers where the nature of their queries is not clear
9. Check that individuals raising queries are authorised to receive the information they are requesting
10. Agree all requests for information for content, and the medium in which data is to be presented, together with the format of the information and deadlines for the despatch of information
11. Produce accurate information that meets the requirements agreed with the intended recipients
12. Respond to telephone or face-to-face enquiries accurately and in accordance with the organisation's customer care requirements
13. Refer enquiries to the appropriate person when you do not have the authority or expertise to resolve them

Implement redundancy pay procedures

14. Ensure all documentation relating to the redundancy is checked for compliance with statutory and organisational requirements
15. Refer documentation that does not comply with statutory and organisational requirements to the appropriate person for resolution
16. Calculate the length of reckonable service, age and value of a week's pay in accordance with statutory rules
17. Calculate the amount of any statutory redundancy payment accurately
18. Apply the terms of any local, non-statutory scheme to enhance the statutory payment correctly
19. Inform the relevant pensions administrator where the redundancy is linked to pensionable retirement; calculate any abatement correctly and apply it to the final payment
20. Input to the payroll system all sums due in respect of the redundancy in ways that ensure that payments will be made at the correct time and will receive the appropriate tax treatment
21. Ensure all communications relating to redundancy are conducted at an appropriate level of confidentiality

Knowledge

You will know:

1. The Employment Rights Act legislation in respect of redundancy rights
2. Industrial Tribunals legislation in respect of redundancy rights
3. Data Protection legislation
4. The PAYE regulations in respect of:
 - Tax and NI liability on pay, expenses and benefits
 - National Insurance regulations concerning directors

- Tax and National Insurance regulations relating to “out of synch” payments
 - Tax and National Insurance regulations concerning termination and lump sum payments
 - Legislation controlling attachments of earnings and their interaction with each other
5. The information flows within the organisation
 6. The organisational, external agency and employee requirements for information
 7. The procedures for the security and confidentiality of information
 8. The sources of information for the resolution of discrepancies

Evidence Requirements

This section is aimed at the assessor and sets out the evidence requirements for this unit.

1. Evidence for this unit is generated when your candidate is carrying out real work in a private sector organisation, not-for-profit organisation or public service organisation whether full-time or part-time, paid or voluntary.
2. For this unit, evidence may be collected in an approved Realistic Working Environment or an extended work placement.
3. Simulation is allowed for this unit. Well-designed and up-to-date simulation of the workplace may be needed in some areas to provide access to learners and generate high quality evidence of both the processes and outputs expected in employment. Such simulation may be computer-based, where that increases realism.

The use of simulation will legitimately vary across occupational areas, reflecting employment realities, as follows:

- In accounting and closely-related occupations, individuals are normally required to be qualified before they can be considered for the corresponding job. They also deal with confidential and personal information. Simulation is therefore frequently necessary in the interests of access and propriety.
 - In payroll administration, workplace evidence is strongly encouraged, though circumstances can arise where an element of simulation is necessary.
 - In the administration of local taxation and associated benefits, most occupations generate natural opportunities for workplace evidence, though simulation is generally appropriate for activities associated with appearances in court.
4. Evidence must show that your candidate has consistently met the standard over a sufficient period of time for you to consider the candidate competent.
 5. You may use the following assessment methods when assessing this unit:

Performance evidence	Observation	Yes
	Examination of work products	Yes
Supplementary evidence	Witness testimony	Optional
	Questions *	Yes

* This includes verbal and written questioning, questionnaires, work based tasks, reflective accounts, case studies, professional discussion and feedback reports.

6. Your candidate needs to show that they:

Apply management controls to the payroll function. Evidence may include:

- Updated rates records
- Copies of calculations
- Reconciliations
- Copies of payments processed

Evidence must include:

- Allowances
 - Payments
 - Expenses and benefits
 - Permanent
 - Temporary
- Exceptional payments
 - Payments not made on the due day such as late payments to new starters
 - Special one-off bonus not paid with normal pay
- Attachments to earnings
 - Council Tax Orders
 - Scottish arrestment's of earnings
 - Child support orders
 - Attachment of earnings orders
- Termination payments
 - Pay in lieu of notice
 - Ex gratia payments
 - Statutory redundancy payments
 - Damages
 - Restrictive covenants

Resolve queries and produce management information. Evidence may include:

- Correspondence
- Information produced

Evidence must include:

- Reporting medium
 - Report printed from computerised payroll system
 - Word processed document
 - E-mail
- Data
 - Personal
 - Organisational
 - Financial
 - Statutory
 - Non-statutory

- Format
 - Formal report
 - Letter
 - Memorandum

Implement redundancy pay procedures. Evidence may include:

- Documentation
- Correspondence
- Calculations

Evidence must include:

- Documentation
 - Redundancy notice
 - Statement of redundancy payment
 - Service record
 - Contract of employment
 - Birth certificate
 - Details of organisational redundancy payment scheme

7. Evidence generated for this unit may contribute towards Unit 301:

- Communicate information
- Plan and be accountable for your work
- Improve your own performance
- Behave in a way that supports effective working

and Unit 302

- Work to achieve your organisation's purpose and values
- Apply your employment responsibilities and rights
- Support sustainability
- Support diversity
- Maintain security and confidentiality
- Assess and manage risk