

1 Payroll Practice Essentials

Course Outline

WHAT IS PAYROLL?

- The nature and role of the profession
- Objectives of the payroll department

DETERMINING WORKER TYPE

- Types of workers
- Making the determination between employees and independent contractors
- Using Form SS-8
- Expatriates, nonresident aliens, resident aliens

WHAT DO I NEED FROM AN EMPLOYEE?

- Forms I-9 and W-4
- Social security numbers
- New hire reporting
- E-Verify

FAIR LABOR STANDARDS ACT

- Exempt and nonexempt employees
- Child labor restrictions

EMPLOYEE WAGES

- The federal and state minimum wage rates
- Tips and the tip credit
- Shift premiums
- Workweeks
- Penalties

CALCULATING OVERTIME PAYMENTS

- Regular rate of pay
- Overtime premium rate
- Piecework and commission
- Bonuses
- Multiple pay rates
- Overtime for salaried employees

DEFINING TIME WORKED

- Collecting time worked
- Waiting to work
- Preparing to work

WITHHOLDING TAXES

- Form W-4
- Federal income tax withholding
 - Methods
 - Supplemental wages
- Social security and Medicare tax withholding
- State and local income and unemployment tax withholding overview
- Employer-paid taxes and gross-ups
- Deceased employee's tax withholding and reporting

DETERMINING TAX TREATMENT OF EMPLOYER-PAID BENEFITS

- IRS definition of compensation
- Taxable/nontaxable compensation
- Fair market value
- Nontaxable fringe benefits
- Prizes and awards
- Personal use of company vehicles
- Group-term life insurance
- Deferred compensation
 - Qualified and nonqualified plans
- Cafeteria (flexible benefit) plans
- Adoption assistance
- Affordable Care Act basics
- FMLA regulations and requirements

VOLUNTARY AND INVOLUNTARY DEDUCTIONS

- Voluntary deductions
 - Wage assignments
 - Charitable contributions
 - Overpayments
- Involuntary deductions
 - Child support orders
 - Medical support orders
 - Federal tax levies
 - Creditor garnishments
 - Student loan debt garnishments
 - Federal agency loan garnishments

- Priority of multiple withholding orders

PAYING EMPLOYEES

- Pay frequencies and timing
- Payment methods
- Unclaimed wages
- Fraud prevention

REPORTING TAXES AND WAGES

- Employer identification numbers
- Depositing federal taxes
- Form 941 and Schedule B (Form 941) preparation
- Federal and state unemployment tax overview
- Form 940 and Schedule A (Form 940) preparation
- Form W-2 preparation
- Form 1099-MISC
- Form 1099-NEC

PAYROLL ACCOUNTING

- Accounting basics and principles
- Double-entry accounting
- Accounting period
- Accruals and reversals

PAYROLL SYSTEMS, AUDITING, AND RECORDKEEPING

- Employee and manager self-service
- Interfaced and integrated systems
- Reconciliations and control procedures
- System security
- Internal controls and audits
- Employee master file
- Record retention

THE PAYROLL PROFESSION

- Effective communication
- Principles of customer service
- Keeping up with changes affecting the payroll department
- Data and confidentiality breaches