

# Payroll Learning Progression Series

## Intermediate Payroll Concepts Course Outline

### WORKER CLASSIFICATION

#### EXEMPTIONS

- Statutory employees and nonemployees
- Section 530 – reasonable basis test
  - Consistent treatment
  - Notice requirement
  - Federal agency exception
- Penalties for misclassification of employees
- Verification of employment eligibility using E-Verify and E-Verify+

#### FAIR LABOR STANDARDS

#### ACT ISSUES

- Workweek exceptions
  - Reducing hours to offset overtime
  - Extra paydays in a calendar year
- Compensable time issues
  - Travel time
  - On-call time
  - Sleep time
  - Principal activities
  - Meetings and training sessions
  - Medical treatment and sick leave
  - Volunteer work
- FLSA limitations on employer deductions from pay
  - Employer deductions
  - Union dues
  - Board, lodging, and other facilities
  - Loans to employees
  - Uniforms
  - Salary advances and overpayments
  - Docked pay for missed work
  - Insurance bonds
  - Cash shortages

#### TAXABLE/NONTAXABLE COMPENSATION

- Non-Cash Fringe Benefits
  - Fair market value
  - Frequency of payment
  - Special accounting rule
- Fair market value
- Frequency of payment

- Special accounting rule
- Tips, tip reporting, and tip allocation
- Personal use of company aircraft
- Employer-provided meals and lodging
- Educational assistance
  - Job-related
  - Non job-related
  - Scholarships and tuition reduction
- Sick pay
  - Third-party sick pay
  - Form W-4S
  - Taxation and reporting
  - Form 8922, Third-Party Sick Pay Recap
- Memberships
- Conventions and entertainment
- Workers' compensation
- Military differential payments
- Retiree group-term life insurance
- Leave sharing plans
- Outplacement services
- Back pay awards
- Gift cards

#### MULTI-STATE TAXATION RULES

- State income taxation
  - State of residence
  - Nexus
  - Reciprocity
- State unemployment taxes
  - Employees working in more than one state
  - Experience rating methods
  - Wage bases
  - Voluntary contributions
  - Joint or combined accounts

#### BENEFITS' IMPACT ON PAYROLL

- COBRA
- Cafeteria plans
  - Qualified and nonqualified benefits
  - Deferral of compensation
  - Flexible spending arrangements
  - Grace periods and carryover plans
  - Health flexible spending arrangements

- Dependent care assistance plans
- Deferred compensation plans
  - Defined benefit plans
  - Defined contribution plans
  - 401(k) plans
  - Profit sharing plans

#### FEDERAL TAX REPORTING

- Form W-2 reporting health coverage
- The effect of bankruptcy proceedings
- Form 945

#### PUBLIC SECTOR EMPLOYER ISSUES

- FLSA exception issues
  - White collar exemptions
  - Occasional and sporadic employment
  - Substitution and early relief
  - Compensatory time
  - Police and fire overtime exceptions
- 457(b) plans
- 403(b) plans
- Election workers
- Jurors
- Elected officials
- Social security and Medicare taxes
  - Section 218 agreements
  - Mandatory Medicare taxation
  - Student FICA exception

#### PAYROLL ACCOUNTING

- Reconciliations
  - Labor Distribution
  - Employee benefit cost statements
- Financial statements
  - Balance sheet
  - Income statement
  - Statement of cash flow
  - Notes to financial statements

#### PAYROLL RELATIONSHIP DYNAMICS

- Team development
- Personality types
- Building a successful payroll team
- Influential communication
- Managing diversity
- Communicating in meetings