

PAYROLL 101

Foundations of Payroll

COURSE OUTLINE

What Does the Payroll Department Do? (1.5 Hours)

- Pay employees
- Withhold and deposit taxes
- Report to federal, state, and local tax authorities
- Pay federal and state unemployment taxes
- Withhold and pay child support and garnishments
- Withhold employees' benefit contributions
- Generate accounting entries
- Respond to requests by auditors
- Explain impact of payroll issues on employees' pay

Who Is an Employee? (1.0 Hour)

- Independent contractors vs. employees
- Common law test
- Misclassification issues
- Employee's Form I-9
- New hire reporting

How Are Employees Paid (FLSA)? (5.5 Hours)

- Significance of exempt and nonexempt classifications
- Calculating pay
- Minimum wage
- Tips and tip credits
- Shift differentials
- Special payment issues
- Calculating overtime
 - What are hours worked
 - Workweek definition
 - What is included in the regular rate of pay
- Hospital/nursing home exception
- Overtime for public sector employees

What Withholding Is Required? (6.5 Hours)

- What wages are subject to withholding
- Factors affecting withholding
- Form W-4
- Federal income tax withholding methods
 - Regular wages

- Supplemental wages
- Social security/Medicare tax withholding
 - Tax rates
 - Employer component
 - Additional Medicare Tax for high earners
- Withholding issues
 - Constructive payment/receipt
 - Deceased employees
 - Grossing-up

An Introduction to Deferred Compensation Arrangements (1.0 Hour)

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

An Introduction to Cafeteria Plans (1.0 Hour)

- Requirements and options
- Tax implications
- Flexible spending arrangements

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

Deductions From Pay (2.0 Hours)

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

Depositing Taxes (1.0 Hour)

- Frequency
- Special circumstances
 - Holidays
 - Quarter-end
 - Shortfall deposits
- Making the deposit

Preparing Payroll Tax Returns (2.0 Hours)

- Complete tax returns
 - Form 941
 - Form W-2
- Federal unemployment tax
 - Form 940
 - Deposits
- Reconciliations
- Penalties

Methods of Payment (1.0 Hour)

- Checks
- Direct deposit
- Paycards
- Earned wage access (EWA)

Payroll Accounting (1.0 Hour)

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

Recordkeeping (0.5 Hour)

- Payroll master file
- Retention requirements
- Penalties

Improving Your Work Efficiency (2.0 Hours)

- Customer service
- Improving your communication skills