CONTENTS

FNSTPB402 Establish and maintain payroll systems 1
Assessment for this Unit 7
How to use this workbook 10
What you will need 11
How to download exercise files 12

Chapter 1 Payroll and its components 14

Components of payroll 15
Timelines and deadlines 16
Australian Taxation Office 17
Marginal tax rates and thresholds 18
Levies 19
Allowances 19
Child support 23
Study and higher education repayments 24
Fringe benefits tax 24
Pay as you go instalments 26
Superannuation 27
Tax and superannuation on salary and wages summary 32

Chapter 2 Legislation and professional bodies 34

Fair Work Act 2009 35
National Employment Standards 36
Paid parental leave 38
Long service leave 40
Modern awards 41
State awards 42
Enterprise agreements 43
Individual employment agreements 45
Privacy Act 1988 45
Work Health and Safety Act 2011 46
Workers compensation 47
Corporations Act 2001 47
Tax Practitioners Board 48
Code of professional conduct 50
Australian Bureau of Statistics 50
Standard business reporting 51
Single touch payroll 52
Progressive assessment 1 52

Chapter 3 New employees 53

Legislative requirements 54
Seeking external advice 54
Salary packaging 54
Minimum wage and salary reviews 55
Commencement of employment 56
Tax file number declaration 56
Superannuation standard choice form 57

Chapter 4 Employer obligations 58
Applying for an Australian business number 59
Keeping records of hours worked 60
Payment of employee wages and salaries 62
Pay slip requirements 63
Fringe benefits tax registration 63
Workers compensation insurance 63
Paying pay as you go withholding 64
Voluntary withholding agreements 65
Employment termination payments 65
Payment summaries 67
Reporting payroll on activity statements 70
State payroll tax 71
Structure of authority in organisations 72
Progressive assessment 2 73
Chapter 5 Process payroll manually 74
Manual payroll systems 75
Manual payroll systems and single touch payroll 75
ABC Catering Pty Ltd manual payroll procedures 79
Calculating hours worked 86
Calculating leave entitlements 88
Preparing EFT wage payments 89
Preparing a pay slip 89
Preparing the payroll journal 89
Individual pay records 91
Salary review 93
End of month reconciliation 96
Posting payroll to the general ledger 96
Preparing a monthly trial balance 98
Preparing end of month liability payments 98
Preparing a monthly BAS 99
End of year procedures 99
Preparing PAYG payment summary for individuals 100
Other end of payroll year tasks 100
Progress assessment 3 100
Chapter 6 Using MYOB AccountRight 101
How to use MYOB for this workbook 102
MYOB AccountRight student edition 103
Installing MYOB AccountRight for PC 103
MYOB troubleshooting 104
Confirming a company file 105
Backing up a company file 106
Restoring a backup 107
Exiting the MYOB AccountRight company file 108
Disaster recovery 108

Chapter 7 Setting up payroll in AccountRight 109
Computerised accounting and payroll systems 110
Payroll requirements and MYOB 111
Best Consultants Pty Ltd payroll procedures 112
Exploring the Payroll Command Centre 115
Checking the payroll year 116
Wages accounts in the Accounts List 117
Exploring Payroll Categories 118
Wages category 119
Superannuation category 122
Entitlements category 124
Deductions category 126
Taxes category 128
Employment classifications 128
Single touch payroll setup 129
Employee card files 129
Chapter 8 Processing payroll using AccountRight 141
Setting up the Electronic Payments Account 142
Processing pays 143
Payroll verification 149
Recording pays 149
Preparing the electronic payment file 149
Viewing payroll figures in a profit & loss 152
Correcting payroll errors 155
Editing banking details 156
Processing pays using MYOB Timesheets 159
End of month payroll reports 162
Payroll queries 163
Reconciling gross wages and superannuation 164
Reconciling payroll liabilities to general ledger accounts 165
Correcting entitlement errors 166
Chapter 9 Paying deductions withheld 167
MYOB superannuation choice form 168
Paying superannuation using SuperStream 170
Paying the business activity statement 173
Chapter 10 End of payroll year procedures 175
Payment summaries 176
Preparing payment summaries 177
Correcting payment summary errors 183
Starting a new payroll year 184

Chapter 11 Setting up a payroll company file 185
Bella's Office Systems policies and procedures 186
Creating a new company file 189
Using the Easy Setup Assistant for Payroll 191
Protecting your payroll data 193
Entering an opening bank account balance 198
Editing wages categories 199
Creating new wages categories 200
Editing superannuation categories 202
Editing default entitlement categories 203
Editing default deductions categories 206
Editing tax categories 207
Setting up employee superannuation funds 208
Setting up employment classifications 208
Entering payroll details for employees 209
Entering business banking details 212
Payroll set up procedure summary 213
Chapter 12 Entering employee payroll data 215
Completing a tax file number declaration 216
Employee information cards 216
Entering data using Enter Timesheet 219
Processing pays using Enter Timesheet 222
Chapter 13 Non-routine payroll issues 224
Setting up salary sacrificing in MYOB 225
Reporting salary sacrifice on the business activity statement 228
Changing rates of pay 228
Long service leave accrual in MYOB 229
Termination payments 232
Payroll tax 238
Setting up paid parental leave (PPL) in MYOB 240
Chapter 14 Revision 244
Chapter 15 Practice assessment 251
References 264
Index 267
FNSTPB412 Establish and maintain payroll systems supplement 271