

Contents

Module 1: Payroll Concepts

- 1.1 Introduction to Payroll in the United States2**
 - Documents Employers Request 2
 - Social Security Numbers..... 2
 - Methods of Paying Employees 3
 - Withholding Taxes..... 3
 - Social Security 4
 - Medicare 4
 - Unemployment Insurance Tax..... 5
 - Disability Insurance Tax 5
 - Employee Benefits 5
- 1.2 Introduction to Payroll6**
 - Challenges..... 6
 - The Payroll Process..... 7
- 1.3 Employee/Independent Contractor7**
 - Employee Classification 8
 - Backup Withholding 15
 - New Hire Reporting..... 16
 - Social Security Numbers..... 19
- 1.4 Fair Labor Standards20**
 - Fair Labor Standards: Concepts..... 20
 - Exempt/Nonexempt Employees: Concepts..... 21
 - Exempt/Nonexempt Employees: Definition 21
 - Minimum Wage 24
 - Tips 27
 - Regular Rate of Pay 29
 - The Workweek..... 33
 - Overtime 36
 - Work Hours..... 37
 - Other FLSA Provisions..... 40
- 1.5 Employment Forms43**
 - Employee Forms 43

Module 2: Calculations of Pay

2.1 Calculation of Regular Pay	54
Calculate Regular Rate of Pay	54
Calculate Tip Pay	55
Calculate Pay for Time Worked	57
Calculate Other Pay	58
2.2 Calculation of Overtime Premium	59
Calculate FLSA Overtime Premium Pay	59
Calculate Overtime Using a Weighted Average	61
Calculate Salaried Overtime Premium Pay.....	62
Calculate Commission Overtime Premium Pay	63
Calculate Piecework Overtime Premium Pay.....	64
2.3 Calculation of Gross Pay	65
2.4 Calculation of Federal Income Tax	66
Taxable Wages.....	66
Federal Income Tax Withholding	68
2.5 Calculation of Social Security and Medicare Taxes	76
Employee Taxes.....	77
2.6 Calculation of Voluntary Deductions	81
Calculate Other Deductions	81
2.7 Calculation of Employer Taxes	82
Calculate Employer Social Security Liability.....	82
Calculate Employer Medicare Liability.....	82
Calculate Employer Total Tax Liability	83
2.8 Calculation of Gross-Ups	83
Grossing-up.....	84

Module 3: Calculations of Deductions and Net Pay

3.1 Calculation of Involuntary Deductions	86
Withholding Orders	86
Child Support.....	86
Federal Tax Levy	94
Creditor Garnishment.....	102
Other Withholding Orders	106
Federal Agency Garnishments.....	109
3.2 Calculation of Net Pay	112
Calculate Total Deductions.....	113
Calculate Total Payroll	113
Calculate Net Pay.....	113

Module 4: Fringe Benefits and Other Payments

4.1 Fringe Benefit Rules	116
IRS Regulations Impacting Payroll	117
IRS Requirements	117
4.2 Nontaxable Benefits	118
Section 132 (Income Exclusion Basics)	118
No-Additional-Cost Fringe Benefits.....	119
Qualified Employee Discounts	119
De Minimis Fringe Benefits.....	120
Working Condition Fringe Benefits.....	121
Qualified Transportation Fringe Benefits	122
On-Premises Athletic Facilities	127
Qualified Retirement Advice	127
Moving Expenses.....	127
4.3 Employer-Provided Benefits	129
Awards and Prizes Income/Exclusion	129
Personal Use of Company Vehicles.....	131
Accounting for Vehicle Use.....	132
Group-Term Life Insurance	137
4.4 Other Payments	140
Advances and Overpayments.....	140
Bonuses	141
Commissions.....	142
Jury Duty Pay.....	142
Retroactive Wage Payments	143
Taxable Tips.....	143
Repayment of Employer-Provided Loans.....	146

Module 5: Retirement Plans

5.1 Qualified Plans	148
Retirement Plans	148
5.2 Deferred Compensation Plans	152
Deferred Compensation	152
Annual Compensation and Contribution Limits	153
Deferred Compensation Regulations	154
5.3 Deferred Compensation Regulations (401(k), 403(b), 457(b))	155
5.4 Nonqualified Plans	155

Module 6: Cafeteria Plans

6.1 Cafeteria Plans	158
IRC Section 125 Components.....	158
IRC Section 125 Elections.....	159
6.2 Flexible Spending Accounts	161
Flexible Spending Accounts	161

Module 7: Payroll Reporting and Employment Taxes

7.1 Tax Deposit Requirements	168
Lookback Period	168
Tax Deposit Frequency	171
Calculate Federal Tax Deposits	177
Tax Deposit Methods.....	177
Federal Tax Forms (An Overview).....	182
7.2 Quarterly Returns	183
Purpose of Form 941.....	183
Form 941 Reporting/Filing Requirements.....	183
Form 941 Line-By-Line Reporting Requirements.....	188
Schedule B (Form 941) Reporting/Filing Requirements.....	194
Schedule B (Form 941) Line-By-Line Requirements.....	195
7.3 Annual Returns	200
Forms W-2, W-3, and Electronic Filing	200
Federal Unemployment Tax	228
Forms 1099	245
Other Annual Returns	249
7.4 Correcting Returns	251
Purpose of Form W-2c.....	251
Form W-2c Reporting/Filing Requirements	251
Form 843 Purpose and Reporting/Filing Requirements	252
7.5 Other Reporting Requirements	252
Taxation and Reporting of Wages Paid to Deceased Employees	252
Calculate Withholding for Wages Paid to Deceased Employees	253

Module 8: Record Keeping and Payroll Practices

8.1 Payment Methods	256
Payment by Check or Cash	256
Payment by Direct Deposit	259
Payment by Payroll Card	267
Escheat	270
Other Payment Regulations	271
8.2 Payroll Practices	272
Payroll Processing.....	272
Confidentiality	282
Legislation Impacting Payroll.....	284
8.3 Record Keeping	285
DOL Record Keeping Regulations	287
IRS Record Keeping Regulations	288
USCIS Record Keeping Regulations	289
HIPAA Record Keeping Regulations	290
8.4 Systems	291
System Processes	291
Other System Issues.....	297
8.5 Penalties	299
DOL Penalties	299
IRS Penalties.....	300

Module 9: Payroll Accounting

9.1 Accounting Terminology	304
Accounting Principles.....	304
Accounting Periods.....	310
Accounting Entries.....	311
9.2 Account Classification	313
Account Classifications	313
9.3 Journal Entries	316
Purpose and Recording of Payroll Journal Entries	316
Recording and Posting Payroll Transactions	318
Purpose and Recording of Accruals and Reversals	322
9.4 Reconciliations	324
Repayment of Wages	324
Reconciliation of Output Reports	324
9.5 Internal Control	325
Internal Controls	325

Module 10: Payroll Administration and Management

10.1 Customer Service	332
Definition	332
Responding Efficiently to and Resolving Customer Requests	332
10.2 Communication	336
Communicate Effectively	336
Effective Communication Techniques.....	337
10.3 Time Management	340
Time Management Techniques.....	340