

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 4
 - Disability Insurance Tax 5
 - Employee Benefits 5
- 1.2 Introduction to Payroll5**
 - Challenges 6
 - The Payroll Process 7
- 1.3 Employee/Independent Contractor7**
 - Worker Classification 7
 - Backup Withholding 16
 - New Hire Reporting 17
 - Social Security Numbers 19
- 1.4 Fair Labor Standards20**
 - Fair Labor Standards: Concepts 20
 - Exempt/Nonexempt Employees: Concepts 21
 - Exempt/Nonexempt Employees: Definition 22
 - Minimum Wage 24
 - Tips 27
 - Regular Rate of Pay 30
 - Payments to Include in Regular Rate of Pay 30
 - Payments to Exclude from Regular Rate of Pay 32
 - The Workweek 36
 - Overtime 39
 - Work Hours 41
 - Other FLSA Provisions 45
- 1.5 Employment Forms47**
 - Employee Forms 47

Module 2: Calculations of Pay

- 2.1 Calculation of Regular Pay62**
 - Calculate Regular Pay for Time Worked 62
 - Calculate Other Pay 63
 - Calculate Regular Rate of Pay 65

2.2 Calculation of Overtime Premium	66
Calculate Overtime Using a Weighted Average.....	68
Calculate Nonexempt Salaried Overtime Premium Pay.....	69
Calculate Commission Overtime Premium Pay	70
Calculate Piecework Overtime Premium Pay.....	71
2.3 Calculation of Gross Pay	72
Final Pay	73
2.4 Calculation of Federal Taxes	74
Taxable Wages.....	74
Federal Income Tax Withholding.....	76
2.5 Calculation of Social Security and Medicare Taxes	101
Social Security Tax Withholding Requirements	101
Other FICA Tax Considerations	104
2.6 Calculation of Voluntary Deductions	105
Union Dues	105
Credit Union Deductions	106
2.7 Calculation of Employer Tax Liability	106
Calculate Employer Social Security Liability	106
Calculate Employer Medicare Liability.....	107
Calculate Employer Total Tax Liability	107
2.8 Calculation of Gross-Ups	108
Grossing-up.....	108
2.9 Other Tax Considerations	110
Multi-State Income Taxation.....	110

Module 3: Calculations of Deductions and Net Pay

3.1 Calculation of Involuntary Deductions	116
Withholding Orders	116
Child Support.....	116
Federal Tax Levy.....	124
Creditor Garnishments.....	131
Other Withholding Orders	135
Federal Administrative Wage Garnishments.....	138
3.2 Calculation of Net Pay	142
Calculate Total Deductions.....	142
Calculate Net Pay.....	143
Total Cost of Payroll.....	144

Module 4: Fringe Benefits and Other Payments

4.1 Fringe Benefit Rules	146
IRS Regulations Impacting Payroll	147
Taxation Requirements	147
Fair Market Value	147
4.2 Nontaxable Benefits	148
Section 132 (Income Exclusion Basics)	148
No-Additional-Cost Fringe Benefits.....	149
Qualified Employee Discounts	150
De Minimis Fringe Benefits	150
Working Condition Fringe Benefits	152
Qualified Transportation Fringe Benefits	153
On-Premises Athletic Facilities	157
Qualified Retirement Advice	157
Moving Expenses.....	158
4.3 Employer-Provided Benefits	159
Awards and Prizes Income/Exclusion	159
Personal Use of Company Vehicles.....	161
Accounting for Vehicle Use	161
Group-Term Life Insurance	167
Educational Assistance	170
4.4 Other Payments	171
Advances and Overpayments.....	171
Bonuses	172
Commissions.....	173
Jury Duty Pay.....	173
Retroactive Wage Payments	174
Taxable Tips	174
Repayment of Employer-Provided Loans.....	177
Workers' Compensation	177

Module 5: Retirement Plans

5.1 Retirement and Deferred Compensation Plans	180
Qualified Pension and Profit-Sharing Plans	180
5.2 Deferred Compensation Plans	181
Deferred Compensation	181
Annual Compensation and Contribution Limits.....	182
Deferred Compensation Regulations	183
How After-Tax and Pre-Tax Contributions Affect Net Pay	185
5.3 Deferred Compensation Regulations (401(k), 403(b), 457(b))	186
5.4 Nonqualified Plans	186

Module 6: Cafeteria Plans

6.1 Cafeteria Plans	190
IRC Section 125 Components.....	190
IRC §125 Elections	191
6.2 Flexible Spending Arrangements	193
Flexible Spending Arrangements.....	193

Module 7: Payroll Reporting and Employment Taxes

7.1 Tax Deposit Requirements	200
Lookback Period	200
Tax Deposit Frequency	203
Calculate Federal Tax Deposits	209
Tax Deposit Methods.....	209
Federal Tax Forms (An Overview).....	213
7.2 Quarterly Returns	215
Purpose of Form 941.....	215
Form 941 Reporting/Filing Requirements	216
Form 941 Line-By-Line Reporting Requirements.....	220
Schedule B (Form 941) Reporting/Filing Requirements	226
Schedule B (Form 941) Line-By-Line Requirements.....	227
7.3 Annual Returns	232
Forms W-2, W-3, and Electronic Filing	232
Federal Unemployment Tax	259
Forms 1099	276
Forms 1094-C and 1095-C	282
Other Annual Returns	283
7.4 Correcting Returns	285
Purpose of Form W-2c.....	285
Purpose of Form 941-X	286
Purpose of Form 843.....	286
7.5 Other Reporting Requirements	287
Taxation and Reporting of Wages Paid to Deceased Employees	287
Calculate Withholding for Wages Paid to Deceased Employees	288

Module 8: Record Keeping and Payroll Practices

8.1 Payment Methods	290
Payment by Check or Cash.....	290
Payment by Direct Deposit	293
Payment by Paycard.....	302
Escheat.....	305
Other Payment Regulations	305

8.2 Payroll Practices	307
Payroll Processing	307
Confidentiality	316
Legislation Impacting Payroll	321
Business Continuity Plans	322
Workflow	323
Service Level Agreements	324
8.3 Record Keeping	325
DOL Record Keeping Regulations	327
IRS Record Keeping Regulations	327
USCIS Record Keeping Regulations	328
HIPAA Record Keeping Regulations	329
8.4 Systems	330
System Processes	330
Other System Issues	340
8.5 Penalties	342
DOL Penalties	342
IRS Penalties	343

Module 9: Payroll Accounting

9.1 Accounting Terminology	348
Accounting Principles	349
Accounting Periods	352
Balance Sheet and Income Statement	353
9.2 Account Classification	355
Recording Transactions	355
Account Balances	357
Debits and Credits	357
9.3 Journal Entries	358
Recording of Payroll Journal Entries	358
Posting Payroll Transactions	359
Purpose and Recording of Accruals and Reversals	363
9.4 Reconciliations	364
Reconciliation of Output Reports	364
9.5 Internal Control	365
Internal Controls	365
Audits—External and Internal	369

Module 10: Payroll Management Administration

10.1 Customer Service	374
Principles of Customer Service.....	374
Customer Service Training.....	375
Responding to and Resolving Customer Requests	376
10.2 Communication	377
Communicate Effectively	377
Effective Communication Techniques.....	378
10.3 Personal Time Management	379
Personal Time Management Techniques.....	379

Module 11: Health Benefits

11.1 Health Benefits Basics	384
11.2 Taxation of Health Plans	384
11.3 HSA/HRA & COBRA	384
11.4 Employer Shared Responsibility and Reporting	384
Information Reporting by Applicable Large Employers Under the ACA.....	384
11.5 Health Insurance Reporting on Form W-2	385

Module 12: International Payments

12.1 Nonresident Aliens	388
Resident/Nonresident Alien Taxation.....	388
12.2 Expatriates	388
Expatriates/Resident Aliens.....	388