
Overview

This unit is about calculating employees' gross and net pay. It involves:

- 1 calculating gross pay
- 2 processing entitlements and deductions
- 3 calculating and verifying net pay
- 4 resolving employees' queries about their pay

In this function, you are working with instructions and/or figures provided by someone else (see Unit P-3 Determine Entitlements and Deductions). You are not responsible for verifying the legality of instructions or complying with employees' rights.

Performance criteria

You must be able to:

- P1 check all data and documentation relating to temporary variations for accuracy, reasonableness and proper authorisation
- P2 identify employees where action is required to ensure payment and correctly enter relevant details into the system
- P3 check rates for overtime payments against agreed scales for each type of employee affected
- P4 process pensions and expenses payments
- P5 process temporary payments and deductions accurately and identify the appropriate tax and national insurance treatment for them as well as any effect they may have on pension contributions
- P6 process termination payments in accordance with legislative requirements
- P7 check the employment status of all employees and verify their entitlement to receive pay for the pay period
- P8 enter any applicable pre-tax deductions and all relevant statutory and non-statutory voluntary or contractual deductions into the system
- P9 produce and distribute accurate and legible payslips in accordance with statutory and organisational requirements
- P10 check net pay totals to ensure that the full range of applicable allowances and deductions has been made
- P11 file source documents in a logical and orderly manner in accordance with statutory and organisational requirements
- P12 effectively resolve queries relating to pay calculations in a polite, secure and timely manner;
- P13 refer enquiries to the appropriate person when you do not have the authority or expertise to resolve them
- P14 maintain the security and confidentiality of data, particularly employees' personal details or other sensitive information, at all times

Knowledge and understanding

Types of payroll

You need to know and understand:

- K1 negative payrolls (those where employees will be paid automatically unless action is taken to prevent payment)
- K2 positive payrolls (those where employees will not be paid unless individual payments are specifically instructed in the system)

The statutory framework

You need to know and understand:

- K3 legislation relating to payroll processing and data protection
- K4 types of temporary variations
- K5 sources of authorisation
- K6 types of statutory additions to pay
- K7 types of pre-tax deductions
- K8 types of statutory and non-statutory deductions

The organisation

You need to know and understand:

- K9 how to check that the payment due is valid and authentic
- K10 the organisation's procedures and timeline for initiating, making and monitoring payments
- K11 the organisation's signatories and authorisations procedures
- K12 the organisation's procedures for maintaining the security and confidentiality of information
- K13 organisational, external agency and employee requirements for information
- K14 sources of information for resolving discrepancies

Links to other NOS

1. CAS Computerised Accounting Software [Link](#)
2. SS Spreadsheet Software [Link](#)
3. BS Bespoke or Specialist Software [Link](#)
4. PM Project Management Software [Link](#)
5. WP word processing software [Link](#)
6. ITS IT security for users [Link](#)
7. E1 Manage a budget [Link](#)
8. F1 Manage a project [Link](#)
9. E2 Manage Finance In your area of responsibility [Link](#)
10. D16 Manage Redundancies In Your Area Of Responsibility [Link](#)
11. MN3 Keep Financial Records For Your Business [Link](#)
12. MN4 Manage Cash Flow In Your Business [Link](#)
13. MN5 Get Customers To Pay On Time [Link](#)
14. MN8 Monitor Borrowing For Your Business [Link](#)
15. MN9 Carry Out The Banking For Your Business [Link](#)
16. MN10 Prepare Wages [Link](#)
17. MN11 VAT Registration And Returns [Link](#)
18. E11 Communicate Information And Knowledge [Link](#)
19. ICF IT Communication Fundamentals [Link](#)
20. ISF IT Software Fundamentals [Link](#)
21. B8 Ensure Compliance With Legal, Regulatory, Ethical And Social Requirements [Link](#)
22. E9 Manage The Environmental Impact Of Your Work [Link](#)
23. HSS7 Make Sure Your Own Actions Within The Workplace Aim To Protect The Environment [Link](#)
24. HSS1 Make Sure Your Own Actions Reduce Risks To Health And Safety [Link](#)
25. HSS2 Develop Procedures To Safely Control Work Operations [Link](#)
26. HSS6 Conduct A Health And Safety Assessment Of A Workplace [Link](#)
27. IUF IT User Fundamentals [Link](#)
28. EE5 Build Relationships to Build Your Business [Link](#)
29. F5 Resolve Customer Service Problems [Link](#)
30. F6 Monitor And Solve Customer Service Problems [Link](#)
31. F7 Support Customer Service Improvements [Link](#)
32. F14 Prepare For And Participate In Quality Audits [Link](#)
33. F15 Carry Out Quality Audits [Link](#)
34. LG2 Keep Up To Date With Current Legislation Affecting Your Business [Link](#)

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Calculate pay

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Originating organisation	Financial Skills Partnership
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Original URN	P2
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Relevant occupations	3537 Financial and accounting technicians; 4121 Credit controllers; 4122 Accounts and wages clerks, book-keepers, other financial clerks
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Suite	Accountancy
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Key words	Accountancy and Finance
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