



The Institute of Certified Bookkeepers

**ICB Level 2 Certificate in
Payroll Administration**

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1. About ICB

The Institute of Certified Bookkeepers (ICB) is the largest bookkeeping institute in the world. It promotes and maintains the standards of bookkeeping as a profession through the establishment of relevant qualifications and the award of grades of membership that recognise academic attainment, working experience and competence.

In ICB's role as a membership body it provides ongoing support to members to ensure they are knowledgeable and up to date with the latest legislation, mindful of their ethical obligations, and best-placed to provide a trusted and exemplary service to business.

ICB Objectives

- to promote bookkeeping as a profession
- to increase recognition for bookkeeping as an integral part of the financial profession
- to promote education and learning
- to enable the achievement of a recognised bookkeeping qualification
- to provide a trusted benchmark for the profession
- to improve the career prospects of ICB members

ICB Principles

ICB believes that sound financial management can have a profound effect on society at a personal, professional and global level. ICB is passionate about empowering students of all ages and backgrounds to learn new skills, find fulfilling employment or set up their own businesses. By creating a pool of highly qualified bookkeeping talent ICB endeavours to help business owners take control of their finances at the right cost and, in turn, support the economy as a whole.

2. Introduction to ICB Level 2 Certificate in Payroll Administration

The Level 2 Certificate in Payroll Administration is designed to cover an introduction to the theoretical knowledge and demonstration of the use of various tables and publications issued by HMRC in the handling of payroll related matters.

3. Qualification Aims

The Level 2 Certificate in Payroll Administration is aimed at those who are new to payroll and have little or no previous knowledge or experience. Successful candidates will be able to carry out the role of a Payroll Assistant and will be able to demonstrate a good basic understanding of payroll services and running basic payroll calculations, or as an employed Payroll Clerk.

4. Pre-requisites

There are no formal entry requirements to the Level 2 Certificate in Payroll Administration and no prior payroll knowledge is assumed at this level. However, candidates must have basic numerical skills and a good understanding of the English language.

5. Qualification Structure

The Level 2 Certificate in Payroll Administration is made up of seven topics:

- Underpinning Knowledge
- Calculation of Gross Pay
- National Insurance Contributions
- Pay as You Earn
- Auto Enrolment (Workplace) Pensions
- Use of Payroll Forms
- Application of Payroll Calculations

The learning outcomes for each topic are listed below:

Topic 1 - Underpinning Knowledge

Learning Outcome:

- 1.1 Demonstrate knowledge and understanding of the theory of payroll

Topic 2 – Calculation of Gross Pay

Learning Outcome:

- 2.1 Demonstrate knowledge and understanding of, and be able to calculate, the various payments that can make up an employee's gross pay

Topic 3 – National Insurance Contributions

Learning Outcome:

- 3.1 Show knowledge and understanding of and be able to calculate, through the use of tables, the amount of National Insurance Contributions that will be deducted from gross pay.

Topic 4 – Pay as You Earn

Learning Outcome:

- 4.1 Show knowledge and understanding of the concept of PAYE, together with the use of tax codes, to correctly calculate the amount of PAYE to be deducted in a given period.

Topic 5 – Auto Enrolment (Workplace) Pension

Learning Outcome:

- 5.1 Demonstrate knowledge and understanding of the requirements and trigger points for Auto Enrolment pensions.

Topic 6 – Use of Payroll Forms

Learning Outcome:

- 6.1 Understand the use of various forms that are used within a payroll system.

Topic 7 – Application of Payroll Calculations

Learning Outcome:

- 7.1 Understand and be able to complete the various forms that apply to a business running a payroll system.

6. Assessment

The testing of knowledge and skills for the qualification will comprise one online assessment, which is taken in the candidate's home or place of work. The assessment involves online questions covering the underpinning knowledge of the subject and the calculation of assorted payroll computations, along with some scenario based questions.

7. Results

The Level 2 Certificate in Payroll Administration assessment is computer marked and therefore results are available immediately after completion by logging into MyICB.

8. Grading

The assessment is taken at home or at the place of work, and will be graded as follows:

Distinction	95 -100%
Merit	90 - 94%
Pass	85 - 89%
Fail	0 - 84%

Once the assessment has been successfully completed a certificate is awarded and graded at Distinction, Merit or Pass.

9. Level 2 Certificate in Payroll Administration – detailed syllabus

The following detailed syllabus provides the Learning Outcomes and Assessment Criteria for each topic which makes up the Level 2 Certificate in Payroll Administration qualification.

Topic 1 - Underpinning Knowledge	
Learning Outcome	Assessment Criteria
1.1 Demonstrate knowledge and understanding of the theory of payroll	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none">• Understand the obligations of the payroll service to the employer, the employee, HMRC and other 3rd parties who are provided with data• Demonstrate a basic understanding of the legislation relating to payroll, discrimination, employment status, data protection and confidentiality• Understand and explain the legislation for PAYE and National Insurance Contributions (NICs)• Understand and explain the requirements of the Working Time Directive in relation to payroll• Demonstrate an understanding of the National Minimum/Living Wage• Demonstrate an awareness of the legislation concerning the provision of a workplace pension scheme• Explain the requirements of providing a payslip, to whom, when and the required details within it• Demonstrate understanding of the schedule of submissions to HMRC under the "Real Time Information" (RTI) scheme• Understand what information must be submitted to HMRC and the relevant deadlines that apply

Topic 2 – Calculation of Gross Pay

Learning Outcome	Assessment Criteria
2.1 Demonstrate knowledge and understanding of, and be able to calculate, the various payments that can make up an employee's Gross Pay	<p>On successful completion the candidate will be able to:</p> <ul style="list-style-type: none">• Calculate the correct gross pay for each pay period for employees who are paid an annual salary, weekly wage, hourly pay, overtime and bonuses• Demonstrate an awareness of the different types of calculation that can be used for part-period payments for starters/leavers

Topic 3 – National Insurance Contributions

Learning Outcome	Assessment Criteria
3.1 Show knowledge and understanding of, and be able to calculate through the use of tables, the amount of National Insurance Contributions that will be deducted from gross pay	<ul style="list-style-type: none">• Understand and explain the difference between the various NI tables that can be used when calculating National Insurance Contributions• Be able to identify NIable pay for a period using a gross pay figure• Use appropriate tables/calculators to determine the NI Contributions due for a pay period

Topic 4 – Pay As You Earn

Learning Outcome	Assessment Criteria
4.1 Show knowledge and understanding of the concept of PAYE, together with the use of tax codes to correctly calculate the amount of PAYE to be deducted in a given period	<ul style="list-style-type: none">• Understand how tax codes (excluding K Codes) are calculated• Understand the implication and application of Tax codes• Given a tax code to be applied, be able to calculate the amount of any pay adjustment that an employee may receive in any given period• Determine the amount of pay that is taxable for an employee with a given tax code• Determine the correct amount of PAYE to be deducted for a given period• Understand how to deal with notifications of change in tax code issued by HMRC (Forms P6 and P9)

Topic 5 – Auto Enrolment (Workplace) Pensions

Learning Outcome	Assessment Criteria
5.1 Demonstrate knowledge and understanding of the requirements and trigger points for Auto Enrolment pensions	<ul style="list-style-type: none">• Demonstrate an understanding of the legislation and the requirements of Auto Enrolment (workplace) pensions• Understand the trigger points for automatic enrolment into the scheme and the value of the contributions required• Demonstrate an awareness of the different rules around opting out of a scheme

Topic 6 – Use of Payroll Forms

Learning Outcome	Assessment Criteria
<p>6.1 Understand the use of the various forms that are used within a payroll system</p>	<ul style="list-style-type: none"> • Understand when and how to apply a P45 for a starter • Demonstrate an understanding of how a starter checklist form is completed and used • Demonstrate an awareness of all other relevant payroll forms

Topic 7 – Application of Payroll Calculations

Learning Outcome	Assessment Criteria
<p>7.1 Understand and be able to complete the various forms that apply to a business running a payroll system</p> <p>Scenarios may include but are not limited to:</p> <ul style="list-style-type: none"> a) Adding a starter to a system using a starter checklist b) Payment of overtime at various rates c) Making a bonus payment to a defined range of employees d) Processing a change to an employee's tax code or basis under which a tax code operates 	<ul style="list-style-type: none"> • Understanding the details required to begin processing a payroll for a company, including appropriate company and existing employee details • Demonstrate the knowledge for the details required to process payment for a new starter • Complete basic gross to net calculations for employees on both a weekly and monthly basis using a variety of tax codes and NI categories (excluding K Codes) • Produce reports detailing gross pay, deductions and net pay for each period – this can be done via a spreadsheet or other suitable electronic method • Identify the details required in order to process pay for a new starter • Demonstrate an understanding of the requirements and impact of RTI returns

10. Diversity and Equality Policy

ICB is committed to ensuring fair and equal access to our qualifications, examinations, support materials and all other services. ICB strives to maintain professional standards for the benefit of all students, members, suppliers, stakeholders and ICB staff.

Please refer to the ICB website for a copy of our Diversity and Equality policy.

11. Customer Service Statement

ICB is committed to providing a high standard of customer service and ensuring all customers are dealt with promptly and in a professional and helpful manner. To achieve this, ICB commits to ensure that:

- All customers are treated with courtesy and respect
- All customers are treated individually, equally and in a professional manner
- All customer information will be treated confidentially and only used in a way which has been agreed in advance, unless ICB is informed of something that places them or others at risk or harm

Please refer to the ICB website for a copy of our Customer Service Statement policy.

12. Reasonable Adjustments and Special Considerations Policy and Procedure

ICB is keen to ensure we provide a fair and consistent assessment process for all students. ICB recognises that there are sometimes circumstances beyond the control of the student that may have an impact on their level of ability whilst undertaking assessment. ICB will consider all appropriate Reasonable Adjustments and Special Consideration requests.

Please refer to the ICB website for a copy of our Reasonable Adjustment and Special Considerations policy.

13. Enquiries and Appeals Policies

ICB is continually working to uphold a high level of service by ensuring quality assurance standards are maintained at all times. ICB aims to ensure that all assessment outcomes are fair, consistent and reliable. However, occasions may arise where a student may wish to question a decision.

Please refer to the ICB website for a copy of our Enquiries and Appeals policies.



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