

L3 Payroll Online Skills Appraisal (P3OSA) – PM.Dip

Purpose:

This fact sheet explains the L3 Payroll Online Skills Appraisal (P3OSA) for applicants seeking exemption from the ICB Level III Diploma in Payroll Management. It outlines the topics covered, exam structure, scoring and next steps.

P3OSA Assessment Structure:

The P3OSA is a 2-hour online open-book assessment with 30 questions. As part of your exemption application, you will have three opportunities to pass the assessment. The assessment will cover three areas:

- Technical knowledge – multiple-choice questions covering legislation, calculations and statutory payments.
- Practical scenarios – short case studies requiring you to calculate gross-to-net pay and apply deductions and benefits correctly.
- Compliance and ethics – questions on RTI submissions, data protection, confidentiality, audit trails and professional conduct.

Topics Covered:

The P30SA assesses knowledge, understanding and practical competence across the core elements of payroll management, including:

1. Legislation, data protection and professional ethics
2. Calculation of gross pay, including hourly, salaried and irregular earnings
3. Statutory payments: sick, maternity, paternity, adoption and shared parental pay
4. National Insurance contributions and other statutory deductions (e.g. student loans, attachments of earnings)
5. Pay As You Earn (PAYE) systems, tax codes and real-time information (RTI) submissions
6. Benefits and expenses, including benefits-in-kind and Class 1A NICs
7. Directors' remuneration and complex payroll scenarios
8. Pension schemes and auto-enrolment
9. Year-end procedures, including P45, P60 and P11D forms
10. Payroll software and systems proficiency
11. Problem-solving, judgement and audit readiness
12. Communication with HMRC, clients and employees, and ongoing professional development

Scoring and Attempts:

As you are applying for exemption from an ICB qualification, you are expected to achieve a score of at least 85% in your exam. The OSA is open book, but all work must be your own. You have three attempts to achieve the required pass mark. If you need additional support, a Level 3 Payroll Learning Hub is available to purchase (<https://www.bookkeepers.org.uk/Shop/Payroll-Learning-Hub-2025-26/p/1329/>).

Example P30SA questions are provided at the end of this Fact Sheet.

Assessment Booking:

Once each assessment is booked, you will receive an email letting you know that your paper is ready. Along the lines of:

Dear candidate,

Your assessment is now ready, please log in to www.bookkeepers.org.uk/MyICB/Assessments for information.

*This paper will be valid for exactly **14 days** from the date and time you are booked in.*

*This time frame **includes** the period of **two hours** allowed to complete the paper, the countdown for which commences when you click the '**Start**' button. Your remaining time will be clearly visible on screen at all times whilst you are completing the examination.*

If you get stuck on a particular topic, you can move on and come back to it later.

As you have relevant prior learning and/or experience and are applying for exemptions from ICB qualifications, you are expected to earn 85% of the available marks in your Online Skills Appraisal. You have been given 2 hours to complete the work and, although the work must be exclusively your own, this is 'open-book' work.

The Institute of Certified Bookkeepers cannot be held responsible for loss of internet access, computer breakdown or any other problem arising from technical issues on the candidate's personal computer. It is the candidate's responsibility to carefully check all answers submitted before ending the assessment. Once the Finish button has been clicked the result is final.

Next Steps:

When you have completed the appraisal, a summary of your answers will appear on screen. You must ensure that you are happy with all your responses before clicking "Finish", as you will not be able to access the paper again. If you pass, contact the Exemptions team to confirm the next steps. If you are unsuccessful and have attempts remaining, contact the team (Tel. 0203 405 4000 or exemptions@bookkeepers.org.uk) to schedule your next appraisal attempt.

Example Questions

(NB. These examples are not real questions; they are not designed for you to complete them.)

Calculation of Gross Pay

Time remaining: 1 hour 5 minutes

This section contains 5 Marks

Next >

1. Nadia is paid monthly. Her monthly salary is calculated by dividing her annual salary by 12. If this is not an exact amount, round to the nearest 1p using normal rounding rules. Where there is a part-month calculation, the company subtracts pay for days not worked in the month from the normal monthly salary. This requires the calculation of a daily rate of salary. This is performed by taking the annual salary, dividing by 52 and then dividing by the working days in the week. Apply the normal rounding rules to the result before proceeding.

Nadia works a 5-day week and is paid an annual salary of £33,540.

How much is Nadia's basic salary each month?

How much will Nadia earn for a single day?

In April, Nadia takes 4 days unpaid leave. What will be the balance of her salary due in April 2026?

In May 2026 Nadia works a full month and receives her monthly salary as normal. Also, she is awarded a bonus equivalent to 3 days' pay.

What will Nadia's gross pay be for May 2026?

At the end of the following month, Nadia leaves her employment. She receives her monthly salary as normal and a payment for 2 days outstanding holiday entitlement.

What will Nadia's final gross pay be?

1. It is August 2026 and you take on a new monthly paid employee, Amira, who completes and signs a new starter checklist, ticking Statement A. What tax code would you allocate to her? (1 Mark)

- ☐ 1257L
- ☐ 1257L Week 1
- ☐ BR
- ☐ 0T

1. NEST (The National Employment Savings Trust) is the only pension provider which offers suitable pension schemes for workplace pensions / Auto-Enrolment.

(1 Mark)

☐ True

☐ False

1. A company usually pays all subcontractors on the last day of each month. In March 2027 they decide to make payment early before the Easter break. Actual payment is made on 26th March 2027. By which date must the company file a CIS return containing this information?

(1 Mark)

- ☐ 19th March 2027
- ☐ 31st March 2027
- ☐ 19th April 2027

1. Marina works Tuesday, Thursday and Friday each week earning a weekly wage of £276. During tax year 2026/27 she is unfit for work due to sickness on the following dates: (2 Marks)

09 - 13 June inclusive

17 - 18 July inclusive

02 - 05 September inclusive

Over the course of these periods of sickness, for how many days in total will Marina receive Statutory Sick Pay?

You may click on any section to go back to check your answers. It is your responsibility to check that you have completed all the tasks and that you are happy with your answers before you click 'Finish' from the final screen, at which point your answers will be submitted and you will no longer be able to gain access to this paper.

Once you have answered all the questions and clicked 'Finish' you will be taken to a screen which shows a summary of the sections of the exam.