



ASSESSOR GUIDE

FNSTPB402

# Establish and maintain payroll systems

## Assessment 1 of 3

Short Answer Questions



## Tax Practitioners Board (TPB) BAS agent registration

In Australia if you want to provide BAS services for a fee or other reward, you must be registered with the Tax Practitioners Board (TPB).

To become a registered BAS agent, you must satisfy specific qualifications and experience requirements, which are set out in the Tax Agent Services Regulations 2022 (TASR).

You may apply to register as a BAS agent through one of two options outlined in the TASR (item 101 or 102), depending on your experience.

	Primary qualification	Board approved course in GST/BAS taxation principles	Voting member of a recognised BAS or tax agent association	Relevant experience
<b>101</b> Accounting qualifications	At least Certificate IV Financial Services in bookkeeping or accounting	✓	✗	1,400 hours in past four years
<b>102</b> Professional association membership	At least Certificate IV Financial Services in bookkeeping or accounting	✓	✓	1,000 hours in past four years

### Summary of qualifications and experience requirements

- Item 101 - Accounting qualifications
  - A Certificate IV Financial services (or a higher award) in bookkeeping or accounting from a registered training organisation or an equivalent institution
  - Board approved course in basic GST/BAS taxation principles (GST/BAS course)
  - 1,400 hours of relevant experience in the past four years.
- Item 102 - Professional association membership
  - A Certificate IV Financial services (or a higher award) in bookkeeping or accounting from a registered training organisation or an equivalent institution
  - Board approved course in basic GST/BAS taxation principles (GST/BAS course)
  - A voting member of a recognised BAS or tax agent association
  - 1,000 hours of relevant experience in the past four years.

### Board approved courses

Board approved courses are nationally recognised units that have been approved by the Tax Practitioners Board (TPB) for registration purposes.

FNSTPB401 - Complete business activity and instalment activity statements, and FNSTPB402 - Establish and maintain payroll systems are included in this FNS40217 Certificate IV in accounting and bookkeeping qualification. Together they meet the TPB approved course in basic GST/BAS taxation principles (GST/BAS course) academic requirements for registration as a BAS agent.

More information on [BAS agent registration](#) can be found on the TPB website.





Please consider the environment before printing this assessment.

## Question 1

Access the Australian Taxation Office (ATO) website <https://www.ato.gov.au/Tax-professionals/Your-practice/Tax-and-BAS-agents/Newly-registered-BAS-agents>.

- a. List three (3) services a BAS agent providing payroll services on behalf of a client can provide.

(Approximate word count: 50 words)

- b. List two (2) documents you need to provide when you apply for registration as an individual BAS agent.

(Approximate word count: 50 words)

**Assessor Instructions:** The student must access the ATO website and list

- any three (3) of the services a BAS agent providing **payroll services** on behalf of a client can provide and
- two (2) documents you need to provide when you apply for registration as an individual BAS agent.

A sample answer is provided below.

a. Service a BAS agent providing payroll services can provide.

- Advising clients about their obligations under BAS provisions, including:
  - fringe benefits tax (FBT)
  - pay as you go (PAYG) withholding
- Preparing and lodging approved forms about a client's liabilities, obligations or entitlements under BAS provisions
- Dealing with ATO on behalf of a client in relation to their obligations under BAS provisions
- Calculating and lodging income statements, employee termination payments, gross wages, allowances and other taxable and non-taxable payroll items
- Completing and lodging Single Touch Payroll (STP) reports to the ATO
- Calculating, paying, verifying and reporting super guarantee (SG) contributions
- Determining and reporting an SG shortfall amount and any associated administrative fees
- Dealing with super payments made through a clearing house
- Completing and lodging a taxable payments annual report to the ATO
- Sending a tax file number declaration to the Commissioner
- Applying to the Registrar for an Australian business number (ABN).

b. Two (2) documents you need to provide when you apply for registration as an individual BAS agent.

- Australian-issued identity documents such as your driver's licence, Medicare card or passport to satisfy your proof of identity (POI).
- Electronic copies of award certificates and academic transcripts from a registered training organisation or an equivalent institution to show that you have completed the required qualifications.
- Statement/s of relevant experience from your supervising tax agent, BAS agent or employer demonstrating the required amount of experience.
- Membership details of any recognised BAS or tax agent associations, if applicable.

## Question 2

Describe a modern award. Your description must include the general principles of a modern award that must be applied in maintaining a payroll system.

(Approximate word count: 130 words)

**Assessor Instructions:** The student must describe in approximately 130 words what a modern award is and include the general principles of modern awards that must be applied in maintaining payroll systems.

A sample answer has been provided below, listing the points that **must be** covered.

Points that **must be** covered:

- Modern awards are legal documents that set a minimum set of employment entitlements for specific industries or occupations, and these are applied on top of the national employment standards.
- Modern awards apply to all employees covered by the national workplace relations system.
- Modern awards are industry or occupation-based and apply to employers and employees who perform work covered by the award.
- Managers or higher income employees may not be covered by a modern award even if one applies to the industry in which they work.
- In establishing and maintaining an organisation's payroll system, it is essential that the prescribed pay, hours of work, rosters, breaks, allowances, penalty rates and overtime entitlements in the award covering the industry/occupation are followed.

## Question 3

Access the [List of awards - Fair Work Ombudsman](#).

- a. What award would a payroll officer working in a call centre be covered under?
- b. List the three (3) types of employment covered under this award.
- c. List three (3) types of leave covered under this award

**Assessor Instructions:** The student must access the Fair Work Ombudsman website and identify which award a payroll officer working in a call centre would be covered under. Once they have identified the award, they must list the three (3) types of employment covered and three (3) types of leave covered under this award.

A sample answer is provided below.

a. The student **must** identify:

Contract Call Centres Award 2020 (MA000023)

b. The student **must** list the following three types of employment:

- Full-time employees

- Part-time employees
- Casual employees

c. The student **must list any three** of the following leave types:

- Annual leave
- Personal/carer's leave
- Compassionate leave
- Parental leave
- Community service leave
- Unpaid family leave
- Domestic violence leave

#### Question 4

Describe an enterprise agreement. Your description must include:

- how enterprise agreements affect the application of modern awards in maintaining a payroll system
- the principles of enterprise agreements that must be applied in maintaining a payroll system.

(Approximate word count: 130 words)

**Assessor Instructions:** The student must describe in approximately 130 words what an enterprise agreement is. Their description must include:

- how enterprise agreements affect the application of modern awards in maintaining a payroll system
- the principles of enterprise agreements that must be applied in maintaining a payroll system.

A sample answer has been provided below, listing the points that **must be** covered.

Points that **must be** covered:

- Enterprise agreements are agreements made at an enterprise level between employers and employees and their union about terms and conditions of employment. They can also be made by more than one employer, with a group of employees.
- When a workplace has a registered agreement, the award doesn't apply. However:
  - the base pay rate in the registered agreement can't be less than the base pay rate in the award
  - the National Employment Standards still apply
  - any terms about out workers in the award still apply.
- The following principles in enterprise agreements must be applied in maintaining payroll systems:
  - rates of pay
  - employment conditions, e.g. hours of work, meal breaks, overtime
  - deductions from wages for any purpose authorised by an employee.

## Question 5

A client of yours is trying to decide whether to continue using their manual payroll system or upgrade to a computerised system. To help them make a choice, explain the differences between a manual and a computerised payroll system. Your answer should include:

- two features of each type of system
- two advantages of each type of system
- two disadvantages of each type of system.

(Approximate word count: 10-15 words per feature, advantage and disadvantage for each type of system)

**Assessor Instructions:** The student must identify two (2) features, two (2) advantages and two (2) disadvantages of both a computerised and manual payroll system.

A sample answer is provided below.

	Computerised Payroll System	Manual Payroll System
Two (2) features	<ul style="list-style-type: none"> <li>• An automatic payroll system automatically calculates all payroll data.</li> <li>• Can print out payroll slips and reports.</li> <li>• Electronically direct crediting of pay</li> <li>• Compliant with ATO STP requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Payroll is manually calculated for each payroll period based on employees' timesheets.</li> <li>• Employees fill out timesheets.</li> <li>• All documents, such as payslips created by hand.</li> </ul>
Two (2) advantages	<ul style="list-style-type: none"> <li>• Automatically calculates payroll data</li> <li>• Easy for staff to use</li> <li>• Includes automatic updates such as tax tables</li> <li>• Back-ups are automatic</li> <li>• Saves time</li> <li>• Accuracy</li> <li>• Able to directly pay PAYG and SG from within the system</li> </ul>	<ul style="list-style-type: none"> <li>• Low Cost</li> <li>• It may suit small businesses that have a small number of employees</li> <li>• Easy to set up</li> </ul>
Two (2) disadvantages	<ul style="list-style-type: none"> <li>• Higher cost than manual</li> <li>• Data security can be an issue</li> <li>• Staff need to be trained to use the system, which may take time and money</li> </ul>	<ul style="list-style-type: none"> <li>• Time-consuming as calculations are manually calculated.</li> <li>• Greater likelihood of mistakes</li> <li>• Disaster recovery plans are harder to implement</li> <li>• Not compliant with ATO STP requirements</li> </ul>



## Question 6

Explain in your own words:

- why is it important for organisations to have privacy policies and procedures in place
- what a payroll officer needs to be aware of when dealing with personal information?

(Approximate word count: 200 words)

**Assessor Instructions:** The student must explain in their own words why it is important for organisations to have privacy policies and procedures in place and what a payroll officer needs to be aware of when dealing with personal information.

A sample answer is provided below.

It is important for organisations to have privacy policies and procedures because they disclose how the organisation handles any personal information they collect, how the information is used and if the information is disclosed to any third parties by the organisation.

Payroll officers need to be aware that:

- personal information can only be collected if it is necessary for the function or activity of the organisation
- personal information should not be used or disclosed for a purpose different from the original purpose of collection, except in limited circumstances
- they must take reasonable steps to ensure that personal information collected is accurate, complete and up to date. This includes information collected for the purpose of processing payroll
- they must take steps to protect personal information collected. This may involve setting up appropriate computer hardware and software systems to protect data
- personal information can be transferred to a person or organisation outside Australia only in limited circumstances. These include the requirement that it is reasonably believed that the recipient is governed by comparative privacy laws or that the individual whose personal information is being transferred consents to its transfer.

## Question 7

Outline two (2) circumstances where a payroll service provider does not need to register as a tax agent or BAS agent, as set out in the [Payroll Service Providers Information Sheet](#) issued by the Tax Practitioners Board (TPB) according to the Tax Agent Services Act 2009.

(Approximate word count: 80 – 120 words)

**Assessor Instructions:** The student must access a copy of the Payroll Service Providers Information Sheet (TPB Information Sheet TPB(I) 31/2016) issued by the TPB and, in 80 – 120 words, outline two (2) circumstances where a payroll service provider does not need to register as a tax agent or BAS agent according to the Tax Agent Services Act 2009.

A sample answer has been provided below. The student's response **must include two** of the following.

Circumstances, where a payroll service provider does not need to register as a tax agent or BAS agent according to the Tax Agent Services Act 2009 include:

- The services provided are considered to be 'in-house services'. This includes arrangements where there may be a cost recovery and/or shared services arrangement in place for the provision of the services by entities regarded as in-house service providers
- The services are not provided for a fee or other reward
- The services provided do not meet the definition of tax agent service (which includes BAS service). Such services include, for example:
  - data entry, providing the data entry does not require the interpretation or application of a taxation law
  - coding of transactions based on instructions provided
  - processing of payments
  - the transmission of data to the Commissioner through Standard Business Reporting 2 (SBR2) enabled software, providing the data transmission does not require the interpretation or application of taxation law, as detailed in paragraphs 18 to 20
  - preparing bank reconciliations
  - determining State/Territory obligations or entitlements (including payroll tax and WorkCover).

2022. [online] Available at: <<https://www.tpb.gov.au/payroll-service-providers-tpb-information-sheet-tpbi-312016>> [Accessed 14 April 2022].

## Question 8

Explain why it is important for a payroll officer to understand the Fair Work Act 2009 and the National Employment Standards.

(Approximate word count: 50 words)

**Assessor Instructions:** The student must explain why it is important for a payroll officer to understand the Fair Work Act 2009 and the National Employment Standards.

A sample answer has been provided below.

Payroll officers need to understand the Fair Work Act 2009 and the National Employment Standards to ensure that employees receive their correct entitlements, are provided with access to flexible working arrangements and fairness at work and are not discriminated against in the workplace.

## Question 9

Under the Fair Work Act, how much annual leave is an employee entitled to?

(Approximate word count: 40 words)

**Assessor Instructions:** The student must identify under the Fair Work Act how much annual leave an employee is entitled to.

The student's response **must match** the following.

Full-time and part-time employees accumulate four weeks of paid annual leave for each year of service with the employer based on their ordinary hours of work.

Shift workers may get up to 5 weeks of annual leave per year.

2022. [online] Available at: <<https://www.fairwork.gov.au/leave/annual-leave#how-much-annual-leave-does-an-employee-get>> [Accessed 18 April 2022].

## Question 10

In your own words, explain the superannuation guarantee scheme, including an employee's eligibility for superannuation under the Superannuation Guarantee Act.

(Approximate word count: 250 words)

**Assessor Instructions:** In their own words, the student must explain the superannuation guarantee scheme, including an employee's eligibility for superannuation under the Superannuation Guarantee Act.

A sample answer has been provided below.

The Superannuation Guarantee (Administration) Act 1992 is the primary legislation affecting employers. It outlines the administrative arrangements for the operation of the Superannuation Guarantee (SG) scheme, including assessment of the employer's liability, calculation of the SG charge, payment of the charge and distribution of payments received.

Generally, if you pay an employee \$450 or more (before tax) in salary or wages in a calendar month, you have to pay them superannuation guarantee (SG) on top of their wages. The super guarantee contribution must be paid to an employee's nominated super fund.

On 1 July 2022, various changes to superannuation will come into effect. These include:

- Superannuation Guarantee (SG) contribution rate to be increased to 10.5% as part of the Governments long-term plan to increase the SG rate to 12% by 2025
- \$450 monthly income threshold for super contributions to be removed

Currently, if your employee is under 18 or is a private or domestic worker, such as a nanny, they must also work more than 30 hours per week to qualify for the super guarantee contribution. This requirement will be removed on 1 July 2022.

If the employee is a temporary resident, such as a backpacker or a working holidaymaker, they are still eligible for the superannuation guarantee contribution.

You have to pay superannuation for some contractors, even if they quote an Australian business number (ABN).

If you send an Australian employee to work temporarily in another country, you must continue to pay superannuation contributions for them in Australia.

### Question 11

- a. When are the superannuation payment due dates, and what period do they cover?
  - b. Access the ATO website [How to pay super | Australian Taxation Office \(ato.gov.au\)](https://ato.gov.au/How-to-pay-super) and list the two ways an employer can:
    - i. pay employee SG contributions electronically
    - ii. report payments electronically.
- a. **Assessor Instructions:** The student must identify that superannuation contribution payments must be made four times a year. Payment due dates occur quarterly.

The student's response **must match** the following.

Quarter	Period	Payment due date
1	1 July – 30 September	28 October
2	1 October – 31 December	28 January
3	1 January – 31 March	28 April
4	1 April – 30 June	28 July

When a super due date falls on a weekend or public holiday, you can make the payment on the next business day.

- b. **Assessor Instructions:** The student must access the ATO website super for employees [How to pay super | Australian Taxation Office \(ato.gov.au\)](https://ato.gov.au/How-to-pay-super) and identify the two ways that an employee can:
  - i. pay employee SG contributions electronically
  - ii. report payments electronically.

The student's response **must match** the following.

- i. Pay employee SG contributions electronically to either a:
  - complying super fund: a fund that meets specific requirements and obligations under super law
  - retirement savings account (RSA): an account that provides a low cost and low-risk savings strategy for retirement.
- ii. Report payments electronically through:
  - SuperStream
  - Single Touch Payroll.

### Question 12

What are the consequences of missing a superannuation contributions payment or paying late?

(Approximate word count: 45 words)

**Assessor Instructions:** The student must identify the consequences of missing a superannuation contributions payment or paying late.

A sample answer has been provided below.

Employers who do not make the minimum super guarantee contributions required on behalf of their eligible employees by the due date must:

- lodge a superannuation guarantee charge statement
- pay the super guarantee charge

as imposed under the Superannuation Guarantee Charge Act 1992.

### Question 13

According to the Corporations Act:

How long should business financial records be retained? (Approximate word count: 20 words)

a.

b. What books and records should a company keep? (Approximate word count: 30 words)

b. **Assessor Instructions:** The student must identify how long a business must retain copies of its business financial records under the Corporations Act.

The student's response **must match** the following.

- a. Financial records must be kept for seven years after transactions covered by the records are complete.

- b. **Assessor Instructions:** The student must identify what books and records a company must keep under the Corporations Act.

The student's response **must match** the following.

- c. All companies must keep some form of written financial records that:
- record and explain their financial position and performance, and
  - enable accurate financial statements to be prepared and audited.

#### Question 14

- a. Explain the purpose of workplace/occupational health and safety legislation.  
(Approximate word count: 140 words)
- b. Give one (1) example of a safe work practice a payroll officer needs to implement.

- a. **Assessor Instructions:** The student must explain the purpose of the workplace/occupational health and safety legislation.

A sample answer has been provided below.

- a. The purpose of WHS/OHS legislation is to protect the health, safety and welfare of all workers at work and of other people who might be affected by the work. The WHS Act aims to:
- protect the health and safety of workers and other people by eliminating or minimising risks arising from work or workplaces
  - ensure fair and effective representation, consultation and cooperation to address and resolve health and safety issues in the workplace
  - encourage unions and employer organisations to take a constructive role in improving work health and safety practices
  - assisting businesses and workers to achieve a healthier and safer working environment
  - promote information, education and training on work health and safety
  - provide effective compliance and enforcement measures, and
  - deliver continuous improvement and progressively higher standards of work health and safety.

<https://www.safeworkaustralia.gov.au/system/files/documents/2003/guide-to-the-model-whs-act.pdf>

- b. **Assessor Instructions:** The student must provide one example of safe work practice a payroll officer must implement.

- b. A competent answer could include one of the following:
- set up their workstation ergonomically

- take regular rest breaks
- practice safe manual handling of office equipment
- identify potential obstacles that might create hazards
- communicate clearly

To be competent, an alternate answer must align to ways of controlling risk as outlined in Safe work Australia's Model Code of Practice: How to manage work health and safety risks.

[Model Code of Practice: How to manage work health and safety risks \(safeworkaustralia.gov.au\)](https://safeworkaustralia.gov.au)

### Question 15

- a. Explain workers compensation.

(Approximate word count: 45 words)

- b. Provide an example of one [1] adjustment that may need to be made to MYOB payroll if an employee is entitled to worker's compensation.

- a. **Assessor Instructions:** The student must explain workers compensation.

A sample answer has been provided below.

- a. Workers compensation is a form of insurance payment to employees if they are injured at work or become sick due to their work. It includes payments to employees to cover their:

- wages while they're not fit for work
- medical expenses and rehabilitation.

- b. **Assessor Instructions:** The student must provide one (1) example of an adjustment that may need to be made to MYOB payroll if an employee is entitled to worker's compensation.

- b. A competent answer must include one (1) of the following:

- Create two expense accounts:
  - Wages Paid on WorkCover
  - WorkCover Reimbursement.
- Create a wage category
  - Wages Paid on WorkCover

[Paying workers' compensation - MYOB AccountRight - MYOB Help Centre](#)

### Question 16

- a. Explain payroll tax.

(Approximate word count: 50 words)

b. In the table below, identify payroll tax thresholds and rates for businesses for the state or territory in which you are living.

a. **Assessor Instructions:** The student must explain payroll tax.

A sample answer has been provided below.

a. Payroll tax is a self-assessed, general purpose state and territory tax assessed on wages paid or payable by an employer to its employees when the total wage bill of an employer (or group of employers) exceeds a threshold amount. Payroll taxes and thresholds vary across states and territories.

b. **Assessor Instructions:** The student must identify payroll tax thresholds and rates for businesses for the state or territory in which they are living.

The student's response **must match** the following for the state or territory in which they are living.

State	Period	Tax rate %	Threshold
ACT <a href="#">Payroll tax   ACT Revenue Office - Website</a>	1 July 2016 to current	6.85	\$166,666.66 per month (\$2,000,000 per year)
NT <a href="#">Payroll tax rates and thresholds   Department of Treasury and Finance</a>	July 2021 to June 2022	5.50	\$125,000 per month (\$1,500,000 per year)
NSW <a href="#">Payroll tax   Revenue NSW</a>	1 July 2021 to 30 June 2022	4.85	\$92,055 per 28 day month \$98,630 per 30 day month \$101,918 per 31 day month (\$1,200,000 per year)
QLD <a href="#">Payroll tax rates and thresholds   Business Queensland</a>	2019-20 to 2021-22	4.75% for employers or groups of employers who pay \$6.5 million or less in Australian taxable wages 4.95% for employers or groups of	\$108,3330 per month (\$1,300,000 per year)



		employers who pay more than \$6.5 million in Australian taxable wages.	
SA <a href="#">Register for Payroll Tax   RevenueSA</a>	from 1 January 2019	4.95	\$1,500,000 per year
TAS <a href="#">Rates and thresholds (sro.tas.gov.au)</a>	2021-22 financial year	4.00 6.10	\$1,250,001 to \$2,000,000 per year \$2,000,001 and above per year
VIC <a href="#">Payroll tax current rates   State Revenue Office (sro.vic.gov.au)</a>	1 July 2021 - 30 June 2022	4.85 1.2125 for regional Victorian employers	\$58,333 per month (\$700,000 per year)
WA <a href="#">About payroll tax (www.wa.gov.au)</a>	1 July 2018 to 30 June 2023	5.5 5.5 5.5% for wages up to \$100 million + 6% for wages from \$100 million to \$1.5 billion 5.5% for wages up to \$100 million + 6% for wages from \$100 million to \$1.5 billion + 6.5% for wages above \$1.5 billion	More than \$1 million but less than \$7.5 million \$7.5 million or more but not exceeding \$100 million More than \$100 million but not exceeding \$1.5 billion More than \$1.5 billion

### Question 17

- a. How long does the ATO require small businesses to keep records for?

(Approximate word count: 60 words)

b. Give two [2] examples of records the ATO require businesses to keep.

a. **Assessor Instructions:** The student must identify how long the ATO requires businesses to keep records.

A sample answer has been provided below.

a. You need to keep most records for five years.

Generally, the five-year retention period for each record starts from when you prepared or obtained the record or completed the transactions or acts those records relate to, whichever is later. However, in some situations, the law states that the start of the five-year retention period is different.

b. **Assessor Instructions:** The student list two [2] examples of business records the ATO requires businesses to keep. Broadly speaking, this covers business records used to prepare business activity statements (BAS) and annual income tax return and meet other tax obligations, including PAYG and superannuation.

b. A competent answer could include **any two [2]** of the following:

- Bank records
- Income and sales records
- Expense or purchase records
- Year-end records
- GST records
- Fuel tax records
- Employee and contractor records

To be competent, an alternate answer must align with the ATO's requirements on business records you need to keep.

[Business records you need to keep | Australian Taxation Office \(ato.gov.au\)](https://www.ato.gov.au/Business-records-you-need-to-keep)

## Question 18

In your own words, explain the importance of keeping payroll information confidential.

(Approximate word count: 130 words)

**Assessor Instructions:** The student must explain the importance of keeping payroll information confidential.

A sample answer has been provided below.

Confidentiality of employee payroll data is critical because it helps to build and develop trust. Leaked information can result in conflicts amongst employees and compromise the employer or employee's financial situation. Often

there are differential salaries paid to people in the same job, with the same qualifications and same responsibilities.

For example, two employees perform the same job, but one is paid a higher rate because they have more experience than the other worker. If the lower-paid employee discovers they are being paid less, it could lead to them feeling resentful.

You also need to keep employee information safe from identity theft. If someone accesses confidential information, such as bank account details or TFN, that person can use the confidential information for illegal purposes.

### Question 19

Outline three [3] areas that an organisation must address when developing policies and procedures around the collection of personal information from employees to ensure it complies with the Australian Privacy principles.

(Approximate word count between 30 - 130 words)

**Assessor Instructions:** The student must outline three [3] areas an organisation must address when developing policies and procedures around the collection of personal information from employees to ensure it complies with the Australian Privacy principles.

A sample answer has been provided below.

The student's response must include three [3] of the following.

- The kinds of information the organisation collects and holds
- How the organisation collects and holds the personal information
- The purpose of the collection, holding, use and disclosure of the information
- How an employee may access personal information and correct any information
- How an employee may complain about a breach of the Principles
- Whether the organisation is likely to disclose the personal information to an overseas entity
- If the organisation is likely to disclose personal information to an overseas entity, the countries in which that may occur
- Organisations must not collect personal information unless the information is reasonably necessary for one or more of the organisation's functions or activities
- Organisations must not collect "sensitive" information about an individual unless an individual gives their consent to the collection, and the information is reasonably necessary for one or more of the organisation's functions or activities
- If "sensitive" personal information is collected as a requirement by law or a "permitted general situation exists in relation to the collection of the information."
- Where an organisation holds personal information that was collected for a particular purpose (the primary purpose), the organisation must not use or disclose the information for another purpose (a secondary

purpose) unless the individual has consented or the individual would reasonably expect the organisation to use or disclose the personal information for the secondary purpose, or if the use or disclosure of the personal information is required or authorised under an Australian law

- Before an organisation discloses personal information about an individual to an overseas recipient, the organisation must take all reasonable steps to ensure that the overseas recipient does not breach the Australian Privacy Principles
- An organisation must take reasonable steps to ensure the integrity of all personal information to ensure the information is accurate, up to date and complete
- An organisation must take reasonable steps to ensure the personal information is protected from misuse, interference and loss and from unauthorised access, modification or disclosure.

[Australian Privacy Principles | The Professional Payroll Manager \(wordpress.com\)](#)

## Question 20

Outline the ATO requirements in relation to repayments of a higher education loan program (HELP). Your answer must include the compulsory repayment threshold for the current financial year.

(Approximate word count: 60 words)

**Assessor Instructions:** The student must outline the ATO requirements in relation to repayments of a higher education loan program (HELP). Their answer must include the compulsory repayment threshold for the current financial year.

A sample answer has been provided below.

An employee must start making compulsory repayments against their study loan when their income exceeds the compulsory minimum repayment threshold, even if the person is still studying or undertaking an apprenticeship. The compulsory repayment threshold is different each year.

- The compulsory repayment threshold for the 2021-22 income year is \$47,014.
- The compulsory repayment threshold for the 2022-23 income year is \$48,361.

[https://www.ato.gov.au/Rates/HELP,-TSL-and-SFSS-repayment-thresholds-and-rates/?page=1#Study and training loan repayment thresholds and rates](https://www.ato.gov.au/Rates/HELP,-TSL-and-SFSS-repayment-thresholds-and-rates/?page=1#Study%20and%20training%20loan%20repayment%20thresholds%20and%20rates)

## Question 21

Explain the purpose of the Medicare levy and identify the rate at which it is levied.

(Approximate word count: 60 words)

**Assessor Instructions:** The student must explain the purpose of the Medicare levy and identify the rate at which it is levied as 2.0%.

A sample answer has been provided below.

Medicare provides Australian residents access to health care and is partly funded by taxpayers who pay a Medicare levy of 2.0% of their taxable income. Generally, the PAYG amount an employer withholds from an employee's salary or wages includes an amount to cover the Medicare levy. The ATO calculates a person's actual Medicare levy when they lodge their income tax return.

### Question 22

In your own words, outline the purpose of the Tax Agent Services Act 2009.

(Approximate word count: 60 words)

**Assessor Instructions:** The student must outline the purpose of the Tax Agent Services Act 2009.

A sample answer has been provided below.

The Tax Agent Services Act 2009 (TASA) applies from 1 March 2010 and governs the provision of BAS agent services, and is designed to ensure that BAS agents' services are provided to a professional standard in accordance with ethical conduct.

### Question 23

Describe an individual employment agreement and how it is impacted by National Employment Standards (NES)

(Approximate word count: 70 words)

**Assessor Instructions:** The student must describe an individual employment agreement and how it is impacted by National Employment Standards (NES)

A sample answer has been provided below.

An individual employment agreement is a contract between an employer and employee that sets out the terms and conditions of employment. The contract can be in writing or verbal. All employees are covered by the NES, regardless of whether they've signed a contract. An individual employment agreement cannot provide for less than the legal minimum set out in the National Employment Standards (NES).

### Question 24

Under the Fair Work Act 2009, identify how much leave an employee is entitled to for each of the leave types listed below.

(Approximate word count: 30 words per leave type)

**Assessor Instructions:** The student must identify how much leave an employee is entitled to for each of the leave types listed below.

The student's response **must match** the following.

Leave type	Summary of entitlement under the Fair Work Act 2009
Annual leave	Full-time and part-time employees get four weeks of annual leave, based on their ordinary hours of work.
Paid sick and carer's leave	Ten days each year for full-time employees pro rata ten days each year for part-time employees
Unpaid carers leave	All employees, including casual employees, are entitled to 2 days of unpaid carer's leave.
Maternity and parental leave	Employees are entitled to up to 12 months of unpaid parental leave. They can also request up to an additional 12 months of leave.

### Question 25

Access the Long service leave and National Employment Standards fact sheet [Long service leave and the NES \(fairwork.gov.au\)](http://fairwork.gov.au) and identify what are the minimum long service leave entitlements?

(Approximate word count: 90 words)

**Assessor Instructions:** The student must access the National Employment Standards fact sheet and identify the minimum long service leave entitlements under the NES.

A sample answer has been provided below.

Depending on the relevant State/Territory law or industrial instrument (such as an award or agreement), an employee may be entitled to long service leave after a period of continuous service ranging from seven to fifteen years with the same or a related employer.

Untaken long service leave is usually paid on termination, although this can depend on the circumstances of termination. Depending on the relevant law or instrument, an employee may be eligible for a pro-rata payment on termination after a minimum period of five years of continuous service.

### Question 26

Explain the purpose of the Australian Bureau of Statistics (ABS) Act and briefly explain how statistics produced by the ABS can be used by a business.

(Approximate word count: 110 words)

**Assessor Instructions:** The student must explain the purpose of the Australian Bureau of Statistics (ABS) Act and briefly explain how statistics produced by the ABS can be used by a business.

A sample answer has been provided below.

The ABS Act establishes the ABS as an independent statutory authority, defines the functions of the ABS, establishes the office of Australian Statistician and describes the terms under which the Australian Statistician can be appointed to and removed from office. The *Australian Bureau of Statistics Act 1975* also provides for the appointment of the staff of the ABS and establishes the Australian Statistics Advisory Council.

Statistics produced by the ABS can be used by businesses to inform business decisions. For example, statistics on population size and growth of a particular area may convince a business that it is worth establishing itself in this area.

### Question 27

Explain what an Australian business number (ABN) is.

(Approximate word count: 40 words)

**Assessor Instructions:** The student must explain what an Australian business number (ABN) is.

A sample answer has been provided below.

An Australian business number, or ABN, is a unique 11-digit number used to identify businesses. You use your ABN to interact with other businesses and government departments and agencies, like the Australian Taxation Office (ATO).

### Question 28

Explain the Australian Taxation Office's requirements for:

- A tax file number declaration [Approximate word count: 60 words]
- Payment summaries [Approximate word count: 60 words]
- Employment termination payments (ETPs) [Approximate word count: 50 words]

**Assessor Instructions:** The student must explain the ATO's requirements for:

- A tax file number (TFN) declaration
- Payment summaries
- Employment termination payments (ETPs)

A sample answer has been provided below.

<p>a. A tax file number declaration</p>	<p>The ATO requires an employer to request an employee complete a TFN declaration form when they commence their employment with the employer. The TFN declaration allows the employer to work out the amount that needs to be withheld from payments made to the employee.</p> <p>An employer must lodge the completed TFN declaration with the ATO.</p>
<p>b. payment summaries</p>	<p>The ATO requires employers under pay as you go (PAYG) withholding to provide employees with a payment summary showing the payments they have made to them and the amounts they have withheld from those payments during a financial year.</p> <p>Employers do not have to provide employees with a payment summary for information they report and finalise through Single Touch Payroll.</p>
<p>c. employment termination payments (ETPs)</p>	<p>An employment termination payment (ETP) is a lump sum payment made to an employee as a result of the termination of the employee's employment.</p> <p>ETPs are taxed at different rates, depending on:</p> <ul style="list-style-type: none"> <li>• the employee's age</li> <li>• the circumstances of the ETP</li> <li>• the length of employment.</li> </ul>

### Question 29

Explain **three (3)** of the principles of the [TPB Code of Professional Conduct](#) (Code) for all registered tax agents, BAS agents and tax (financial) advisers.

**Assessor Instructions:** The TPB Code of Professional Conduct (Code) contains a total of 14 principles. The student must explain **three principles** of the (Code) that all registered tax agents, BAS agents and tax (financial) advisers should adhere to.

A sample answer has been provided below.

The student's response must cover **any three** of the following.

1. You must act honestly and with integrity.
2. You must comply with the taxation laws in the conduct of your personal affairs.
3. If:



- a. you receive money or other property from or on behalf of a client, and
- b. you hold the money or other property on trust

you must account to your client for the money or other property.

4. You must act lawfully in the best interests of your client.
5. You must have in place adequate arrangements for the management of conflicts of interest that may arise in relation to the activities that you undertake in the capacity of a registered tax agent or BAS agent.
6. Unless you have a legal duty to do so, you must not disclose any information relating to a client's affairs to a third party without your client's permission.
7. You must ensure that a tax agent service that you provide, or that is provided on your behalf, is provided competently.
8. You must maintain knowledge and skills relevant to the tax agent services that you provide.
9. You must take reasonable care in ascertaining a client's state of affairs, to the extent that ascertaining the state of those affairs is relevant to a statement you are making or a thing you are doing on behalf of a client.
10. You must take reasonable care to ensure that taxation laws are applied correctly to the circumstances in relation to which you are providing advice to a client.
11. You must not knowingly obstruct the proper administration of the taxation laws.
12. You must advise your client of the client's rights and obligations under the taxation laws that are materially related to the tax agent services you provide.
13. You must maintain professional indemnity insurance that meets the Board's requirements.
14. You must respond to requests and directions from the Board in a timely, responsible and reasonable manner.

### Question 30

List the five [5] requirements for registration for a BAS agent.

**Assessor Instructions:** The student must list the five [5] requirements for registration for a BAS agent.

The student's response **must match** the following.

- You must be at least 18 years of age to be eligible to apply.
- You must be a fit and proper person.
- You must satisfy the qualification and experience requirements.
- You must maintain, or will be able to maintain, professional indemnity insurance cover that meets the Tax Practitioners Boards requirements.
- You must complete an online application and provide supporting documents.

### Question 31

Explain the following taxes and their requirements relating to payroll:

- pay as you go instalment (PAYGI) tax
- pay as you go withholding (PAYGW) tax.

[Approximate word count: 100 words per tax]

**Assessor Instructions:** The student must explain pay as you go instalment (PAYGI) tax and pay as you go withholding (PAYGW) tax and their requirements relating to payroll.

A sample answer has been provided below.

Tax	Explanation	Implication for payroll
PAYGI	PAYG instalments (PAYGI) allow you to pay an amount towards an expected tax bill. Amounts are based on business or investment income from the previous tax year. Once you complete your tax return, the amounts already paid are offset against the total amount of tax due. You will then receive either a bill for extra tax or, if you have paid too much, you will receive a refund.	PAYGI is reported on the BAS or IAS; however, it does not impact payroll. Amounts are based on business or investment income.
PAYGW	PAYG withholding (PAYGW) refers to the income tax an employer withholds from employees' gross wages to meet their personal income tax liabilities. Employers are required to remit the employees' withheld tax to the ATO each month or quarter. They do this with the business activity statement (BAS) or the monthly instalment activity statement (IAS).	PAYG withholding applies to employers' payments to employees, directors, officeholders, and labour-hire workers. It can also be withheld from non-employees, contractors with a voluntary withholding agreement, some payments to foreign residents and payments to suppliers where an ABN has not been quoted.

### Question 32

Explain the concept of salary packaging and give two [2] examples of common items that can be salary packaged.

[Approximate word count: 100 words]

**Assessor Instructions:** The student must explain the concept of salary packaging and give two [2] examples of common items that can be salary packaged.

A sample answer has been provided below.

Salary sacrifice, commonly also known as salary packaging, is an arrangement between an employer and an employee where the employee agrees to receive a lower amount of pay each payday in return for the employer providing benefits of a similar value to the sacrificed pay. By entering into this agreement, an employee agrees to forego part of future salary or wages in return for the employer providing other benefits of a similar value.

Examples could include at least two of the following:

- Motor Vehicles
- Superannuation Contributions
- Self-Education expenses
- Work equipment
- Insurance
- Living expenses card
- Living away from home allowance
- Remote area rent
- Loan repayments
- School fees
- Childcare costs
- Professional memberships
- Portable electronic devices
- Fly-in Fly-out (FIFO)
- Relocation
- Meal and entertainment card

### Question 33

- Define an Employment Termination Payment (ETP) [Approximate word count: 70 words]
- List three items an ETP can include [Approximate word count: 40 words]
- List three payments that are not classified as an ETP. [Approximate word count: 40 words]

**Assessor Instructions:** The student must define an ETP, list three items an ETP can include and list three items that are not classified as an ETP.

A sample answer has been provided below.

- Employment termination payments (ETP) are made from an employer to an employee. Upon the termination of employment, employers need to pay employees their final pay, which consists of a lump sum, or several lump sums. When calculating final pay, employers need to decide if any part of the payment is classified as an ETP. Only certain payments are eligible, and these are taxed at a lower rate than regular payments.

- Items that can be included in an ETP

The student **must list any three** of the following:

- payments for unused sick leave or unused rostered days off

	<ul style="list-style-type: none"> <li>• payments in lieu of notice</li> <li>• a gratuity or 'golden handshake'</li> <li>• an employee's invalidity payment (for permanent disability, other than compensation for personal injury)</li> <li>• compensation for loss of a job or wrongful dismissal</li> <li>• genuine redundancy payments</li> <li>• early retirement scheme payments that exceed the tax-free limit</li> <li>• certain payments made after the death of an employee</li> <li>• the market value of the transfer of property (less any consideration given for the transfer of this property).</li> </ul> <p><a href="https://ato.gov.au/employment-termination-payments">Employment termination payments   Australian Taxation Office (ato.gov.au)</a></p>
<p>c) Payments that are not classified as an ETP</p>	<p>The student <b>must list any three</b> of the following:</p> <ul style="list-style-type: none"> <li>• an employee's salary, wages or allowances</li> <li>• lump-sum payments for unused annual or long service leave</li> <li>• the tax-free part of a genuine redundancy payment or an early retirement scheme payment</li> <li>• superannuation benefits (for example, a lump sum or income stream from a super fund)</li> <li>• foreign termination payments.</li> </ul> <p><a href="https://ato.gov.au/employment-termination-payments">Employment termination payments   Australian Taxation Office (ato.gov.au)</a></p>

### Question 34

List two key aspects of the superannuation guarantee charge.

[Approximate word count: 50 words]

**Assessor Instructions:** The student must list two key aspects of the superannuation guarantee charge.

A sample answer has been provided below.

Key aspects:

- You must consider the minimum SG contribution rate for the financial year as set by ATO.
- You must consider the employee's chosen super fund you must make super payments too.
- If an employee has chosen to include super payments into their salary sacrificing arrangement, the amount sacrificed is not subject to PAYG tax and the business's SG payment obligations will be based on the employee's reduced salary.

### Question 35

Access OZ Office Supplies Payroll Policy and Procedure and identify:

- a. Who is responsible for the administration of the payroll policy?
- b. Under what circumstances can this responsibility be delegated, and by whom?

**Assessor Instructions:** The student must access OZ Office Supplies Payroll Policy and Procedure and identify:

- a. Who is responsible for the administration of the payroll policy?
- b. Under what circumstances can this responsibility be delegated, and by whom?

The student's response **must match** the following.

a. Who is responsible for the administration of the payroll policy?
The Finance Manager
b. Under what circumstances can this responsibility be delegated, and by whom? If the Finance Manager is on leave, they may, with the permission and approval of the CEO, delegate payroll management and related duties to suitable personnel.

### Question 36

- a. Under Part VII of the Fringe Benefits Tax Assessment Act 1986, what is the date FBT tax assessed in respect of a year of tax becomes due and payable?

**Assessor Instructions:** The student must identify Under Part VII of the Fringe Benefits Tax Assessment Act 1986, the date FBT tax assessed in respect of a year of tax becomes due and payable. The answer provided by the student must match the exemplar answer below.

21 May in the next year of tax.

- b. Explain the circumstances under which general interest may be charge on FBT.

**Assessor Instructions:** The student must explain the circumstances under which general interest may be charge on FBT. The answer provided by the candidate must reflect the exemplar answer below.

If any FBT tax, or the additional tax under Part VIII, which a person is liable to pay remains unpaid after the time by which the tax or the additional tax is due to be paid, the person is liable to pay the general interest charge on the unpaid amount for each day in the period that:

- (a) started at the beginning of the day by which the tax or the additional tax was due to be paid; and
- (b) finishes at the end of the last day on which, at the end of the day, any of the following remains unpaid:
  - (i) the tax or the additional tax;

(ii) general interest charge on any of the tax or the additional tax.

[FRINGE BENEFITS TAX ASSESSMENT ACT 1986 \(austlii.edu.au\)](http://austlii.edu.au)

**Assessment checklist:**

Students must have completed all questions within this assessment before submitting. This includes:

1	36 short answer questions to be completed in the spaces provided.	<input type="checkbox"/>
---	---	--------------------------



**Congratulations, you have reached the end of Assessment 1 !**

**© UP Education Australia Pty Ltd 2021**

Except as permitted by the copyright law applicable to you, you may not reproduce or communicate any of the content on this website, including files downloadable from this website, without the permission of the copyright owner.

**© 2020 RTO Works**

These materials were originally developed by RTO Works but may now be altered from the original form. RTO Works does not accept any liability for the materials, the content and/or any reliance thereon.