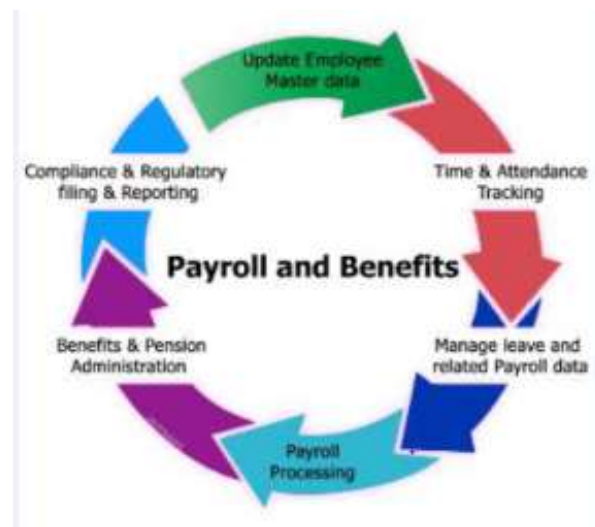


COOPERATIVE ACCOUNTING AND AUDITING

LEVEL-II

**Based on January 2022, Version Occupational
standard**



Module Title: - Processing Payroll

LG Code: AGR CAAII M06 LO (1-3) LG (20-22)

TTLM Code: AGR CAA2 TTLM06 0822v1

September 2022

Addis Ababa, Ethiopia

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Introduction to the Module

Dear learner, the Ethiopian TVET system is now focused on the labor market demands and industry relevance. This translates that the main objectives of the TVET system is to qualify its graduates according to the occupational requirements of the industry. In this learning guide there are three learning outcome which are broke down in to three information sheets. These are listed as follows Obtain Payroll Data, Prepare Payroll, and Handle Payroll Enquiries. In this learning guide, some learning activities and self-check exercises are included to make your study clear, attractive and precise. These are very important in deepening and enhancing your understanding of the learning out comes in the module. If you skip doing those activities and exercises, your level of understanding will be limited and insufficient. As a result, you are strongly dedicated and encouraged to do it on time accordingly. Upon the completion of the module you will be able to perform the objectives listed on instruction sheet.

LG #20	LO #1. Obtain Payroll Data
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Instruction sheet

This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:

- Checking Payroll data
- Identifying payroll source documents
- Entering employee payroll data in payroll system
- Entering pay period details
- Taxable and non-taxable incomes

This guide will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:

- Check Payroll data
- Identify payroll source documents
- Enter employee payroll data in payroll system
- Enter pay period details
- Taxable and non-taxable incomes

Learning Instructions:

1. Read the specific objectives of this Learning Guide.
2. Follow the instructions described below.
3. Read the information written in the information Sheets
4. Accomplish the Self-checks
5. Perform Operation Sheets
6. Do the “LAP test”

Information Sheet 1

1.1. Checking Payroll Data

- **Definition of Payroll**

Payroll is the process by which employers pay an employee for the work they have completed. Any business with employees should have a payroll management process established. An effective and efficient payroll process ensures that employees are paid accurately and consistently and gives Human Resource the chance to focus on other aspects of their job.

- **Function of Payroll**

Payroll refers to the process by which employees receive their salary. Functions involve balancing and reconciling payroll data and depositing and reporting taxes. The payroll department takes care of wage deductions, record keeping and verifying the reliability of pay data.

- **Checking Payroll Data** - The most common situation in which checking payroll data is needed, when an innocent error is made in the processing of a transaction.

For example, a payroll clerk incorrectly calculates the number of hours worked by a nonexempt employee, resulting in a paycheck that is substantially larger than would normally be the case.

This type of action may occur because of poor employee training, inattention, or the combination of a special set of circumstances that were unforeseen when the accounting processes were originally constructed.

There can be an extraordinary number of reasons why a transactional error arises. This can result in errors that are not caught and that, in turn, lead to the loss of cooperative assets.

Employee: One of the definitions for an employee is the common law definition (an employee is a person who performs services for an employer who has the right to control and direct the results of the work and the way in which it is done).

1.2. Payroll Data Terminologies

The followings are some payroll data terminologies in employment income tax.

- **Payroll Register:** Payroll register is a multicolumn form used in assembling and summarizing the data needed at the end of each payroll period.
- **Employee ID** - When a cooperative/ business has a relatively large number of employees, an identification ID number is assigned to each employee.
- **Name of Employee:** - Name of employee along with their father's name. Where there are employees with the same personal and father's name, grandfathers name may be included in the payroll.
- **Salary:** Is a payment for managerial, administrative or similar services.
- **Wages:** It is remuneration for manual labor (both skilled & unskilled).

The salary or wage of an employee may be increased by bonuses, commissions, profit sharing, or cost of living adjustments.

Basic salary usually the base for making other calculation in relation to earnings, like bonus, compensation pay, annual leave pay, overtime pay, etc.

Basic salary can be periodically revised based on performance evaluation, position adjustment or other measures. This implies that basic salary is subject to change when an employee is adjusted. The newly adjusted basic salary will be a base for calculating other earnings. It is changed when the employee is promoted or gets salary increment, or when the employee is demoted.

- **Bonus:** It is an additional payment to the regular wage and salary; usually based on the productivity of employees.
- **Gross Pay:** It is total earning of an employee for payroll period.
- **Pay Period:** It is the length of time covered by each payroll payment such as a month or a week.

- **Pay Day:** It is the day on which wage or salary is paid to employees. This is usually the last day of pay period.
- **Employee::** One of the definitions for an employee is the common law definition (an employee is a person who performs services for an employer who has the right to control and direct the results of the work and the way in which it is done).
- **Overtime Payment:** It is a payment for employees for excess work hours.
- **Deductions:** They are amounts deducted from gross payment of employees like income taxes, pension and others social contributions.
- **Allowance:** It is the money paid to an employee for special reasons.
- **Net pay:** It is the excess of gross earnings over total deductions.
- **Payroll Register or Sheet:** It is a list of employees along with their earnings, deduction, net pay (take home) for particular pay period.
- **Pay Check:** A cooperative / business may pay payroll by writing a check for the amount the net pay. A check is prepared in the name of each employee and handed to employees.

Alternatively, other employees may be paid in cash through the cashier of the organization. In this case, a check for the total net pay can be prepared for all employees.

- **Signature:** Payroll register of every organization may include signature column at the end for employees paid in cash.
- **Withholding Agent:** shall mean any person with a tax collection obligation. Employers have an obligation to withhold the tax from each payment employee, and pay the Tax Authority the amount withheld during each calendar month.

In applying the procedure, income attributable to the months of August and leap year shall be aggregated and treated as the income of one month.

- **Employment/Personal Income**

It encompasses benefit in cash or in kind received by an employee for the services provided (to be provided) to the employer. The payments or benefits received include from current, previous, and future employments for something done (to be done) as an employee or termination of the employment.

- **Income**

Shall mean every sort of economic benefit including non-recurring gains in cash or in kind, from whatever source derived and in whatever form paid, credited or received.

From the definition of an income, the following ingredients may be noted:

I. Economic Benefit

Benefit which can be expressed in terms of money/finance such as salary, allowance, free meals, free air fly ticket, free rent etc. provided by the employer to the employees.

II. Non-Recurring Gains

To qualify as income regularity of receipt is not essential. Even a casual receipt, lump sum receipt, etc. are regarded, as income. For instance hardship allowance an employee is non-recurring benefit; sale of a used asset is also non-recurring gain, etc.

- **Forms of Income**

Income may be derived in the form of cash or in kind (non-cash) such as grains, vehicle, car win from lottery, perquisites like rent-free, etc. When income is realized in kind, its valuation is made according to the prescribed rules. In the absence of any rule, the market value is generally applied as the basis of evaluation

- **Source of income**

The expression “**from whatever source derived...**” is understood in the context as any legal income. Otherwise, by taxing the illegal income, the government becomes a party to the illegality. However, illegal income does not refer to understated revenue income.

- **Basis of income**

An income bears its quality as income only if it is received by a tax payer (cash basis) or it has accrued or arisen to the tax payer (accrual basis). A contingent income (potential future income) is not an income. Until the contingency takes place, it cannot be said that income has accrued or arisen to the taxpayer.

- **Employment Income/personal Income tax**

It refers to the tax imposed on employment income (or income from employment) of an employee. It is the tax on earnings/income of individuals, i.e., money or money’s worth that individuals receive in different ways from their employer

- **Income Tax:**

Refers to the tax based on the amount of taxable income of a taxable person. It is a charge by a government on taxable income of a taxable person and is calculated by applying rates of tax prescribed by the tax law. Income tax liability arises on taxable income of a taxable person.

- **Taxable Person or Tax Payer**

Tax payer is a person who is liable to pay tax in accordance with income tax laws. Tax payer shall mean any person subject to tax. It is noteworthy that the definition of “a person” under the income tax law of Ethiopia is very comprehensive and includes”

- ✓ **Any Individual**, that is, a natural person or human being including both male and female;
- ✓ **Any Body**:- which includes any company incorporated under law (share company); any registered partnership or private limited company (Plc); any public enterprise; and any public financial agency that carries out business activities; and

- ✓ **Any Association of Persons**, that is, two or more persons (individuals and/or non-individuals join for a common purpose with a view to produce income, profit or gain. The association need not necessarily be on the basis of a contract; consent and understanding may be presumed.

- **Gross income**

Gross income is the total income of a taxable person before any deductibles, whereas, deductibles are all amounts legally permitted to be deducted from gross income of a taxable person to determine his taxable income. These deductibles are determined based on income tax laws.

1.3. Identifying Payroll Source Documents

Payroll source documents are **those** documents which are required for the generation of salary of an employee. It includes time sheets, Job sheets, Time recorders, Payroll registers, Pay-in-slip (pay slip). These documents are maintained by every business unit.

- **Employee Earnings and Payroll Register** - A payroll register is tool that records wage payment information about each employee – gross pay, deductions, tax withholding, net pay and other payroll-related information – for each pay period and pay date.
- **Employee records or history** - You can review historical information since the date you began tracking history.
- **Employee timesheets** - A timesheet is a data table which an employer can use to track the time a particular employee has worked during a certain period. Businesses use timesheets to record time spent on tasks, projects, or clients.

1.4. Entering Employee Payroll Data in Payroll System

1.4.1. Entering Pay period details

A pay period is a recurring length of time over which employee time is recorded and paid for. Examples of pay periods are weekly, biweekly, semimonthly, and monthly. Weekly: A weekly pay period

Bonus - Sum of money added to a person's wages as a reward for good performance.

Casual wage - The term “casual wage employee” refers to:

Employees who are typically hired for intermittent projects when students are not available or the use of students is not appropriate, for unusual needs or busy periods and to fill in for employees due to a position vacancy or other leaves .

Commission - A sales commission is a sum of money paid to an employee upon completion of a task, usually selling a certain amount of goods or services.

- Employers sometimes use sales commissions as incentives to increase worker productivity.
- A commission may be paid in addition to a salary or instead of a salary.

Contract- A contract is a legally enforceable agreement that creates, defines, and governs mutual rights and obligations among its parties.

Piecework- Piece work (or piecework) is any type of employment in which a worker is paid a fixed piece rate for each unit produced or action performed, regardless of time.

Salary - Salary is a fixed amount of money or compensation paid to an employee by an employer in return for work performed. Salary is commonly paid in fixed intervals.

Wage - a payment usually of money for labor or services usually according to contract and on an hourly, daily, or piecework basis.

Payroll systems manage everything having to do with the process of paying employees and filing employment taxes. They are put in place to keep track of worked hours, calculating wages, withholding taxes and other deductions, printing and delivering checks, and paying government employment taxes.

Table 1.1.Entering pay period details

Page 10 of 56	Ministry of Labor and Skills Author/Copyright	Cooperative Accounting and Auditing Level -II	Version -1
			September , 2022

	Employees	Earnings							
		Basic salary	Bonus	Overtime earning	Position Allowance	Casual wage	Commission	Wage	Piece work

1.4.2. Entering employee earning

The amount of each employee's earnings to date must be available at the end of each payroll period. This cumulative amount is required in order to compute each employee's social security tax withholdings, and the employer's payroll taxes.

- In addition, employers are required to compute and report payroll taxes on calendar year basis even if a different fiscal is used for financial reporting and income taxes purposes. It is essential therefore, that a detailed payroll record be maintained for each employee. This record is called an employee's earnings record. The column totals of the payroll register provide the basis for recording the journal entry for payroll.

Illustration: Assume that the following data are an XYZ Cooperative for September 30, 2022.

S/N	Employees	Basic Salary	Overtime earning	Position	Total
1	Lema Getu	16,000		Birr 600	
2	Hawi Bira	6,000			
3	Sena Sorsa	12,000		500	
4	Bona Jiru	13,200		400	
5	Kiya Tola	3,500			
6	Abdi Boru	2,900	2000		
7	SifanLeta	9,750			
8	Hana Tolcha	9,750		600	
9	LemiBonsa	12,750	4000		
10	Lamesa Tura	13,500	5000		
11	MargaGutu	8,500	1000		
12	Leta Tulu	3,000			
Total					

Instruction: Enter each employee earning in Payroll Register

XYZ Cooperative

Payroll Register

September 30, 2022

ID.NO	Employee Name	Basic Salary	OTE	Position allowance		Gross Earning	EIT	Pension	Total Deductn.	Net Pay	Sign
E001	Lema	16,00		Manager	600						
E002	Hawi	6,000		Secretary							
E003	Sena	12,00		Expert	500						
E004	Bona Jiru	13,20		Lawyer	400						
E005	Kiya	3,500		Guard							
E006	Abdi	2,900	2000	Driver							
E007	SifanLeta	9,750		Technic							
E008	Hana	9,750		Supervis	600						
E009	LemiBon	12,75	4000	Accounta							
E010	Lamesa	13,50	5000	Auditor							
E011	MargaGu	8,500	1000	Electricia							
E012	Leta Tulu	3,000		Driver							
Total											

1.4.3. Calculating Overtime earnings

Overtime Earning (OTE):

Overtime earning is the amount payable to an employee for overtime work performed by the employee during a specific payroll period. It is payment to an employee for the work done by the employee in addition to employee's regular working hours (i.e. overtime work done). Overtime work is the work done in excess of the regular working hours or days.

According to article 66(1) of the labor proclamation No 377/2003, work performed in excess of 8 hours per day or 48 hours per week shall be deemed to be overtime. Moreover, the following provisions are observed from the labor proclamation:

- Normal hours of work shall be spread equally over the working days of a week. A worker may not be compelled to work overtime.

Overtime Payment Determination

Bases for Overtime Computation

Regular hourly rate of an employee and article 68 of proclamation No 377/2003 (overtime payment rates) are the bases for overtime computation and payment for government organization employees.

Regular Hourly Rate

- Also known as basic salary per hour is the payment per hour for the regular/normal working hours.
- Normal working hours = (8 hours per day) x (5 working days per week)
= 40 hours per week
- Regular hourly rate is calculated as follows

$$\text{Regular hourly rate} = \frac{\text{Monthly Basic Salary}}{\text{Normal working hours per month}}$$

Overtime Rates

In accordance with article, 68 of the labor proclamation there are four overtime payment rates in Ethiopia applicable to civil servants and stated as follows:

Overtime Rates

For Overtime Performed	A worker shall be entitled to be paid at the rate of:
1. Between 6 O'clock in the morning (6AM) and 10 O'clock in the evening(10 PM)	1¼ th or 1.25 or 125% times employee's regular hourly rate.
2. Between 10 O'clock in the evening (10 PM) and 6 O'clock in the morning (6 AM)	1½ or 1.5 or 150% times employee's regular hourly rate.
3. On weekly rest days	2 or 200 % times employee's regular hourly rate.
4. On a public holidays	2½ or 2.5 or 250% times employee's regular hourly rate.

Overtime Earning = (Overtime hours worked) X (Regular hourly rate) X (Overtime rate)

Be aware of the following

If a public holiday coincides with a weekly rest day or another public holiday, a worker shall be entitled to only one payment for working on such a day. Currently Ethiopia has thirteen (13) public holidays, which are both historical memorial holidays of Christians and Muslims origins and national holidays described by law.

Working Conditions of Women and Young Workers in Ethiopian

The following general conditions to be considered in employing and assigning for overtime works to employees for circumstances in which overtime is permissible.

No pregnant woman shall be assigned to night work between 10 PM and 6AM or be employed on overtime work. It is prohibited to employ young worker on: night work between 10 PM and 6 AM overtime work, rest days; or public holidays.

Young worker means a person who has attained the age of 14 but is not over the age of 18 years. It is prohibited to employ persons less than 14 years of age. Normal hours of work for young workers shall not exceed seven hours a day.

Bonus and Commission

Bonus which is payment to employees for making attractive profit as a result of better or best performance by their employees is taxable on receipt basis by adding on taxable employment income of the bonus period. Commission payable by the employer to the employee is also taxable on receipt basis by adding the commission on taxable employment income of the period also taxable on receipt basis by adding the commission on taxable employment income of the period.

1.3.4. Entering Deductions/ Payroll Deductions

Payroll deductions are wages withheld from an employee's total earnings for the purpose of paying taxes, garnishments and benefits, like health insurance. These withholdings constitute the difference between gross pay and net pay and may include: Income tax and Social security tax.

S/N	Employees	Deductions							
		Employment income tax	Pension contribution	Loans	Credit Association	Penalties			

- Deductions and allowances**

Car Allowance - Car allowance is a company car scheme where an employer provides employees with monetary benefits, instead of company-owned cars.

Health Insurance -Health Insurance or medical insurance is a type of insurance that covers the whole or a part of the risk of a person incurring medical expenses.

Hardship Allowance - an extra amount of money that someone is paid for working in difficult conditions: Hardship allowances are normally calculated as a percentage of salary, sometimes 30 per cent or more in areas where it is particularly difficult or unpleasant to live and work.

Desert Allowance - an extra amount of money that someone is paid for working in difficult conditions: Hardship allowances are normally calculated as a percentage of salary, sometimes 30 per cent or more in areas where it is particularly difficult or unpleasant to live and work.

Income Tax - e-Filing of Income Tax Return or Forms and other value added services & Intimation, Rectification, Refund and other IncomeTax Processing Related Queries.

Position Allowance - Position allowances are paid only to officials who satisfy the requirement and conditions prescribed for each type of position allowance.

Superannuation Contributions - A super contribution is an amount added to your super balance. Generally, by law, employers must pay at least 11% of your salary to your super each year. These contributions are called employer contributions or Superannuation Guarantee contributions

Travel Allowance - Travelling Allowance or “TA” means the allowance for accommodation, meals and incidental expenses paid to an employee who is directed to travel on official business by his or her employing Member, where the travel requires an overnight stay away from the employee's work base.

Union Dues - Union Dues are moneys payable by members of Local Unions on a monthly basis as required to work for Unionized Employers.

Penalties - A penalty is the punishment imposed upon a person who has violated the law, whether or a contract, a rule, or regulation.

Cost Share - Cost Share occurs when a quantified portion of the costs of an Award are not paid by the sponsor, but paid instead using resources within a department,

Involuntary Deductions

Involuntary deductions are withholdings that neither the employer nor the employee have control over and are required by law.

1.4. Taxable and Non-Taxable Incomes

Taxable Income or Taxable Earning

Taxable Income is the amount of income on which income tax liability is computed and payable. It is the base for the computation (determination) of tax liability.

Taxable income may also refer to the income that is reported to the government for the purposes of calculating income tax liability. Taxable income is generally the difference between gross income and deductibles (allowable deductions) of a taxable person.

Nontaxable income

Nontaxable income is income that is not subject to taxes. Most forms of income from wages are taxable, but some income types are usually tax-free, such as life insurance benefits and inheritances. Other types of nontaxable income might include public assistance or welfare grants, alimony and child support, death benefits, and gifts.

1.5. Payroll system

Manual - "Manual payroll" refers to the process of paying employees by completing a payroll run without the aid of software.

Computerized - A computerized payroll system performs the same functions that manual methods of payroll do. It stores employee data, such as names, addresses, social security.

Self-check 1	Written Test
--------------	--------------

Name.....ID..... Date.....

Part I: Multiple choices (2 points each)

- Every sort of economic benefit including non-recurring gains in cash or in kind, from whatever source derived and in whatever form paid, credited or received is known as _____
 A. Income
 B. Allowance
 C. Bonus
 D. Commission
- The amount of income on which income tax liability is computed & payable is called ____
 A. Basic salary
 B. Taxable Income
 C. Commission
 D. Overtime earnings
- Basic salary is usually the base for making calculation in relation to earnings, like _____.
 A. Bonus
 B. Compensation pay
 C. Annual leave pay
 D. Overtime pay
- An additional payment to the regular wage and salary, usually based on the productivity of employees is known as _____.
 A. Commission
 B. Overtime pay
 C. Bonus
 D. Allowance

Test II: Short Answer Questions (2 points)

- To whom employee Position Allowance is paid?
- Define travel allowance?
- Distinguish the difference between Manual and Computerized system of payroll preparation method.

Operation Sheet 1

1.1. Compute overtime earning

A. Equipment used to compute overtime earning

- Computer
- Calculator
- Documents

B. Procedures to compute overtime earning

Assume that Kaka Textile Factory pays the salary of its employees according to the Ethiopian Calendar month the Federal Government Tax Authority. The forth-coming data relates to overtime worked during the month of September, 2022.

Employee ID No.	Name of Employee	Basic salary	Overtime hours worked	Duration of overtime work	Basic salary per hours
E01	Martha Feleke	4,800	10	6AM Up to 10 PM	30
E02	Alemu Mekonnen	1,920	8	10 PM to 5 AM	12
E03	Semia Mohammed	2,160	10	Public Holidays	13.50
E04	Selamu Bogale	2,400	6	Weekly rest days	15

Normal working hours = (8 hours per day) x (5 working days per week)

= 40 hours per week

Total hours worked = Normal working hours x 4 weeks

= **160 hours**

Hourly Rate = Basic salary / Total hours worked

Example

For employee Martha Feleke

Hourly Rate = Basic salary / Total hours worked

= 4,800 birr / 160 hours

= **30 birr**

For employee Alemu Mekonnen

Hourly Rate = Basic salary / Total hours worked

= 1,920 birr / 160 hours

= **12 birr**

For employee Semia Mohammed

Hourly Rate = Basic salary / Total hours worked

= 2,160 birr / 160 hours

= **13.50 birr**

For employee Selamu Bogale

Hourly Rate = Basic salary / Total hours worked

= 2,400 birr / 160 hours

= **15 birr**

Computation of overtime earning for each employee

1. For employee Mertha Feleke

Overtime Earning = (Overtime hours worked) X (Regular hourly rate) X (Overtime rate)

= 10 hours x birr 30 x 1.25 = **Birr 375.00**

Gross earning = 4,800 + 375 = **5175**

2. For employee Alemu Mekonnen

Overtime Earning = 8 hours x birr 12 x 1.5 = **Birr 144.00**

3. For employee Semia Mohammed

Overtime Earning = 10 hours x birr 13.50 x 2.5 = Birr 337.50

4. For employee Selamu Bogale

Overtime Earning = 6 hours x birr 15 x 2 = Birr 180.00

Operation Sheet 2

1.2.Computing tax on Bonus

A. Equipment and procedure for determine amount of tax on bonus

- Equipment and documents
- Computer
- Calculator
- Documents

B. Steps to determine amount of tax on bonus

Assume that Ato Kebede an employee of united cooperatives union earns basic salary of Br. 7,800 per month and has got a three years bonus of Br. 48,000 for better performance in the year. Furthermore there were no any other benefits during the year to an employee.

Required:

What is the amount of income tax on his bonus?

What is bonus net of tax?

Solution

To determine the amount of tax on bonus one can follow the following steps:

Step1. : Divide the bonus amount by the number of months the bonus covers.

$$\text{Bonus per month} = \frac{\text{Amount of bonus/Number of Years}}{12 \text{ months}}$$

Bonus per month = (Br. 48,000 /12 months

= **Br. 4,000/month**

Step 2: Add the result of step one on the employment income of the employee and calculate the tax on the total employment income (including bonus).

Basic salary Br. 7,800

Bonus per month..... 4,000

Total employment income Birr 11,800

Employment income tax (EIT) on both basic salary and bonus:

EIT = {(G – D) x TG} – AG, where

EIT = Employment income Tax

TG = Gross Employment income before common exemption

D = Direct exemption

T = Tax Rate in which Gross falls

AG = Adjustment of Gross

$$\begin{aligned} \text{E.I.T} &= \{(G-D) \times TG\} - AG \\ &= \{(11,800 - 0) \times 35\%\} - 1,500 \\ &= 4,130 - 1,500 = \underline{\underline{\text{Br } 2,630}} \end{aligned}$$

Step 3: Calculate employment income tax on employment income of the bonus period excluding bonus (i.e. on basic salary)

Employment income tax on basic salary:

$$\begin{aligned} \text{E.I.T} &= \{(G-D) \times TG\} - AG \\ &= \{(7,800-0) \times 25\%\} - 565 \\ &= 1950 - 565 = \underline{\underline{\text{Br.1,385}}} \end{aligned}$$

Step 4: Determine tax on bonus by deducting tax on basic salary from tax on both basic salary and bonus.

$$\begin{aligned} \text{Tax on bonus per month} &= \text{Tax on both basic salary and bonus} - \text{Tax on basic salary} \\ &= 2,630 - 1,385 = \underline{\underline{\text{Birr } 1,245}}} \end{aligned}$$

Step 5: Multiply the result of step 4 by the number of months that bonus cover.

$$\begin{aligned} \text{Tax on bonus per year} &= \text{Tax on bonus per month} \times \text{Number of months that bonus cover} \\ &= \text{birr } 1,245 \times 12 \text{ months} = \underline{\underline{\text{birr } 14,940}}} \end{aligned}$$

Step 6: Determine the total bonus amount net of tax by deducting the total tax on bonus from the total bonus amount.

Bonus Net of Tax = Total bonus amount - Total tax on bonus

$$=48,000 - 14,940 = \underline{\text{Br. 33,060}}$$

Bonus for the last Year Br. 24,000

Required:-Determine the amount of income tax on bonus

Determine bonus net of tax.

Solution

S?N	Basic salary (1)	Monthly income including bonus (2)	Tax on bonus and other employment income (3)	Tax on basic salary and allowance (4)	Tax on bonus (3-4)
1	3,200.00	5500.00	1262.50	640.00	622.50
2	3520.00	5820.00	1374.50	733.50	641.00
3	3872.00	6172.00	1497.70	839.10	658.60
4	4259.20	6,559.20	1,633.22	955.26	691.46
5	4685.12	6985.12	1782.29	1083.04	677.96
6	5153.63	7453.63	1946.27	1246.27	700.00
7	5668.99	7968.99	2126.65	1426.27	700.00
8	6235.89	8535.89	2325.06	1625.06	700.00
9	6859.48	9159.48	2543.32	1843.32	700.00
10	7.545.43	9845.43	2783.40	2083.40	700.00
11	8299.97	10599.97	3047.49	2347.49	700.00
12	9129.97	11429.97	3337.99	2637.99	700.00
	Total				8.212.81

Monthly income including bonus is the sum of basic salary, housing allowance and bonus per month.

a. Bonus net of tax = Total bonus amount -Tax on bonus

$$= 24,000 - 8,212.81 = \underline{\text{Br. 15,787.19}}$$

LAP Test 2	Performance Test
-------------------	-------------------------

Name.....ID..... Date.....

Time started: _____ Time finished: _____

Instructions:

Given necessary templates, tools and materials you are required to perform the following tasks within 2 hours. The project is expected from each student to do it.

Task 1. Calculate the amount of overtime earning for each employee.

Project 1. Computation of overtime earning

Assume that the following data are taken from a hypothetical XYZ Cooperative. The forthcoming data relates to overtime worked during the month of January, 2022.

Employee ID No.	Name of Employee	Basic salary	Overtime hours worked	Duration of overtime work	Basic salary per hours
E01	Abebe Leta	9,800	20	6AM Up to 10 PM	
E02	Alemu Chala	10,920	15	10 PM to 5 AM	
E03	Mohammed Kedir	12,160	10	Public Holidays	
E04	Solomon Bogale	11,400	9	Weekly rest days	

LAP Test1	Performance Test
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Name.....ID..... Date.....

Time started: _____ Time finished: _____

Instructions:

Given necessary templates, tools and materials you are required to perform the following tasks within 2 hours. The project is expected from each student to do it.

Project 2. Determining tax on Bonus

Assume that Ato Tulu an employee of XYZ Cooperative earns basic salary of Br. 10,800 per month and has got a three years bonus of Br. 68,000 for better performance in the year. Assume that there were no any other benefits during the year to an employee.

Task 1. Calculate the amount of income tax on his bonus

Task 2. Calculate bonus net of tax

LG #21

LO #2. Prepare Payroll

Instruction sheet

This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:

- Preparing payroll
- Recording payroll transaction
- Reconciling for pay period
- Making arrangements of requirements for payment
- Obtaining authorization of payroll
- Producing, checking and storing payroll records.
- Following payroll records security procedures

This guide will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:

- Prepare payroll
- Record payroll transaction
- Reconcile for pay period
- Make arrangements of requirements for payment
- Obtain authorization of payroll
- Produce checking and storing payroll records.
- Follow payroll records security procedures

Learning Instructions:

1. Read the specific objectives of this Learning Guide.
2. Follow the instructions described below.
3. Read the information written in the information Sheets
4. Accomplish the Self-checks
5. Perform Operation Sheets
6. Do the “LAP test”

Information Sheet 2

2.1.Preparing payroll

The basic steps for processing payroll include collecting employee information, setting up a payroll schedule, tracking time worked and money owed, issuing payments, and keeping accurate records.

a. Recording Payroll Transaction

Debit the wages, salaries, and company payroll taxes you paid. This will increase your expenses for the period. When you record payroll, you generally debit Gross Wage Expense and credit all of the liability accounts.

What is a payroll journal entry? A payroll journal entry is a recording of the wages or compensation employers pay their employees. An accountant records these entries into their general ledger for the company, and they use payroll journal entries to document payroll expenses.

b. Reconciling for pay period

Payroll reconciliation is when you compare your payroll register with the amount you're planning to pay out to your employees to confirm those numbers match. The simplest way to think about it is double-checking your math to ensure that you pay your employees correctly.

You should reconcile payroll during each and every pay period, at least two days before pay day. This helps you avoid any delays with employee paychecks.

c. Making arrangements of requirements for payment

Variations in Payroll

Pay variation is the extent of pay differences across employees and jobs in organizations, and is commonly measured as pay dispersion or pay range are:

- **Holiday Loading** - Leave loading means an employee taking annual leave is entitled to an extra payment on top of their base rate of pay either upon the commencement or during a period of annual leave.
- **Overtime**- Overtime is the leading brand for the next generation of sports fans.

- **Paid Leave** - Paid leave Vacation Leave: Regular employees working half time or more are eligible to accrue paid vacation after six months of employment.
- **Rates of Pay** - An employee's rate of pay is the amount of money they're paid over a period. Some employees who work over 40 hours a week can receive overtime, which typically equals an overtime compensation of one and half times their regular rate.
- **Sick Leave** - Sick leave (or paid sick days or sick pay) is paid time off from work that workers can use to stay home to address their health needs without losing pay.
- **Taxation** - Taxation is the imposition of compulsory levies on individuals or entities by governments in almost every country of the world. Taxation is used primarily to raise revenue for government expenditures, though it can serve other purposes as well.
- **Unpaid Leave** - Unpaid leave refers to time off from work during which an employee retains their job, but does not receive a salary.

2.2.Computation Methods Payroll

In computing employment income tax (payroll) there are two widely used computation methods. These are progression method and deduction method.

I. Deduction in Progression Method

In this method the amount of tax is calculated for each additional layer income of tax bracket by multiplying each additional layer income by the related tax rate under schedule A of proclamation No. 286/2002, article 11.

Illustration: Assume that the monthly salary of Ato Omar is Br 10,700 and Ato Omar is not entitled to any other employment benefit.

Required: Calculate his employment income tax (EIT).

Table 2.1. Calculate his employment income tax (EIT).

Gross Earnings Before Any Exemption	Birr 10,700	Income tax
Less: common exemption (the 1 st Br. 600)	<u>(600)</u>	= 0
Taxable employment income	10,100	
Less: the next Br. 1,050 (1,650-600) taxed at 10%	<u>1,050</u> x 10%	= 105
Remaining taxable income	9,050	
Less: the next Br. 1,550 (3,200 – 1,650) taxed at 15%	<u>1,550</u> x 15%	= 232.50
Remaining taxable income	7,500	
Less: the next Br. 2,050 (5,250 – 3,200) taxed at 20%	<u>2,050</u> x 20%	= 410
Remaining taxable income	5,450	
Less: the next Br. 2,550 (7,800 – 5,250) taxed at 25%	<u>2,550</u> x 25%	= 637.50
Remaining taxable income	2,900	
Remaining taxable income taxed at 30%	2,900 x 30%	= <u>870</u>
Total employment income tax		<u>\$2,255</u>

II. Short Cut Method

1. $601 - 1,650 = 10\% \times A^* - 60$
2. $1,651 - 3,200 = 15\% \times A^* - 142.50$
3. $3,201 - 5,250 = 20\% \times A^* - 302.50$
4. $5,251 - 7,800 = 25\% \times A^* - 565$
5. $7,801 - 10,900 = 30\% \times A^* - 955$
6. Above 10,900 = $35\% A^* - 1,500$

For our previous example, the monthly salary of Ato Omar is Br 10,700 and Ato Omar is not entitled to any other employment benefit. His employment income tax is calculated by the use of short cut formula as follows:

$$\text{EIT} = \{(G - D) \times TG\} - AG$$

$$\text{EIT} = \{(10,700 - 0) \times 30\%\} - 955 = 3,210 - 955 = \underline{\underline{\text{Birr 2,255}}}$$

Payroll records include:

Electronic Funds Transfer - Electronic funds transfer (EFT) is the electronic transfer of money from one bank account to another, either within a single financial institution or across multiple institutions, via computer-based systems, without the direct intervention of bank staff.

Net Pay - Net pay means take-home pay or the amount employees earn after all payroll deductions are subtracted from their gross pay.

Preparing Cheques - To address a written order for a specific amount of money to be paid to one from someone's account in a bank.

Taxation and Other Deductions - A tax deduction reduces your taxable income and how much tax you owe. You can itemize your deductions or take a fixed amount with the standard deduction.

d. Obtaining authorization of payroll

The authorization of payroll is an essential internal control requirement, minimizing the risk of inaccurate payroll data being processed and confirming that payment is in line with actual work performed. All payroll transactions should be substantiated, verified and authorized by the appropriate person.

The Payroll Manager / Supervisor should review and authorize the payroll report in advance of payment being made to ensure that any errors, duplicate payments or omissions are corrected.

e. Producing, checking and storing payroll records.

Check with your state for specifics. Easily store payroll records with Patriot Payroll.

Keep all your payroll records and documents in one centralized location. Some federal and state laws require employers to hold on to records for a specific amount of time. Knowing where all your data is will give you peace of mind. When you consolidate all your information and can easily access it, you'll never be left scrambling at the last minute.

In Payroll records the following Information are required:

- **Salary/Wages Expense** - A wage expense is the cost incurred by companies to pay hourly employees. This line item may also include payroll taxes and benefits paid to

employees. A wage expense may be recorded as a line item in the expense portion of the income statement.

- **Tax Liability** - Tax liability is the total amount of tax owed in a given period, by individuals and organizations, to federal, state, and local governments. For businesses, tax liabilities are short-term liabilities recorded on a balance sheet and paid within a year.
- **Pension Contribution Be Employee and Employer** - The minimum your employer pays, you pay, Total minimum contribution.
- **Payroll Summary**- Payroll summary reports provide a snapshot of a business's payroll obligations during a specific time frame. For each employee, it includes details on wage earnings, tax withholdings, benefit deductions and taxes owed by the employer.
- **Tax Reporting** - Tax Reporting and Strategy - We work with our clients to meet the complex challenges of the following areas: finance & accounting, payroll, tax management.

Following payroll records security procedures

- **Payroll Security**

Payroll security involves taking steps to ensure that sensitive company and employee information isn't compromised by employees or outside actors, like hackers.

Procedures to Ensure the Security of Payroll Information

- **Secure Physical Environment**

The physical layout of the payroll department affects the security of the information. Any physical copies of documents that contain personal information need to be locked up at all times. Filing cabinets with locks work well for this purpose. Position desks so the computer screens aren't visible from the door or by those walking nearby. Keep the doors to the payroll office locked with access only to payroll employees and authorized management. If any documents are stored offsite, choose a location that allows you to keep the documents locked up with access only by authorized personnel.

Limit Access

In addition to the physical precautions, a company needs to establish guidelines for access to the payroll information. For example, individual employees are typically able to access their

own records, but other employees should not have access to colleagues' information. Determine who has access to each employee's records and how access is handled. Bring the specific information to the employee instead of allowing him to retrieve it. Supervision while the employee is in the payroll department is also key to maintaining security.

Establish Electronic Security

Since the majority of payroll is handled electronically, the choice of software and the company's electronic security is essential. Your company needs a firewall to protect your computer systems and databases. Password protection on all computer stations provides further electronic protection. Work with the information technology department or with an independent consultant to upgrade your security, and conduct regular checks to ensure the system works properly.

Standardize External Requests

External inquiries for payroll information leave you open to a potential breach. While creditors, mortgage companies and other entities with a financial interest may contact you, there is no way to verify who is actually on the other end of the line.

You may get calls seeking to verify income for an employee or from creditors who want to garnish wages. Create a standard system for inquiring about this information in writing. In the case of a garnishment, the proper legal channels need to be followed. Train all payroll employees on the proper procedures for releasing any personal information about employees.

Properly Handle Disposal

A smaller amount of documents and information on hand means less possibility for a security breach. When possible, limit the number of items kept unless needed for tax or auditing reasons.

When you do get rid of documents, proper disposal is essential. Establish guidelines for handling sensitive documents, which should include secure shredding of the materials

Self Check 2	Written Test
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Name.....ID..... Date.....

Directions: Answer all the questions listed below.

Part I. choose the best answer (2 points each)

- Which one of the following information is not included in the procedures to ensure the security of payroll information?
 - Secure Physical Environment
 - Limit Access
 - Establish Electronic Security
 - All of the above
- The physical layout of the payroll department affects the security of the information is_____
 - Properly Handle Disposal
 - Limit Access
 - Secure Physical Environment
 - All of the above
- The total amount of tax owed in a given period, by Individuals is known as _____
 - Secure Physical Environment
 - Properly Handle Disposal
 - Tax Liability
 - All of the above

Part II short answer (5 points)

- List down and explain types of variation in payroll .

Note: Satisfactory rating - 15 points **Unsatisfactory - below 15points** You can ask you teacher for the copy of the correct answers

Test II: Short Answer Questions (10 points)

What are the two widely used computation methods in computing employment income tax? (2 points)

Write down the formula to calculate individual employee net income (4 points)

Write down the formula to calculate individual employee pension (4 points)

Operation Sheet 2	Procedures to prepare Payroll
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A. Equipment and procedure used to prepare payroll.

- I. Equipment and documents
- II. Computer
- III. Calculator
- IV. Documents

Steps in preparing payroll

Step 1. Collecting employee information

Step 2: Setting up a payroll schedule

Step 3. Tracking time worked and money owed

Step 4. Issuing payments

Step 5. Keeping accurate records

Example 1:

Given:

- Basic salary = 16,000 birr
- Position allowance = 600

Instruction: Compute for each of the amount:

1. Gross earning

1. Employment Income Tax
2. Pension contribution
3. Total deduction
4. Net pay

Step 1. Calculate gross earning

Gross earning = Basic salary + position allowance + overtime earning + Bonus

$$= 16,000 \text{ birr} + 600 \text{ birr}$$

$$= \underline{16,6000 \text{ birr}}$$

Step 2. Calculate employment income tax (EIT)

$$\text{EIT} = (\text{GE} * 35\%) - 1,500$$

$$\text{EIT} = (16,600 * 0.35) - 1500$$

$$= 5,810 - 1,500$$

$$= \underline{4,310 \text{ birr}}$$

Step 3. Calculate pension contribution

$$\text{PC} = \text{Basic salary} * 7\%$$

$$= 16,000 * 0.07$$

$$= \underline{1,120 \text{ birr}}$$

Step 4. Calculate Total Deduction (TD)

$$\text{TD} = \text{EIT} + \text{Pension}$$

$$= 4,310 + 1,120 \text{ birr}$$

$$= \underline{5,430 \text{ birr}}$$

Step 5. Calculate Net pay (NP)

$$\text{NP} = \text{Gross Earning} - \text{Total Deduction}$$

$$= 16,600 \text{ birr} - 5,430 \text{ birr}$$

$$= \underline{11,170 \text{ birr}}$$

Example 2:

Given:

- Basic salary = 12,750 birr
- OTE = 4,000
- **Gross earning = Basic salary + position allowance + overtime earning + Bonus**

$$= 12,750 + 4,000$$

$$= \underline{16,750 \text{ birr}}$$

$$\text{EIT} = (16,750 * 35\%) - 1,500 = \underline{4362.50 \text{ birr}}$$

$$\text{Pension} = 12,750 * 7\% = \underline{892.50 \text{ birr}}$$

$$\text{Total Deduction} = \text{EIT} + \text{Pension}$$

$$= 436.50 + 892.50$$

= 5,255 birr

Net pay = 16,750 birr – 5,255 birr

= 11,495 birr

XYZ Cooperative

Payroll Register

September 31, 2022

S/N	Employee Name	Basic Salary	OTE	Position allowan		Gross Earnin	EIT	Pension	Total Deducti	Net Pay	
1	Lema Getu	16,000		Manage	600	16,600	4310	1120	5430	11,170	
2	Hawi Bira	6,000		Secretar		6,000	935	420	1355	4,645	
3	Sena Sorsa	12,000		Expert	500	12,500	2875	840	3715	8,785	
4	Bona Jiru	13,200		Lawyer	400	13,600	3260	924	4184	9,416	
5	Kiya Tola	3,500		Guard		3,500	397.5	245	642.5	2,858	
6	Abdi Boru	2,900	2000	Driver		4,900	677.5	203	880.5	4,020	
7	SifanLeta	9,750		Technici		9,750	1970	682.5	2652.5	7,098	
8	Hana	9,750		Supervis	600	10,350	2150	682.5	2832.5	7,518	
9	LemiBonsa	12,750	4000	Account		16,750	4362.5	892.5	5255	11,495	
10	Lamesa	13,500	5000	Auditor		18,500	4975	945	5920	12,580	
11	MargaGutu	8,500	1000	Electrici		9,500	1895	595	2490	7,010	
12	Leta Tulu	<u>3,000</u>	-----	Driver		<u>3,000</u>	<u>307.5</u>	<u>210</u>	<u>517.5</u>	<u>2,483</u>	
	Total	<u>110,850</u>	<u>12,000</u>		<u>2,100</u>	<u>124,950</u>	<u>28,115</u>	<u>7,759.5</u>	<u>35,874.5</u>	<u>89,075.5</u>	

Payroll Related Journal Entries

- Salary expense..... 124,950
Employee income tax payable..... 28,115.00
Pension fund payable..... 7,759.50
Salaries payable..... 89,075.50
To record payroll liabilities
- Employee income tax payable..... 28,115
Cash..... 28,115
To record the payment of income tax
- Pension fund payable..... 7,759.50
Cash..... 7,759.50
To record the payment of pension fund
- Salaries payable..... 89,075.50
Cash..... 89,075.50
To record the payment of salary

LAP Test 2	Performance Test
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Tools and Equipment Required:

- Stationary
- Computer
- Calculator
- Pen

Instruction: Given all the necessary cooperative employees' payroll register you are required to perform the following tasks within 4 hours.

Case 1. Prepare payroll

Case 2. Pass all the necessary payroll related journal entries

S/N	Employee Name	Basic Salary	OTE	Position allowance	Gross Earnings	EIT	Pension	Total Deduction	Net Pay	
1	Kebede Tola	14,000		800						
2	HawiGutu	9,000								
3	Alemu Kebede	10,000		600						
4	Meron Girma	13,200		800						
5	Kemel Ali	7,500								
6	Abdi Umar	8,900	5,000							
7	Tesfaye Tulu	9,750								
8	Hana Balcha	9,750		900						
9	LemiKebede	12,750	8,000							
10	Gemed Faye	11,500	7,000							
11	JituAhimed	9,500	5 000							
12	TuluFayisa	14,000								
	Total									

LG #22

LO #3. Handle Payroll Enquiries

Instruction sheet

This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:

- Responding Payroll enquiries
- Providing Information requirements
- Ensuring enquiries outside area of responsibility
- Completing Additional information or follow-up

This guide will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:

- Respond Payroll enquiries
- Provide Information requirements
- Ensure enquiries outside area of responsibility
- Complete Additional information or follow-up

Learning Instructions:

1. Read the specific objectives of this Learning Guide.
2. Follow the instructions described below.
3. Read the information written in the information Sheets
4. Accomplish the Self-checks

Information Sheet 3

3.1. Responding Payroll Enquiries

Enquiries regarding pay-related matters might come from current or ex-employees or from outside parties such as an employee's superannuation or health fund.

Email - Sign in. Use your Google Account. Email or phone. Type the text you hear or see.

Face-to-Face

1: within each other's sight or presence met and talked face-to-face a face-to-face consultation.

2: in or into direct contact or confrontation came face-to-face with the problem.

Fax- A fax (short for facsimile and sometimes called telecopying) is the telephonic transmission of scanned-in printed material (text or images), usually to a telephone number associated with a printer or other output device.

Telephone - A telephone is a telecommunications device that permits two or more users to conduct a conversation when they are too far apart to be heard directly.

3.2. Providing Information Requirements

It may include gross wages or salary, hourly pay rate, overtime rate and wages, piece work, compensation, mandatory deductions, voluntary deductions, additional types of pay - such as commission, bonus or severance -- and year-to-date wages and deductions.

Kinds of Payroll Information

As a core function of your business, payroll amasses different types of information. All of this data ties into your relationship with your employees from a compensation standpoint. This includes wages, taxes and deductions, employee benefits and general policies.

Individual Records

An employee's payroll record shows her personal data, such as address, Social Security number and birth date, and her wage and financial information, including hourly pay rate or salary, bank account data for direct deposit, basis for withholding income tax, available benefit days such as vacation and sick time and other benefits such as health and life insurance

Access to this data should be restricted to the relevant payroll personnel. If you provide your employees with a self-service system, Paycheck Stubs

A pay stub breaks down the employee's gross-to-net wages for the pay period. It may include gross wages or salary, hourly pay rate, overtime rate and wages, piece work compensation, mandatory deductions, voluntary deductions, additional types of pay -- such as commission, bonus or severance -- and year-to-date wages and deductions. Pay stub abbreviations vary by employer; however, they should be applied in a consistent manner

Employee Tax Reporting

You must pay and report the taxes you withhold from your employees' paychecks to the federal and applicable state and local governments. You use specific forms to file your reports, which you must maintain for at least four years, according to the Internal Revenue Service.

Your state or local government has its own form requirements for reporting state and local withholding. All of these documents include key information about your employees' withholding.

Employer Liabilities

You share the employee's burden in paying Social Security and Medicare taxes, and, depending on IRS requirements, you report your share with the employees' portion on either. You also have other mandatory obligations that your employees do not have, such as federal unemployment tax and, in most cases, state unemployment tax. These liabilities require different forms, on which you include your employees' wages and your liabilities.

Internal Policies

Internal payroll policies may apply strictly to your payroll employees, to managers and supervisors or to your staff as a whole. For example, restrict information regarding to whom you disclose payroll information and procedures for payroll processing to your payroll department. Policies on time card completion, how to enroll in the company's benefit plans and what to expect on payday apply to all employees. Procedures on time card approval and employee time off for vacation or personal days apply to your managers and supervisors.

Considerations

Under the Fair Labor Standards Act (FLSA), you must keep payroll records for at least three years. This includes the time and day the employee's workweek starts, hours worked each day and week, daily or weekly regular wages and weekly overtime wages. The FLSA requires that you keep documents on which wage calculations are based - such as time cards and work schedules -for at least two years.

- **Legislative requirements for payroll includes the followings:**
 - ✓ **Relevant Tax Laws** - Relevant Tax means any present or future taxes, duties, assessments or governmental charges of whatever nature, imposed or levied by or on behalf of any...
 - ✓ **Confidentiality and Security of Records** - Confidential records contain information that for one or more reasons should only be disclosed to specific people or groups.

- ✓ **Higher Education Contribution Scheme** – Higher Education Loan Program (HECS-HELP) is a Commonwealth Government loan scheme that helps eligible students to pay all or part of their student contribution amount.
- ✓ **Medical Care Levy** - Most taxpayers pay a levy of 2% of their taxable income to help fund the Medicare service. The levy is an additional charge to the tax you pay on your taxable income.
- ✓ **Pension Contribution Law**- All employers must offer a workplace pension scheme by law. You, your employer and the government pay into your pension.

Provided Contribution Policy

- Community Contribution Policy.
 - ✓ It should provide management with the guidelines and rules on the delivery of resources and the associated budget.

3.3. Ensuring enquiries outside area of responsibility in payroll

It will be necessary to ensure that any enquiries outside your area of responsibility and knowledge are referred to designated persons for resolution.

3.4. Completing Additional information or follow-up

To complete your payroll setup checklist, you just need to enter these pieces of key information: Withholding account number. Documents may include payroll reports, or payroll tax forms and state quarterly wage reporting and unemployment insurance tax filings reported, or that will be reported, to the relevant state.

Self Check 3	Written Test
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Name.....ID..... Date.....

Directions: Answer all the questions listed below.

Test I: Choose the best answer (3 points)

1. A telecommunications device that permits two or more users to conduct a conversation when they are too far apart to be heard directly is known as _____

- A. Telephone
- B. Email
- C. Fax
- D. All of the above

2. The telephonic transmission of scanned-in printed material (text or images), usually to a telephone number associated with a printer or other output device is _____

- A. Telephone
- B. Fax
- C. Email
- D. All of the above

3. You must pay and report the taxes you withhold from your employees is _____

- A. Employee tax
- B. Employee Tax Reporting
- C. Relevant Tax Laws
- D. All of the above

4. Internal payroll policies may apply strictly to

- A. your payroll employees
- B. managers and supervisors
- C. your staff as a whole
- D. All of the above

Part II short answers (6 points)

1. Write the factors in responding payroll enquiries.
2. . Mention all Kinds of Payroll Information

Note: Satisfactory rating - 15 points

Unsatisfactory - below 15points

You can ask your teacher for the copy of the correct answers

References

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Essentials of payroll management and accounting (access date august 28/2022)

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Web addresses

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AKNOWLEDGEMENT

Ministry of Labor and Skills wish to extend thanks and appreciation to the many representatives of TVET instructors and respective industry experts who donated their time and expertise to the development of this Teaching, Training and Learning Materials (TTLM).

The experts who developed the learning guide

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