



Western Technical College

## 10101130 Payroll Accounting

### Course Outcome Summary

#### Course Information

**Description** The course covers the basic rules and methods of calculating payroll. A further study of the rules and regulations governing employer/employee payroll are studied. The various federal and state forms are examined and completed. Proper and timely reporting of payroll is discussed. The student completes a manual and computerized payroll project. An understanding of debits and credits is highly recommended.

**Career Cluster** Finance

**Instructional Level** Associate Degree Courses

**Total Credits** 3

**Total Hours** 72

#### Textbooks

*Payroll Accounting 2022 (Loose-leaf)*. 32nd Edition. Copyright 2022. Bieg, Bernard J. and Judith A. Toland. Publisher: Cengage Learning. **ISBN-13:** 978-0-357-77188-4. Required.

*CNOWv2 for Payroll Accounting 2022*. 32nd Edition. Copyright 2022. Bieg, Bernard J. and Judith A. Toland. Publisher: Cengage Learning. **ISBN-13:** 978-0-357-51879-3. Required.

#### Learner Supplies

Calculator. **Vendor:** Campus Shop. Required.

#### Course Competencies

1. Explain payroll operations for a business.

## **Assessment Strategies**

- 1.1. Activity - Unit Problems

### **Criteria**

*You will know you are successful when*

- 1.1. you identify the Federal laws affecting payroll.
- 1.2. you identify the major human resources record keeping requirements associated with Federal laws.
- 1.3. you identify the major payroll record keeping requirements associated with Federal laws.
- 1.4. you identify the common needs of human resource systems and payroll accounting systems.
- 1.5. you describe the new hire process within a human resource system.
- 1.6. you identify basic components of a payroll accounting system.
- 1.7. you use payroll terminology.

### **Learning Objectives**

- 1.a. Identify the primary laws relating to payroll.
- 1.b. Describe the primary components of a human resources system.
- 1.c. Describe the primary components of a payroll accounting system.

## **2. Calculate gross earnings.**

### **Assessment Strategies**

- 2.1. Written Objective Test

### **Criteria**

*You will know you are successful when*

- 2.1. you describe the major aspects of the minimum wage provisions of the Fair Labor Standards Act.
- 2.2. you describe the tip provisions of the Fair Labor Standards Act.
- 2.3. you describe the overtime provisions of the Fair Labor Standards Act.
- 2.4. you describe the primary types of time records.
- 2.5. you convert weekly, bi-weekly, semi-monthly, monthly, and annual rates of pay to a hourly rate.
- 2.6. you calculate the regular earnings of employees.
  
- 2.7. you calculate the overtime earnings of employees using both methods.
- 2.8. you calculate incentive commission earnings.

### **Learning Objectives**

- 2.a. Explain the major payroll provisions of the Fair Labor Standards Act.
- 2.b. Describe the primary types of time records used in the payroll process.
- 2.c. Calculate regular and overtime wages
- 2.d. Calculate gross wages and salaries
- 2.e. Calculate incentive earnings.

## **3. Calculate FICA taxes.**

### **Assessment Strategies**

- 3.1. Written Objective Test

### **Criteria**

*You will know you are successful when*

- 3.1. you identify which employers are subject to the provisions of FICA.
- 3.2. you identify which employees are subject to the provisions of FICA.
- 3.3. you identify which types of compensation are subject to the provisions of FICA.
- 3.4. you calculate employee and employer OASDI (Social Security) taxes under the FICA provisions based on the current applicable tax rates and taxable wage base limits.
- 3.5. you calculate employee and employer HI (Medicare) taxes under the FICA provisions based on the current applicable tax rates.
- 3.6. you calculate OASDI (Social Security) taxes for self-employed individuals under the SECA provisions based on the current applicable tax rates and taxable compensation limits.
- 3.7. you calculate HI (Medicare) taxes for self-employed individuals under the SECA provisions based on the current applicable tax rates.
- 3.8. you explain the deposit requirements for FICA taxes.

### **Learning Objectives**

- 3.a. Identify which employers, employees and types of compensation are subject to the provisions of FICA.
- 3.b. Describe the two types of taxes comprising FICA and SECA taxes.
- 3.c. Calculate employee and employer FICA taxes.
- 3.d. Calculate the SECA taxes for a self-employed individual.
- 3.e. Describe the deposit requirements for FICA taxes.
- 3.f. Use payroll terminology.

## **4. Calculate income tax withholding and miscellaneous payroll deductions.**

### **Assessment Strategies**

- 4.1. Written Objective Test

### **Criteria**

*You will know you are successful when*

- 4.1. you identify those employees subject to Federal income tax withholding.
- 4.2. you identify the types of employee compensation subject to Federal income tax withholding.
- 4.3. you calculate the amount of federal income tax withholding for employees using the percentage method.
- 4.4. you calculate the amount of federal income tax withholding for employees using the wage-bracket method.
- 4.5. you calculate the amount of federal income tax withholding for employees for supplemental pay.
- 4.6. you calculate the amount of state and local income tax withholding based on provided tax rates.
- 4.7. you calculate miscellaneous employee payroll deductions.
- 4.8. You calculate the net earnings of employees based on gross earnings, tax withholdings, and other payroll deductions.

### **Learning Objectives**

- 4.a. Describe the primary provisions of Federal income tax withholding laws.
- 4.b. Identify which employers, employees and types of compensation are subject to Federal income tax withholding.
- 4.c. Calculate Federal income tax withholding amounts using each of the available methods.
- 4.d. Calculate state and local income tax withholding amounts based on provided tax rates.
- 4.e. Calculate the net earnings of employees.
- 4.f. Use payroll terminology

## **5. Calculate unemployment compensation taxes.**

### **Assessment Strategies**

- 5.1. Written Objective Test

### **Criteria**

*You will know you are successful when*

- 5.1. you identify which employers are subject to Federal and state unemployment compensation provisions.
- 5.2. you identify the employees which subject employers to Federal and state unemployment compensation provisions.
- 5.3. you calculate the amount of employee wages subject to Federal unemployment compensation taxes for an employer.
- 5.4. you calculate the amount of gross and net Federal unemployment compensation taxes for an employer.
- 5.5. you calculate the amount of employee wages subject to state unemployment compensation taxes for an employer.
- 5.6. you determine employers state unemployment compensation tax rates based on an experience rating system.
- 5.7. you calculate the amount of state unemployment compensation taxes for an employer.
- 5.8. you calculate the amount of employee state unemployment compensation tax withholding for applicable states.
- 5.9. you calculate the amount of voluntary contributions employers must make to reduce their state unemployment compensation tax rates.

### **Learning Objectives**

- 5.a. Identify which employers, employees and types of compensation are subject to Federal and state unemployment compensation provisions.

- 5.b. Determine the amount of employer taxable wages for Federal and state unemployment compensation taxes.
- 5.c. Calculate the amount of Federal and state unemployment compensation taxes paid by employers.
- 5.d. Describe how state unemployment compensation tax rates are determined using an experience rating system.
- 5.e. Calculate the amount of employee state unemployment compensation tax withholding for applicable states.
- 5.f. Use payroll terminology

## **6. Prepare payroll and payroll tax forms.**

### **Assessment Strategies**

- 6.1. Activity - Unit Problems

### **Criteria**

*You will know you are successful when*

- 6.1. you utilize payroll registers to prepare payroll tax forms.
- 6.2. you utilize employee earnings records to prepare payroll tax forms.
- 6.3. you calculate the amounts to report in the fields of Federal payroll tax forms.
- 6.4. you prepare Federal Form 941 (employer's quarterly tax return).
- 6.5. you prepare Federal Form 940 (employer's annual Federal unemployment tax return).
- 6.6. you prepare Federal Form W-2(s) (wage and tax statement) and the related Federal Form W-3 (transmittal of wage and tax statement).

### **Learning Objectives**

- 6.a. Describe the payroll forms used by employers in the payroll process.
- 6.b. Describe the payroll tax forms required of employers.
- 6.c. Prepare Federal payroll tax forms.
- 6.d. Complete the necessary calculations supporting Federal payroll tax forms.
- 6.e. Use payroll terminology

## **7. Complete the journal entries supporting the payroll process.**

### **Assessment Strategies**

- 7.1. Activity - Unit Problems

### **Criteria**

*You will know you are successful when*

- 7.1. you identify the journal entries required to record a company's payroll activities.
- 7.2. you locate the amounts in the payroll register necessary to prepare the journal entries supporting a company's payroll activities.
- 7.3. you prepare the journal entries necessary to record a company's payroll.
- 7.4. you prepare the journal entries necessary to record a company's payroll tax liabilities.
- 7.5. you prepare the journal entries necessary to record the payments of a company's payroll tax liabilities and deductions.
- 7.6. you prepare the journal entries necessary to record a company's end-of-period payroll accruals.

### **Learning Objectives**

- 7.a. Describe the payroll forms used by employers in the payroll process.
- 7.b. Describe the required information in the payroll register to record payroll transactions.
- 7.c. Complete the journal entries supporting a company's payroll activities.
- 7.d. Use payroll terminology