Assessment Requirements for FNSPAY505 Interpret and apply knowledge of taxation systems relevant to payroll

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Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 3.0.

Performance Evidence

Evidence of the ability to:

- conduct research on changes to, or new, taxation systems relevant to payroll operations
- assess impact of taxation systems on payroll operations and apply understanding of taxation systems to payroll operations to ensure compliance and accuracy of payments
- inform stakeholders of changes to payroll operations resulting from changes to taxation systems in line with organisational policies and procedures
- determine the impact of taxation systems on at least three of the following types of legal entities and business structures:
    - sole traders
    - partnerships
    - companies
    - not for profit organisations
    - principal contractors
    - subcontractors
    - grouped employers
- seek advice from sources when interpreting taxation systems
- use sources of information to ensure currency of knowledge of taxation systems relevant to payroll.

Note: If a specific volume or frequency is not stated, then evidence must be provided at least once.

Knowledge Evidence

The candidate must be able to demonstrate the following knowledge to effectively complete the tasks outlined in the elements and performance criteria of this unit, and to manage tasks and reasonably foreseeable contingencies in the context of the work role.

- Key features and operating principles of taxation systems relevant to payroll, including:
  - income tax
  - state payroll tax
- Impact of fringe benefits tax (FBT) on payroll including circumstances in which:
  - FBT applies to payroll
  - payroll is exempt from FBT
- Deductions and exemptions in taxation systems that apply to payroll, including:
  - tax free thresholds
  - superannuation concessions
- State-based variations in:
  - payroll tax thresholds
  - definitions of 'taxable wages'
  - applicable rebates and exemptions
- Impacts of taxation systems on payroll operations, including how different taxation systems interact with each other to impact payroll operations
- Roles and responsibilities of key organisations, including those of the Australian Taxation Office
- Key principles underpinning the concept of 'employees vs contractors' in relation to pay as you go withholding (PAYGW) tax, superannuation, workers compensation, and payroll tax
- Key features of tests that need to be applied in making a determination on the status of a worker for tax purposes
- Key features of nexus provisions and tests that need to be applied in order to determine the correct jurisdiction for payroll tax liability
- Industry-standard methods for calculating the payroll tax threshold in each State, and impact on that threshold for organisations that employ people in more than one State
- Grouping provisions for payroll tax and principles underpinning the concept of a 'designated group employer'
- Sources of information on taxation systems that can be accessed to maintain currency of knowledge and to seek advice when interpreting impact of tax on payroll
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Assessment Conditions

Assessment must be conducted in a safe environment where evidence gathered demonstrates consistent performance of typical activities experienced in the payroll field of work and include access to:

- office equipment, technology, software and consumables required to access information on taxation systems relevant to payroll, including legislation, regulations, and codes of practice relating to payroll
- case studies and, where available, real examples.

Assessors of this unit must satisfy the assessor requirements in applicable vocational education and training legislation, frameworks and/or standards.

Links

Companion volumes are available from VETNet. - https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe