



Australian Government

FNSPAY501 Process salary packaging arrangements and additional allowances in payroll

Release: 1

FNSPAY501 Process salary packaging arrangements and additional allowances in payroll

Modification History

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

Application

This unit describes the skills and knowledge required to process salary packaging arrangements and additional allowances for employees in payroll systems.

It applies to individuals who, within their level of authority, use specialised knowledge, systematic approaches and analytical techniques to prepare data, calculate and verify payments, and ensure compliance with regulatory requirements using established payroll systems.

Work functions in the occupational areas where this unit may be used are subject to regulatory requirements. Refer to the FNS Financial Services Training Package Companion Volume Implementation Guide or the relevant regulator for specific guidance on regulatory requirements.

Unit Sector

Payroll

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Analyse organisation's salary packaging and additional allowance arrangements	1.1 Identify organisational and legislative requirements for salary packaging arrangements and additional allowances 1.2 Determine organisation's preferred salary packaging model through assessment of the benefits and costs of different models 1.3 Identify range of benefits that form part of employee salary packaging arrangements 1.4 Verify that salary packaging arrangements and additional

ELEMENT	PERFORMANCE CRITERIA
	allowances comply with required legislation and organisational policies and procedures
2. Assist employees to interpret prepared salary packaging arrangements	2.1 Prepare information for employees on available salary packaging options, including information on the impact of various options on assessable income and employment conditions 2.2 Distribute information to employees according to organisational policies and procedures 2.3 Help employees to assess the implications of salary packaging options on assessable income and employment conditions
3. Process salary packaging arrangements in payroll system	3.1 Obtain employee information required to process salary packaging arrangements in line with organisational procedures 3.2 Enter information into payroll system and check for accuracy against source information, seeking clarification from sources as required 3.3 Determine tax and non-tax components of salary packaging arrangements 3.4 Calculate impact of salary packaging on employee's assessable income in payroll system
4. Process additional allowances in payroll system	4.1 Obtain employee information required to process additional allowances relating to their employment conditions in line with organisational procedures 4.2 Enter information into payroll system and check for accuracy against source information, seeking clarification from sources as required 4.3 Calculate impact of additional allowances on employee's gross income in payroll system 4.4 Adjust additional allowances to be paid to employee in response to changes in their employment conditions as required
5. Issue payment summary and document outcomes	5.1 Issue payment summary to employee according to legislative and organisational requirements 5.2 Produce, review and store payroll records relating to employee salary packaging arrangements and additional allowances according to organisational policies and procedures

Foundation Skills

This section describes those language, literacy and numeracy and employment skills that are essential to performance.

Skill	Description
Reading	Researches and analyses financial information and data from a range of sources to identify key aspects relating to requirements
Writing	- Records information and completes forms using correct spelling, grammar, terminology, and conventions - Uses clear language and concepts appropriate to audience to convey and clarify explicit information and requirements in written documentation
Numeracy	Analyses financial data and performs mathematical calculations to complete requirements of complex and non-complex payroll documentation
Oral communication	- Participates in verbal exchanges using active listening and questioning techniques when seeking advice and conveying information - Uses language and concepts appropriate to audience and purpose
Navigate the world of work	Identifies and follows legislative and regulatory requirements and organisational policies and procedures associated with own role
Interact with others	Selects and uses appropriate conventions and protocols when communicating with clients, colleagues and others to seek and provide information
Get the work done	- Plans, organises, schedules, and implements tasks according to organisational and legislative requirements, taking responsibility for compliance - Makes critical and non-critical decisions in relatively complex situations, taking organisational and legislative requirements into consideration - Identifies and responds to problems by systematically analysing information, generating and evaluating options, and selecting the most appropriate option

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSPAY501 Process salary	No previous unit.	New unit.	No equivalent unit.

Code and title current version	Code and title previous version	Comments	Equivalence status
packaging arrangements and additional allowances in payroll			

Links

Companion volumes are available from VETNet. -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>

Assessment Requirements for FNSPAY501 Process salary packaging arrangements and additional allowances in payroll

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Performance Evidence

Performance Evidence

Evidence of the ability to:

- assess benefits and costs to an organisation and its employees of different salary packaging models, including:
 - total remuneration package
 - gross plus superannuation
 - total employment cost
 - salary sacrifice arrangements
- identify additional allowances relating to an employee's employment conditions using required sources of information, including:
 - employment contract
 - salary sacrifice agreement
 - novated lease agreement
 - purchased leave agreement
 - organisational policies
- use a payroll system to calculate and process the impact of salary packaging arrangements and additional allowances on an employee's payments
- confirm compliance of salary packaging arrangements with applicable regulatory requirements and organisational policies and procedures.

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 of legislation, regulations and taxation systems relevant to salary packaging arrangements and additional allowances, including those of:
 - Income Tax Assessment Act
 - Fringe Benefits Tax Assessment Act
 - Superannuation Guarantee (Administration) Act
 - Fair Work Act
 - Privacy Act
- Benefits and costs to organisations and employees of salary packaging arrangements
- Different models for salary packaging, including:
 - gross salary plus benefits
 - total employment costing
- Common types of benefits that can be included in salary packaging arrangements, including:
 - fringe benefits
 - exempt benefits
 - concessional benefits
 - novated lease arrangements
 - purchased leave arrangements
 - superannuation contributions
- Common types of additional allowances, including:
 - car allowances
 - living away from home (LAFH) allowances
- External and organisational sources that can be accessed for additional information on salary packaging arrangements and additional allowances
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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 process salary packaging arrangements and additional allowances for employees in payroll systems, including:
 - organisational policies and procedures
 - payroll system
- case studies and, where available, real situations relating to the above work.

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>