



Australian Government

Assessment Requirements for FNSPAY503 Process complex employee terminations in payroll

Release: 1

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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:

- collect information required to carry out an employment termination process in a payroll system, and:
 - interact with stakeholders to ensure completeness and accuracy of information required to process that termination
 - ensure compliance of employment termination with legislative requirements and organisational procedures
- process each of the following employment termination types in payroll systems, including calculating the employment termination payment (ETP) for each:
 - resignation
 - redundancy
 - retirement
- process at least one of the following employment termination types in payroll systems, and calculate the corresponding ETP:
 - dismissal
 - unfair dismissal
 - invalidity
 - death
 - termination for pre-August 1983 starters
 - golden handshakes
- process the above termination payment entitlements according to commonwealth, state and territory legislative requirements, including:
 - final salary and wages payments
 - unused annual leave and long service leave
 - notice and redundancy payments
 - unused rostered days off (RDOs) and other entitlements

- gratuities
- settlements
- maintain records of the above employment terminations according to legislative requirements.

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.

- Different types of employment terminations, including:
 - resignation
 - redundancy
 - retirement
 - dismissal
 - unfair dismissal
 - invalidity
 - death
 - termination for pre-August 1983 starters
 - golden handshakes
- Key types of ETPs and when they are used
- Key features of organisational policies and procedures relating to ETPs
- Legislative requirements relating to termination notice periods and redundancy payments
- Significance of determining the preservation age of an employee on termination
- Tax treatment for a redundancy payment, including the Lump Sum D component and any excess over the tax free Lump Sum D amount
- Tax treatment options for unused annual leave and long service leave on termination
- Different tax treatments of ETPs and how they are calculated, including:
 - excluded ETPs
 - non-excluded ETPs
- Types of termination payments that are subject to superannuation contributions
- Impact of legislative requirements on complex employee terminations, including:
 - legislation relating to employment termination processes
 - legislation relating to the calculation and issuance of employment termination payments
 - Fair Work Act recordkeeping requirements relating to employment termination processes
 - state legislation, including long service leave entitlements

- Sources of information on employment termination processes that can be accessed to maintain currency of knowledge and to seek advice

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 complex employee terminations in payroll, including:
 - organisational policies and procedures
 - payroll system
- case studies and, where available, real situations relating to the above work.
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Links

Companion volumes are available from VETNet. -

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