



Australian Government

FNSPAY505 Interpret and apply knowledge of taxation systems relevant to 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.

Application

This unit describes the skills and knowledge required to research, analyse and apply knowledge of taxation systems to the provision of payroll services.

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 taxation systems relevant to payroll	1.1 Use appropriate sources to research taxation systems relevant to the provision of payroll services 1.2 Identify how taxation systems apply to organisation's payroll operations 1.3 Seek assistance from sources to interpret context, purpose and impact of taxation systems on payroll

ELEMENT	PERFORMANCE CRITERIA
2. Evaluate impact of taxation systems on payroll services	2.1 Analyse impact of taxation systems on different types of employment contracts, legal entities, and business structures 2.2 Assess impact of taxation systems on organisation's operations and employee payments, including impact of variations in taxation systems across jurisdictions
3. Ensure payroll services comply with taxation systems	3.1 Apply knowledge of taxation systems to determine if payroll operations are compliant 3.2 Identify changes to payroll operations required to ensure compliance with taxation systems 3.3 Seek advice and guidance from sources to ensure payroll operations comply with taxation systems
4. Maintain compliance with taxation systems	4.1 Review sources of information on taxation systems regularly to ensure payroll operations remain compliant 4.2 Inform stakeholders of changes to taxation systems and explain impact of changes on payroll operations, including changes to employment contracts and business structures, according to organisational policies and procedures 4.3 Access and use systems to maintain up-to-date knowledge of taxation systems to ensure continued compliance of payroll operations

Foundation Skills

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

Skill	Description
Learning	Identifies, plans and implements strategies to manage gaps in own knowledge
Reading	Critically analyses complex documentation from a variety of sources and consolidates information relating to specific criteria to determine requirements
Writing	- Prepares documents that are constructed logically, succinctly and accurately to express ideas and explore complex issues - Completes organisational documents and correspondence using clear language and correct spelling, grammar and terminology

Skill	Description
Numeracy	• Uses a wide range of mathematical calculations to analyse and compare numerical information • Makes calculations to ensure work is completed according to predetermined timeframes
Oral communication	• Participates in verbal exchanges using active listening and questioning techniques to elicit information from others and to confirm understanding
Navigate the world of work	• Develops and implements strategies that ensure organisational policies, procedures and regulatory requirements are met • Monitors and reviews compliance of organisational policies and procedures with legislative requirements to implement and manage required change • Ensures knowledge of legislation and regulations is accurate, comprehensive and current to provide advice to others as required by role
Interact with others	• Influences and fosters a collaborative culture, facilitating a sense of commitment and workplace cohesion • Shares knowledge, information and experience openly as an integral part of the working relationship
Get the work done	• Develops plans to manage relatively complex routine and non-routine tasks, with an awareness of how they might contribute to broader strategy and goals • Gathers and analyses data and seeks feedback to improve plans and processes • Addresses complex problems involving multiple variables, using formal analytical and lateral thinking techniques, experience and knowledge to generate solutions • Uses digital systems and technologies to enter, store or access information

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSPAY505 Interpret and apply knowledge of taxation systems relevant to payroll	No previous unit.	New unit.	No equivalent unit.

Links

Companion volumes are available from VETNet. -

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

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

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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>