



Australian Government

FNSPAY513 Process complex employee terminations in payroll

Release: 1

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Modification History

Release	Comments
Release 1	This version first released with the FNS Financial Services Training Package Version 8.0. Supersedes and is equivalent to FNSPAY503 Process complex employee terminations in payroll.

Application

This unit describes the skills and knowledge required to process uncommon and complex employee terminations in payroll systems, including calculating and providing employment termination payments (ETPs).

The unit applies to individuals who, within their level of authority, use specialised knowledge, systematic approaches and analytical techniques to conduct employee terminations in payroll systems while ensuring compliance with regulatory requirements.

Work functions in the occupational areas where this unit may be used are subject to regulatory requirements. Users are advised to check with the relevant state and territory regulatory authorities to confirm those 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. Gather employee information and verify organisational requirements relating to termination	1.1 Confirm type of employment termination according to organisational policies and procedures 1.2 Identify and obtain employee information required to process termination according to organisational policies and procedures 1.3 Verify accuracy of information and seek clarification, as required
2. Prepare information	2.1 Identify legislation, taxation systems, regulations and codes of

ELEMENT	PERFORMANCE CRITERIA
for termination	practice to be complied with in employment termination 2.2 Verify that employment termination process meets requirements of identified legislation, taxation systems, regulations and codes of practice 2.3 Identify and calculate pay components required for termination payment 2.4 Enter information required to process employment termination into payroll system
3. Conduct payroll termination and document outcomes	3.1 Process employment termination in payroll system according to organisational policies and procedures 3.2 Process employee payments according to organisational and legislative requirements 3.3 Calculate tax on pay components according to legislative requirements 3.4 Issue ETP payment summary using Single Touch Payroll according to legislative requirements 3.5 Document outcome of process and store payroll records relating to employee termination according to organisational policies and procedures, and legislative requirements

Foundation Skills

This section describes those language, literacy, numeracy and employment skills that are essential to performance but not explicit in the performance criteria.

SKILL	DESCRIPTION
Numeracy	Analyses financial data and performs mathematical calculations to complete requirements of complex payroll documentation
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 accurately using correct spelling, grammar, terminology, and conventions
Problem solving	Identifies and responds to problems by systematically analysing information, generating and evaluating options, and selecting the most appropriate option
Technology	Uses the main features and functions of digital systems and programs to plan, implement, monitor, report progress, and lodge forms

Unit Mapping Information

Supersedes and is equivalent to FNSPAY503 Process complex employee terminations in payroll.

Links

Companion Volume Implementation Guide is found on VETNet -

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

Assessment Requirements for FNSPAY513 Process complex employee terminations in payroll

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Performance Evidence

The candidate must demonstrate the ability to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including evidence of the ability to:

- process at least one of each of the following three complex employee termination types in payroll systems:
 - resignation
 - redundancy
 - retirement
- process at least one of the following termination types in payroll systems:
 - dismissal
 - unfair dismissal
 - invalidity
 - death
 - termination for pre-August 1983 starters
 - redundancy or early retirement.

Knowledge Evidence

The candidate must be able to demonstrate knowledge to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including knowledge of:

- different types of employment terminations, including:
 - resignation
 - redundancy
 - retirement
 - dismissal, including unfair dismissal
 - invalidity

- death
- termination for pre-August 1983 starters
- key types of employment termination payments (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 of:
 - legislation relating to employment termination processes
 - legislation relating to calculating and issuing employment termination payments
 - Fair Work Act recordkeeping requirements relating to employment termination processes
 - state legislation, including long service leave entitlements
 - processing requirements through Single Touch Payroll
- sources of information on employment termination processes that can be accessed to maintain currency of knowledge and to seek advice
- commonwealth, state and territory legislative requirements relating to processing employee terminations in payroll, 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.

Assessment Conditions

Skills in this unit must be demonstrated in a workplace or simulated environment where the conditions are typical of those in a working environment in this industry.

This includes access to:

- office equipment, technology, software and consumables required to process complex employee terminations in payroll, including payroll system.
- organisational policies and procedures.

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

Links

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