



Australian Government

FNSPAY515 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 the FNS Financial Services Training Package Version 8.0. Supersedes and is equivalent to FNSPAY505 Interpret and apply knowledge of taxation systems relevant to payroll.

Application

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

The unit 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. 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. Analyse taxation systems relevant to payroll	1.1 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. Confirm payroll services comply with taxation systems	3.1 Determine if payroll operations are compliant through the application of own knowledge of taxation systems 3.2 Identify changes to payroll operations required for compliance with taxation systems 3.3 Seek advice and guidance regarding compliance of payroll operations with taxation systems as required
4. Maintain compliance of payroll services with taxation systems	4.1 Establish processes to regularly review sources of information on taxation systems and confirm payroll operations remain compliant 4.2 Recommend changes to payroll operations to comply with taxation system changes to required personnel, as required 4.3 Inform stakeholders of changes to taxation systems and explain impact of changes on payroll operations, employment contracts, business structures, according to organisational policies and procedures

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
Learning	Ensures knowledge of legislation and regulations is accurate, comprehensive and current to provide advice to others as required by role
Numeracy	Uses a wide range of mathematical calculations to analyse numerical information and ensure work is completed according to predetermined timeframes
Reading	Analyses sources of information 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 relevant issues
Technology	Uses the main features and functions of digital systems and technologies to enter, store and access information

Unit Mapping Information

Supersedes and is equivalent to FNSPAY505 Interpret and apply knowledge of taxation systems relevant to 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 FNSPAY515 Interpret and apply knowledge of taxation systems relevant to 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:

- review at least two different payroll operations and confirm they comply with taxation system requirements.

In the course of above, the candidate must:

- conduct research on changes to taxation system requirements relevant to payroll
- inform relevant stakeholders of changes to payroll operations resulting from changes to taxation systems.

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:

- key features and operating principles of taxation systems relevant to payroll, including 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
- 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, business structures and employment contracts that can be accessed to maintain currency of knowledge and to seek advice when interpreting impact of tax on payroll
- organisational policies and procedures required to produce performance evidence
- impact of taxation systems on the following types of legal entities and business structures:
 - sole traders
 - partnerships
 - companies
 - not for profit organisations
 - principal contractors
 - subcontractors
 - group employers.

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 access information on taxation systems relevant to payroll, including legislation, regulations, and codes of practice relating to payroll.

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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