



Handbook

PBA1 – VTCT (Skillsfirst) Level 1 Award in Payroll for
Business (RQF)

603/3188/4

Version 2

About VTCT (Skillsfirst)

VTCT is a market-leading Awarding, Assessment and End-point Assessment (EPA) Organisation offering vocational and technical qualifications in a range of 'services to people' sectors.

The VTCT group of companies are comprised of three innovative awarding brands: VTCT, iTEC and Skillsfirst. Together they have over 2,500 approved centres in over 40 countries across the world.

The qualifications suite offered by VTCT (Skillsfirst) spans a range of sectors including Childcare, Business Services, Health & Social Care, Recruitment and Social Media.

For more information visit us at www.vtct.org.uk and www.skillsfirst.co.uk, contact our dedicated Customer Support Team via email at customersupport@vtct.org.uk and customerservices@skillsfirst.co.uk or call 0121 270 5100

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1 Qualification at a glance

Qualification title	VTCT (Skillsfirst) Level 1 Award in Payroll for Business (RQF)
Qualification number	603/3188/4
Product code	PBA1
Age range	There are age limits attached to learners undertaking this qualification as this qualification is not approved for learners under the age of 16.
Credits	9
Total Qualification Time (TQT)	90
Guided Learning (GL) hours	62
Assessment	To be awarded this qualification, learners must successfully achieve the following assessments: <ul style="list-style-type: none">• Portfolio of evidence
Entry requirements	There are no formal entry requirements for learners undertaking this qualification; however, centres must ensure that learners have the potential and opportunity to gain evidence for the qualification in the work place.
Support materials	Support materials can be found on the website (if applicable)

2 Qualification information

2.1 Qualification aim and design

This qualification has been designed to meet both employer and individual demand to acquire the necessary knowledge and skills to record payroll transactions in a computerised environment. It is designed to help the learner to gain an understanding of basic payroll procedures and also to help them to become a professional payroll processor.

Learners do not need to know much about payroll as the qualification will cover the basic features from setting up the company details, entering employee records and calculating gross pay, to processing the first payroll and running all the reports required including payslips. If a learner achieves this qualification they could be employed as a Payroll Assistant, Payroll Clerk, Payroll Administrator, Assistant Accountant or in another similar job role.

2.2 Progression opportunities

On completion of the Level 1 Award in Payroll for Business (RQF), learners may progress into employment or onto the following Skillsfirst qualifications:

- Level 2 Certificate in Payroll for Business (RQF)
- Level 2 Certificate in Computerised Accounting for Business (RQF).

or similar higher level qualifications.

2.3 The skills council for the finance sector

2.3.1 Financial Skills Partnership (part of Skills for Justice)

The Level 1 Award in Payroll for Business (RQF) is based on the units approved by the Financial Skills Partnership who are the skills council for the Financial sector. Their contact details are:

1st Floor, Unit C
Meadowcourt Business Park
4 Hayland Street
Sheffield
S9 1BY

Phone 0114 284 1930
E: info@sfjuk.com

This handbook provides details of the assessment strategy, which centres will need to apply in order to assess and quality assure the Level 1 Award in Payroll for Business (RQF) and includes the:

- occupational expertise of those who assess performance, and moderate and verify assessments
- continuous professional development
- summary of assessment methods

3 Qualification structure

To be awarded the VTCT (Skillsfirst) Level 1 Award in Payroll for Business (RQF) learners must achieve **all** mandatory units and **1** optional unit. **9** credits must be achieved, of which a minimum of **4** credits must be from Group O.

The minimum TQT required to achieve this qualification is **90**.

Product code	Unit title	Level	Credit	Unit reference number
Mandatory units (Group M): 5 Credits				
CAB14	Making gross pay calculations	1	2	F/505/1145
CAB15	Payroll preparation	1	3	H/505/1154

Product code	Unit title	Level	Credit	Unit reference number
Optional units (Group O): Minimum of 4 credits				
CAB16	Computerised payroll administration	1	4	T/505/1157
CAB37	Principles of computerised payroll administration	1	4	M/616/8651

4 Centre requirements

4.1 Resources

Centres must possess the physical resources needed to support the delivery of the programme and the assessment of knowledge and skills, which should therefore be of industry standard. Where specific resources are required these have been indicated in individual units.

4.2 Occupational expertise of deliverers, assessors, and moderators/internal verifiers

Staff delivering this qualification must be able to demonstrate that they meet the following occupational expertise requirements. They should:

- be occupationally competent to make assessment judgements about the broad use of computerised payroll techniques either in the workplace or in Realistic Working Environments (RWE); and occupationally competent to make assessment judgements about the quality of assessment and the assessment process
- be occupationally knowledgeable in the area(s) for which they are delivering training. This knowledge must be at least to the same level as the training delivered
- have credible experience of providing training

Assessors and internal verifiers must hold the relevant and equivalent qualifications (such as D32, D33, A1, A2 or Level 3 TAQA for assessors and D34, V1 or Level 4 TAQA for internal verifiers), or be working towards an appropriate TAQA or equivalent qualification. Centre staff should have verifiable relevant experience and current knowledge of the occupational working area at, or above, the level they are assessing or verifying. This experience and knowledge must be of sufficient depth to be effective and reliable when judging learner competence or verifying assessment processes and decisions. This could be verified by:

- curriculum vitae and references
- possession of a relevant qualification
- records of continuous professional development
- corporate membership of a relevant professional institution

Centre staff may undertake more than one role, e.g. tutor and assessor or internal verifier, but must never internally verify their own assessments.

4.3 Employer direct model

Where employers opt for an 'employer direct' model, the qualification requirements for assessors and internal verifiers may be waived.

The employer direct' model is where colleagues, supervisors and/or managers in the workplace are involved in the assessment process. Under this model, the employer, with the agreement of Skillsfirst may choose between:

- achieving the appropriate approved qualifications for assessment/verification
- or
- demonstrating that their (the employer's) training and development activity undertaken to prepare, validate and review these assessment roles, maps 100% to the National Occupational Standards which these qualifications are based on. The mapping process must be agreed by Skillsfirst as providing the equivalent level of rigour and robustness as achievement of the approved assessment/verification qualification

Each application to use the employer direct model will be considered on an individual organisation and qualification basis and agreed by the qualification regulators, including the sector skills council. Prospective organisations must be able to confirm that their in-house practices conform to the requirements of the standards in association with Skillsfirst.

4.4 Continuous professional development (CPD)

Centres are responsible for ensuring that assessors and IVs plan and maintain their CPD. Centres are expected to support their assessors and IVs in ensuring that their knowledge remains current of the occupational area and of best practice in delivery, mentoring, training, assessment and verification, and that it takes account of any national or legislative developments. Centres may have generic criteria and personnel specifications in addition to the above.

4.5 Total Qualification Time (TQT)

Each qualification has a Total Qualification Time (TQT) value based on the total number of hours learning required to achieve it. The TQT value reflects the number of supervised learning hours required to achieve the knowledge and assessment requirements, plus the length of time a learner would need to take to achieve the skills and capabilities to be deemed competent. All RQF qualifications are subject to an evaluation process to determine their fitness-for-purpose.

5 Assessment

5.1 Summary of assessment methods

For this qualification, learners will be required to provide a portfolio of evidence for each unit.

5.2 Assessment principles

Units will be achieved through the acquisition of evidence by the learner and submission to their assessor. Units may be assessed through a number of different sources and forms, which must meet the requirements of assessment criteria.

- Assessment should normally be at the learner's workplace, but where the opportunity to assess across the range of standards is unavailable other comparable working environments may be used, following agreement from the External Verifier.
- A holistic approach towards the collection of evidence should be encouraged, assessing activities generated by the whole work experience rather than focusing on specific tasks.
- Assessors can only assess in their acknowledged area of occupational competence.
- Assessors and IVs will be registered with their centre and be accountable to the organisation for their assessment practice.
- Health and safety of customers/clients and employees must be maintained throughout the assessment process and if any person carrying out assessment or verification activities does not feel that there is due regard to health and safety then that person should refuse to continue with the activity(ies) until satisfied that due regard to health and safety is being taken.

5.3 Characteristics of assessment

There are two types of assessment for the Level 1 Award in Payroll for Business (RQF). These are skills and knowledge.

To achieve the skills units, you are advised to work through the textbook with the support of your tutor and complete the self-test activities at the end of each of the lessons. Once you feel you are ready, you can then ask your tutor/assessor to provide you with the final skills test for this unit.

The remaining units are assessed using an electronically-marked questionnaire and can be taken at the end of each section of learning.

You may produce evidence from a range of sources which should be recorded in some form. A record of evidence will confirm to your tutor/assessor their confidence in your competence and breadth and depth of knowledge and understanding in being able to competently meet the functional requirements of all the units.

Your tutor/assessor will need to be assured that you can:

- meet all the learning outcomes of a unit
- pass all the assessment criteria of a unit

Your tutor/assessor may request additional evidence if they are not satisfied with the evidence you present. If this occurs, it may need to be agreed in partnership with you and your tutor/assessor.

5.4 Recognition of prior learning (RPL)

RPL recognises how the contribution of a learner's previous experience could contribute to a qualification. Should any opportunities for RPL be identified, it is important that a complete process of recognising prior experience and learning is undertaken, by ensuring that:

- it covers relevant or appropriate experience for previous activities, as well as accredited learning and qualifications
- it is incorporated into the assessment planning, with details of how this will take place
- mapping of prior learning to the national occupational standards to identify gaps is documented and auditable
- assessment methods or processes for recognising prior experience and learning, are documented and made available to the external verifier
- the audit trail covers the whole process and methodology of RPL
- the authenticity and currency of presented evidence is established by the assessor

In considering the appropriateness of any single piece of **evidence**, the following should be considered:

- **Content** – the degree to which the content of any previous accredited learning meets the requirements of the national occupational standards against which it is being presented as evidence.
- **Performance and knowledge** – the degree to which the previous learning covered both performance and knowledge. Some learning will only have offered and tested the latter, in which case RPL will only recognise the meeting of knowledge requirements. Performance will require further assessment. Although unlikely, the reverse (performance tested but not knowledge) could be true in which case knowledge and understanding would need further assessment.
- **Relevance of context** – the degree to which the context of the learning gained and assessed, relates to the current context of learner's work roles. If the context was different, assessors will need to satisfy themselves of learners' ability to transfer the learning gained into their current setting.
- **Currency** – how recently the learning was gained. Learners would need to demonstrate current knowledge and understanding of areas such as legislation, policy and practice etc., which may have changes since the previous learning programmes were undertaken.
- **Authenticity** – how the ownership of the evidence is established to ensure it was generated by the learner.

6 Units

Unit Handbook

CAB14 – Making gross pay calculations

Unit reference number: F/505/1145

Level: 1

Guided Learning (GL) hours: 12

Unit aim

The aim of this unit is to provide the learner with the opportunity to gain an understanding of how to calculate basic pay and overtime pay for different payroll periods from given information and Implement permanent changes to rates of pay from given organisational information

Learning outcomes

There are three outcomes to this unit. The learner will:

LO1 Calculate basic pay for different payroll periods

LO2 Calculate overtime payable from given information

LO3 Implement permanent changes to rates of pay from given organisational information

Unit content

Endorsement of the unit by a sector or other appropriate body

This unit is endorsed by Financial Skills Partnership, the skills council for the financial sector

Assessment information

Learners will be required to provide a portfolio of evidence indicating that they have met all the unit outcomes and assessment criteria.

Assessment guidance

Given information could include:

- timesheets
- basic hourly rates
- weekly salaries

Given organisational information could include:

- pay scales
- cost of living rises and promotion

Learning outcomes

Learning Outcome	Assessment Criteria
LO1 Be able to calculate basic pay for different payroll periods	1.1 Calculate accurately, basic gross pay for weekly paid employees from given information
	1.2 Calculate basic gross pay for monthly paid employees from given annual salaries
	1.3 Calculate basic holiday pay from given information

Learning Outcome	Assessment Criteria
LO2 Be able to calculate overtime payable from given information	2.1 Calculate accurately, overtime hours payable from given information
	2.2 Calculate accurately, overtime rates of pay from given information
	2.3 Calculate accurately value of overtime payments

Learning Outcome	Assessment Criteria
LO3 Be able to implement permanent changes to rates of pay from given organisational information	3.1 Apply additional and permanent changes in rates of pay from given organisational information

CAB14 Document History

Version	Issue Date	Changes	Role
v1.0	31/01/2023	Re-branding	Compliance Manager

Unit Handbook

CAB15 – Payroll preparation

Unit reference number: H/505/1154

Level: 1

Guided Learning (GL) hours: 20

Unit aim

The aim of this unit is to provide the learner with the opportunity to gain an understanding of the principles of calculating overtime payments and the PAYE and National Insurance systems, the difference between statutory and voluntary deductions and the HMRC reporting requirements. They will also gain an understanding of what constitutes basic pay for different payroll periods, the procedures for completing starters and leavers information and the internal procedures for finalising the payroll.

Learning outcomes

There are eight outcomes to this unit. The learner will:

LO1 Understand what constitutes basic pay for different payroll periods

LO2 Understand the principles of calculating overtime payments

LO3 Know the difference between statutory and voluntary deductions

LO4 Understand the principles of the PAYE system

LO5 Understand the principles of the National Insurance system

LO6 Understand the procedures for completing starters and leavers information

LO7 Understand the internal procedures for finalising the payroll

LO8 Understand the HMRC reporting requirements

Version 1.0

Unit content

Endorsement of the unit by a sector or other appropriate body

This unit is endorsed by Financial Skills Partnership, the skills council for the Financial sector

Assessment information

Learners will be required to provide a portfolio of evidence indicating that they have met all the unit outcomes and assessment criteria.

Assessment guidance

Given information could include:

- timesheets
- basic hourly rates
- weekly salaries

Learning outcomes

Learning Outcome	Assessment Criteria
LO1 Understand what constitutes basic pay for different payroll periods	1.1 Outline how basic gross pay for weekly paid employees is calculated from given information
	1.2 Outline how basic gross pay for monthly paid employees is calculated from given annual salaries

Learning Outcome	Assessment Criteria
LO2 Understand the principles of calculating overtime payments	2.1 Outline how payable overtime hours are determined from given information
	2.2 Outline how to calculate an overtime rate of pay from given hourly rates of pay

Learning Outcome	Assessment Criteria
LO3 Know the difference between statutory and voluntary deductions	3.1 Identify two types of statutory deductions
	3.2 Identify two voluntary deductions
	3.3 Outline the authority needed before making voluntary deductions

Learning Outcome	Assessment Criteria
LO4 Understand the principles of the PAYE system	4.1 Explain briefly how the PAYE system works
	4.2 Give an example of the use of: <ul style="list-style-type: none"> • a standard suffix tax code used cumulatively • a standard suffix tax code used non-cumulatively • tax code BR
	4.3 Define the terms cumulative and non-cumulative when used in relation to the PAYE system

Learning Outcome	Assessment Criteria
LO5 Understand the principles of the National Insurance system	5.1 State the purpose of NICs
	5.2 State two parties liable to make NI contributions
	5.3 Outline the use of the NI thresholds
	5.4 Give an example of when you would use NIC Category A
	5.5 Give an example of when you would use NIC Category C and the implications of its use
	5.6 Give an example of the authority needed to implement Category C deductions

Learning Outcome	Assessment Criteria
LO6 Understand the procedures for completing starters and leavers information	6.1 Outline the procedures relating to the completion of internal records for: <ul style="list-style-type: none"> starters leavers
	6.2 Outline the information required to be submitted to the tax authority for: <ul style="list-style-type: none"> starters with a P45 or equivalent starters without a P45 or equivalent
	6.3 Outline the procedure relating to leavers

Learning Outcome	Assessment Criteria
LO7 Understand the internal procedures for finalising the payroll	7.1 Outline the composition and use of a payroll system
	7.2 Identify different forms of payment for wages
	7.3 Outline the completion and purpose of a cash analysis for the payment of wages

Learning Outcome	Assessment Criteria
LO8 Understand the HMRC reporting requirements	8.1 Explain the importance of the processing date
	8.2 Identify the minimum employee data requirements needed for processing payroll
	8.3 Outline the procedure for submitting payroll data for each pay period

CAB15 Document History

Version	Issue Date	Changes	Role
v1.0	31/01/2023	Re-branded	Compliance Manager

Unit Handbook

CAB16 – Computerised payroll administration

Unit reference number: T/505/1157

Level: 1

Guided Learning (GL) hours: 30

Unit aim

The aim of this unit is to provide the learner with the opportunity to set up a computerised payroll system and then set up employee records and payroll data and enter details of gross pay into the computerised payroll system. The learner will also be able to process the payroll, back up and/or restore payroll data and understand statutory requirements for submitting information.

Learning outcomes

There are six outcomes to this unit. The learner will:

LO1 Set up a computerised payroll system

LO2 Set up employee records and payroll data in a computerised payroll system

LO3 Enter details of gross pay into the computerised payroll system

LO4 Process the payroll

LO5 Back up and/or restore payroll data

LO6 Understand statutory requirements for submitting information

Unit content

Endorsement of the unit by a sector or other appropriate body

This unit is endorsed by Financial Skills Partnership, the skills council for the financial sector

Assessment information

Learners will be required to provide a portfolio of evidence indicating that they have met all the unit outcomes and assessment criteria.

Assessment guidance

Given information could include:

- HR information
- contract of employment
- P45
- timesheets
- summaries
- salary information
- hourly rates

Learning outcomes

Learning Outcome	Assessment Criteria
LO1 Be able to set up a computerised payroll system	1.1 Enter company data and legislative parameters into commercial payroll software in accordance with company policy
	1.2 Maintain the company data and legislative parameters in accordance with company policy

Learning Outcome	Assessment Criteria
LO2 Be able to set up employee records and payroll data in a computerised payroll system	2.1 Create employee records within the payroll software from given information
	2.2 Maintain up-to-date employees' payroll records ensuring that all changes have been correctly authorised by the employee, employer or statutory body, including income tax codes changes, rates of pay etc.
	2.3 Produce a range of reports relating to the employee's personal details, pay and deductions

Learning Outcome	Assessment Criteria
LO3 Be able to enter details of gross pay into the computerised payroll system	3.1 Enter elements of basic gross pay for weekly and monthly paid employees from given information
	3.2 Enter overtime details from given information
	3.3 Enter basic holiday pay as a separate gross pay element

Learning Outcome	Assessment Criteria
LO4 Be able to process the payroll	4.1 Process gross pay in accordance with company policy and legislative requirements
	4.2 Process the final pay period for a leaver
	4.3 Produce internal period end reports including payslips and payroll summaries
	4.4 Complete the processing of the payroll for the period
	4.5 Prepare payroll data in a format suitable for submission to the relevant tax authority
	4.6 Produce Form P45 or equivalent leaving statement, for a leaver

Learning Outcome	Assessment Criteria
LO5 Be able to back up and/or restore payroll data	5.1 Understand the importance and need for backing up the payroll data at regular intervals
	5.2 Back-up and restore payroll data

Learning Outcome	Assessment Criteria
LO6 Understand statutory requirements for submitting information	6.1 Explain the importance of the processing date in relation to preparing and submitting the payroll data
	6.2 Identify the minimum employee data required in order to process the payroll
	6.3 Outline the procedure for submitting the payroll data at each pay period

CAB16 Document History

Version	Issue Date	Changes	Role
v1.0	31/01/2023	Re-branded	Compliance Manager

Unit Handbook

CAB37 – Principles of computerised payroll administration

Unit reference number: M/616/8651

Level: 1

Guided Learning (GL) hours: 30

Unit aim

The aim of this unit is to provide the learner with the opportunity to know how to set up a computerised payroll system and use this to set up employee records and payroll data and enter details of gross pay into the computerised payroll system. The learner will also be able to know how to process the payroll, back up and/or restore payroll data and understand statutory requirements for submitting information.

Learning outcomes

There are six outcomes to this unit. The learner will:

LO1 Know how to set up a computerised payroll system

LO2 Know how to set up employee records and payroll data in a computerised payroll system

LO3 Know how to set up employee records and payroll data in a computerised payroll system

LO4 Know how to process the payroll

LO5 Know how to back up and/or restore payroll data

LO6 Know the statutory requirements for submitting information

Unit content

Endorsement of the unit by a sector or other appropriate body

This unit is endorsed by Financial Skills Partnership, the skills council for the financial sector

Assessment information

Learners will be required to provide a portfolio of evidence indicating that they have met all the unit outcomes and assessment criteria.

Assessment guidance

Given information could include:

- HR information
- contract of employment
- P45
- timesheets
- summaries
- salary information
- hourly rates tax codes

Learning outcomes

Learning Outcome	Assessment Criteria
LO1 Know how to set up a computerised payroll system	1.1 Identify the company data and legislative parameters which need to be entered
	1.2 Explain the importance of maintaining the company data and legislative parameters in accordance with company policy

Learning Outcome	Assessment Criteria
LO2 Know how to set up employee record and payroll data in a computerised payroll system	2.1 Describe how to create employee records within the payroll software from given information
	2.2 Explain the importance of maintaining up-to-date employees' payroll records
	2.3 Explain the importance of ensuring that all changes have been correctly authorised
	2.4 Identify the types of reports that can be produced relating to the employee's personal details, pay and deductions

Learning Outcome	Assessment Criteria
LO3 Know how to set up employee records and payroll data in a computerised payroll system	3.1 Identify the elements of basic gross pay and overtime details for weekly and monthly paid employees from given information
	3.2 Describe how to enter basic holiday pay as a separate gross pay element

Learning Outcome	Assessment Criteria
LO4 Know how to process the payroll	4.1 Describe how to process: <ul style="list-style-type: none"> gross pay in accordance with company policy and legislative requirements the final pay period for a leaver
	4.2 Identify the features of an internal period end report
	4.3 Describe how to prepare payroll data in a format suitable for submission to the relevant tax authority
	4.4 Describe how to produce Form P45, or equivalent leaving statement, for a leaver

Learning Outcome	Assessment Criteria
LO5 Know how to back up and/or restore payroll data	5.1 Explain the importance for backing up the payroll data at regular intervals
	5.2 Describe how to back-up and restore payroll data

Learning Outcome	Assessment Criteria
LO6 Know the statutory requirements for submitting information	6.1 Explain the importance of the processing date in relation to preparing and submitting the payroll data
	6.2 Identify the minimum employee data required in order to process the payroll
	6.3 Outline the procedure for submitting the payroll data at each pay period

CAB37 Document History

Version	Issue Date	Changes	Role
v1.0	31/01/2023	Re-branded	Compliance Manager

PBA1 Document History

Version	Issue Date	Changes	Role
v2	03/02/2023	Formatting and re-branding. No content amendment.	Data Administrator