

Payroll Accountant Test

Indicate the type of account for each account description below by using the following:

A=Asset	R=Revenue
L=Liability	E=Expense
EQ=Equity	

Also, indicate whether each account description normally has a credit or debit balance.

D=Debit	C=Credit
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<u>Account Description</u>	<u>Type of Account</u>	<u>Normal Balance</u>
Office Supplies	_____	_____
Interest Income	_____	_____
Cash	_____	_____
Prepaid Expense	_____	_____
Accounts Payable	_____	_____
Fund Balance	_____	_____
Accounts Receivable	_____	_____
Federal Withholding Payable	_____	_____
Deferred Revenue	_____	_____
Due to Other Funds	_____	_____

2. (Bogus Person #1) has selected the following options as part of her benefit package:

<u>Option</u>	<u>Monthly Cost</u>
Long-Term Disability	\$14.53
Short-Term Disability	\$23.40
Additional Life Insurance	\$ 6.25

The school district will pay \$30.00 per month towards the cost of these benefits. The coverage for the above benefits will begin September 1, (Year), and will continue until August 31, (Following Year). Payroll deductions will be set up to allow employees to reimburse the district for their cost over 21 pays. What amount needs to be deducted from (Bogus Name #1's) paycheck each pay to cover her portion of the annual premium?

Paycheck Deduction Amount Per Pay _____

On January 1, (Year), (Bogus Person #1) moves to a higher bracket on the premium scale for short-term disability. The monthly cost is now \$25.60. There are 14 pays remaining. What is the amount that needs to be deducted from (Bogus Person #1's) paycheck for the remaining pays to cover her portion of the annual premium?

Paycheck Deduction Amount Per Pay _____

- (Bogus Person #2) has an annual salary of \$50,000 that is paid to her over 26 pays. She works 260 days per year. She retires after she has worked 65 days. She has received 6 paychecks. What should her gross wages be for her final check?

Gross Wages Final Check _____

- (Bogus Person #3) worked 42 hours for the week ending September 11, (Year). Her rate of pay is \$10.00/hour. She has a United Way deduction of \$50.00 per pay. She has a retirement deduction (MIP) of 3.9% of gross wages, which is a pre-tax deduction, however FICA is still withheld on the amount. Assuming a FICA rate of 7.65%, a federal withholding rate of 20% and a state withholding rate of 4.4%, compute the following:

Gross Wages	_____
United Way Deduction	_____
MIP Deduction	_____
FICA Withholding	_____
Federal Withholding	_____
State Withholding	_____
Net Pay	_____

After (Bogus Person #3's) paycheck was printed, you discover that she should not have been paid. What journal entry would you make to void this check?

<u>Account Description</u>	<u>Debit</u>	<u>Credit</u>
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5. (Bogus Person #4) wants to contribute \$8,000 a year to her tax shelter annuity. The district allows payroll deductions for tax shelter annuities to be spread over 18 pays. How much will have to be deducted each pay so that she contributes the \$8,000?

Amount To Deduct Each Pay _____

After the sixth pay, (Bogus Person #4) decides to change her deduction to \$500 per pay. What will her total contribution to her tax shelter annuity be for the year?

Total Annual Contribution _____

6. The (Current School Year) salary schedule for custodians is as follows:

<u>STEP</u>					
1	2	3	4	5	
	12.47	13.09	13.75	14.44	15.16

Employees are moved to the next step on the salary schedule annually. Wages for the school year have increased 2.25% from the (Previous) school year. (Bogus Person #5) was paid on step 2 for the (Previous) school year. What is (Bogus Person #5's) pay rate for the (Current) school year?

Pay Rate For Current School Year _____

The school district will pay \$30.00 per month towards the cost of these benefits. The coverage for the above benefits will begin September 1, (Year), and will continue until August 31, (Following Year). Payroll deductions will be set up to allow employees to reimburse the district for their cost over 21 pays. What amount needs to be deducted from (Bogus Name #1's) paycheck each pay to cover her portion of the annual premium?

Paycheck Deduction Amount Per Pay	\$8.10
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On January 1, (Year), (Bogus Person #1) moves to a higher bracket on the premium scale for short-term disability. The monthly cost is now \$25.60. There are 14 pays remaining. What is the amount that needs to be deducted from (Bogus Person #1's) paycheck for the remaining pays to cover her portion of the annual premium?

Paycheck Deduction Amount Per Pay	\$9.36
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3. (Bogus Person #2) has an annual salary of \$50,000 that is paid to her over 26 pays. She works 260 days per year. She retires after she has worked 65 days. She has received 6 paychecks. What should her gross wages be for her final check?

Gross Wages Final Check	\$961.52
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4. (Bogus Person #3) worked 42 hours for the week ending September 11, (Year). Her rate of pay is \$10.00/hour. She has a United Way deduction of \$50.00 per pay. She has a retirement deduction (MIP) of 3.9% of gross wages, which is a pre-tax deduction, however FICA is still withheld on the amount. Assuming a FICA rate of 7.65%, a federal withholding rate of 20% and a state withholding rate of 4.4%, compute the following:

Gross Wages	\$430.00
United Way Deduction	50.00
MIP Deduction	16.77
FICA Withholding	32.90
Federal Withholding	82.65
State Withholding	18.18
Net Pay	\$229.50

After (Bogus Person #3's) paycheck was printed, you discover that she should not have been paid. What journal entry would you make to void this check?

<u>Account Description</u>	<u>Debit</u>	<u>Credit</u>
Cash	229.50	
United Way Deduction	50.00	
MIP Deduction	16.77	
FICA Withholding	32.90	
Federal Withholding	83.65	
State Withholding	18.18	
Salary Expense		430.00

5. (Bogus Person #4) wants to contribute \$8,000 a year to her tax shelter annuity. The district allows payroll deductions for tax shelter annuities to be spread over 18 pays. How much will have to be deducted each pay so that she contributes the \$8,000?

Amount To Deduct Each Pay \$444.44

After the sixth pay, (Bogus Person #4) decides to change her deduction to \$500 per pay. What will her total contribution to her tax shelter annuity be for the year?

Total Annual Contribution \$8,666.64

6. The (Current School Year) salary schedule for custodians is as follows:

<u>STEP</u>				
<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
12.47	13.09	13.75	14.44	15.16

Employees are moved to the next step on the salary schedule annually. Wages for the school year have increased 2.25% from the (Previous) school year. (Bogus Person #5) was paid on step 2 for the (Previous) school year. What is (Bogus Person #5's) pay rate for the (Current) school year?

Pay Rate For Current School Year \$14.06