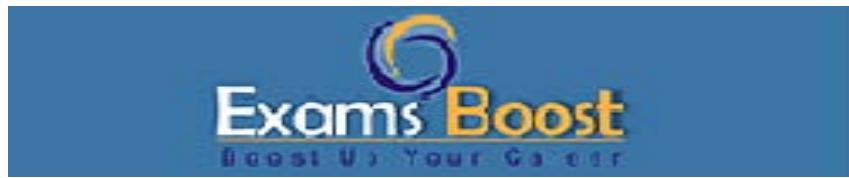


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# Accountant

## APA-FPC

### Fundamental Payroll Certification



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## Question: 1

Katie Long works the hours shown below in a workweek at an hourly rate of \$19.75. If Katie works between the hours of 6 p.m. and 6 a.m., she is paid a shift differential rate of an additional \$1.50 per hour. What will Katie's overtime premium amount be?

Day	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Clock-in	8:00 a.m.	8:00 a.m.	8:00 a.m.	8:00 a.m.	6:00 p.m.	8:00 a.m.
Clock-out	4:30 p.m.	5:00 p.m.	4:30 p.m.	4:30 p.m.	8:00 p.m.	4:00 p.m.
Lunch time	30 minutes	30 minutes	30 minutes	30 minutes	No lunch	No lunch

- A. \$9.91
- B. \$19.82
- C. \$24.78
- D. \$42.50

## Answer: C

Explanation:

The FLSA amount is \$24.78. The calculation is as follows:

Katie worked 42.5 hours; she worked 40.5 hours at \$19.75 per hour and 2 hours at \$21.25 per hour.

$$40.5 \text{ hours} \times \$19.75 \text{ per hour} = \$799.88$$

$$2 \text{ hours} \times \$21.25 \text{ per hour} = \$42.50$$

$$\text{Total wages} = \$799.88 + \$42.50 = \$842.38$$

$$\text{Blended rate} = \frac{\$842.38}{42.5 \text{ hours}} = \$19.82$$

$$\text{Half time blended rate} = \$19.82 \times 0.5 = \$9.91$$

$$\text{Total overtime premium wages} = \$9.91 \times 2.5 = \$24.78$$

## Question: 2

On the W-2 form, what does box 12 code C represent?

- A. Employer-paid educational expenses
- B. Taxable cost of group term life insurance over \$50,000
- C. Employer-paid adoption assistance
- D. Uncollected Medicare tax on taxable cost of group term life insurance over \$50,000

## Answer: B

Explanation:

The taxable cost of group term life insurance over \$50,000 will be coded into box 12 code C.

## Question: 3

An employer who outsources payroll duties discovers that the outsourcing company failed to pay taxes on time. Who is liable for any penalties imposed?

- A. The outsourcing company is fully liable.
- B. The employer and the outsourcing company are equally liable.
- C. The employer is fully liable.
- D. The employer is 25% liable, and the outsourcing company is 75% liable.

## Answer: C

Explanation:

Even if the outsourcing company does not pay taxes on time, it is still the responsibility of the employer to pay any fees imposed.

## Question: 4

What term is used for data that houses the identifying information for an organization's employees?

- A. Master register
- B. Master file
- C. Master identifiers
- D. Master database

## Answer: B

Explanation:

The master file will contain identifying information for all employees, such as name, SSN, DOB, address, gender, residence state, etc.

## Question: 5

What is the purpose of the SSAE 18?

- A. To formulate the standards for SOX
- B. To improve the usefulness and effectiveness of Service Organizational Controls reports
- C. To improve the SaaS application
- D. To efficiently document policies and procedures

**Answer: B**

Explanation:

SSAE 18 will create improved SOC reports by focusing on accurate financial reporting and internal controls.

## Question: 6

Calculate the disposable earnings for the following pay period earnings and deductions:

\$2,500 gross pay  
\$540 total tax withholding  
\$200 401 (k) contribution  
\$50 Health Savings Account contribution

- A. \$1,910
- B. \$1,710
- C. \$1,760
- D. \$1,960

**Answer: D**

Explanation:

In this case, the disposable earnings are the gross pay minus deductions required by law:

$\$2,500 - \$540 = \$1,960$

## Question: 7

If an employee is filing as single, what amount in wages must be earned to require additional Medicare to be withheld, and at what tax rate?

- A. \$200,000 at 0.9%
- B. \$200,000 at 0.8%
- C. \$250,000 at 0.9%
- D. \$250,000 at 0.8%

**Answer: A**

Explanation:

An employee with single withholding status must reach \$200,000 in earnings to require additional Medicare to be withheld at a 0.9% tax rate.

## Question: 8

Who regulates unclaimed payroll checks?

- A. The IRS
- B. The federal government
- C. The employer
- D. The state in which the check was issued

**Answer: D**

Explanation:  
The states govern unclaimed payroll checks,

### **Question: 9**

Which of the following options describes the income statement?

- A. All employees' year-to-date payroll income
- B. A company's revenues, expenses, and profits over a period of time
- C. A company's quarterly revenue
- D. A company's year-to-date net income

**Answer: B**

Explanation:  
The income statement is a report that shows a firm's revenues, expenses, and profits over a period of time, usually on a quarterly basis.

### **Question: 10**

The following descriptions are all true regarding a professional employer organization (PEO) EXCEPT:

- A. It is also known as an employee leasing company.
- B. It files taxes using the client's Employee Identification Number (EIN).
- C. It manages the employees.
- D. It is a co-employer arrangement

**Answer: B**

Explanation:  
The PEO files taxes using the EIN of the PEO, not that of the client,

### **Question: 11**

You are processing a payroll in which the pay date would normally fall on Friday, December 25th. Your organization's bank requires you to submit your ACH file two days in advance of payday by no later than 8 p.m. EST. You submit your ACH file to your organization's bank on December 23rd at 5 p.m. EST. On what date will employees get paid?

- A. Thursday, December 24th
- B. Friday, December 25th
- C. Saturday, December 26th
- D. Monday, December 28th

**Answer: D**

Explanation:

Because December 25th (Christmas Day) is a federal bank holiday, and you submitted your file days beforehand on December 23rd, your employees will not be paid until Monday, December 28th, as banks are also closed on the weekends.

### **Question: 12**

Which of the following events would NOT qualify an employee for a change in benefit elections?

- A. The employee's spouse switches from a full-time job to a part-time job.
- B. The employee is offered and accepts a promotion and continues to work full-time.
- C. The employee adopts a child from another country.
- D. The employee gets divorced.

**Answer: B**

Explanation:

An employee does not qualify for a benefits election change due to a promotion unless he or she is switching from full-time to part-time or vice versa.

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