Payroll Accounting 2022 32nd edition Bernard Solutions Manual

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CHAPTER 1

Note: Working space and special forms are provided for the Practical Problems and the Continuing Payroll Problem only. If students are required to prepare written answers to the Questions for Review, Questions for Discussion, and Case Problems, blank paper should be provided.

Learning Objectives

After studying this chapter, students should be able to:

1. Identify the various laws that affect employers in their payroll operations.
2. Examine the recordkeeping requirements of these laws.
3. Describe the employment procedures generally followed in a Human Resources Department.
4. Identify the various personnel records used by businesses and the type of information shown on each form.
5. Identify the *payroll register* and the *employee's earnings record*.

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Questions for Review (p. 1–27)

1. The Fair Labor Standards Act sets the minimum wage rate, and the current minimum wage rate is $7.25 an hour.

2. To meet the requirements of the FLSA, the employer must keep records providing the following information with respect to each employee's wages earned:

- **a.** Day and time of day when workweek begins
- **b.** Regular hourly rate of pay
- **c.** Basis of wage payments
- **d.** Hours worked each day
- **e.** Hours worked each week
- **f.** Daily or weekly straight-time pay
- **g.** Amount and nature of exempt pay
- **h.** Weekly overtime pay
- **i.** Total additions to or deductions from wages
- **j.** Total remuneration for payroll period
- **k.** Date of payment
- **l.** Payroll period

3. FICA levies taxes on employers and employees to finance the Federal Old-Age and Survivors' Trust Fund, the Federal Disability Insurance Trust Fund, and the Health Insurance Plan—Medicare. SECA also imposes taxes on the net earnings of the self-employed individual.

4. The taxes paid to the federal government (FUTA tax) are used to pay the state and federal administrative expenses incurred in operating the overall unemployment insurance program. The taxes paid to the various state governments (SUTA tax) are used to pay the unemployment compensation benefits to the qualified unemployed workers.

5. The unfair employment practices prohibited by the Civil Rights Act of 1964, as amended, include:

- **a.** Discriminating in hiring, firing, promoting, compensating, or in any other condition of employment on the basis of race, color, religion, sex, or national origin.
- **b.** Unions may not include or segregate union members on these bases.
- **c.** Employment agencies may not refer or refuse to refer applicants for employment on the basis of race, color, religion, sex, or national origin.

6. The purpose of the Age Discrimination in Employment Act (ADEA) is to prohibit discrimination on the basis of age in the employment practices of employers, employment agencies, and labor unions that are engaged in an industry affecting interstate commerce.

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7. A key exception is executives who are 65 or older and who have held high policy-making positions during the two-year period prior to retirement. If such an employee is entitled to an annual retirement benefit from the employer of at least $44,000, the employee can be forcibly retired.
8. The Walsh-Healey Public Contracts Act covers laborers for contractors who furnish materials, supplies, articles, and equipment to any agency of the United States, provided the minimum contract amount is $15,000.
9. The employer is required to offer the employee as many as 12 weeks of unpaid leave. The leave may be used all at once, or in separate weeks, days, or hours.
10. ERISA was designed primarily to ensure that workers covered by private pension plans receive benefits from those plans in accordance with their credited years of service with their employers.
11. *Vesting* conveys to employees the right to share in a retirement fund in the event they are terminated before the normal retirement age. The vesting process is linked to the number of years needed for workers to earn equity in their retirement plans and to become entitled to full or partial benefits at some future date if they leave the company before retirement. Once vested, a worker has the right to receive a pension at retirement age, based on years of covered service, even though the worker may not be working for the firm at that time.
12. The administrator must furnish a statement, not more than once in a 12-month period, of the total benefits accrued and accrued benefits that are vested, if any, or the earliest date on which these accrued benefits will become vested.
13. Employers with 50 or more full-time employees during the previous year (applicable large employers) are required to provide insurance coverage for all full-time employees and their dependents.
14. The procedure that may be followed by the Human Resources Department in hiring new employees is:
    - **a.** Receive request for new employee.
    - **b.** Examine applications.
    - **c.** Interview applicants.
    - **d.** Administer tests.
    - **e.** Check references.
    - **f.** Select and notify successful applicant.
    - **g.** Send information to Payroll Department.
    - **h.** Prepare personnel file.

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15. The application for employment form may provide information such as the following:

- **a.** Personal information, including name, address, telephone number, and social security number.
- **b.** Educational background, including a summary of the schools attended, whether the applicant graduated, and degrees conferred.
- **c.** Employment and experience record.
- **d.** Type of employment desired.
- **e.** References.

16. The employer who is subject to the Civil Rights Act of 1964 and the Age Discrimination in Employment Act must make certain that all aspects of the pre-hire inquiries are free of discrimination on the basis of race, color, religion, sex, national origin, and age.

17. The Fair Credit Reporting Act of 1968 subjects employers to certain disclosure obligations when they seek an investigative report from a consumer reporting agency on a job applicant or, in certain instances, on present employees. Generally, these steps must be followed:

- **a.** Notify the applicant in writing that the information obtained will be used in the employment decision.
- **b.** Have the applicant sign the notification.
- **c.** Give the applicant a notice and a copy of the report at least five days before making an adverse employment decision.
- **d.** Provide a copy of the government document “A Summary of Your Rights Under the FCRA.”

18. A typical payroll accounting system includes the following procedures:

- **a.** Record hours worked or units produced.
- **b.** Compute gross pay, deductions, and net pay.
- **c.** Complete payroll register.
- **d.** Maintain payroll deduction records.
- **e.** Update employees’ earnings records.
- **f.** Make payments to employees.
- **g.** Record payroll in accounting books.
- **h.** Prepare various payroll reports.

19. The two basic records generated in a payroll accounting system are the payroll register and the employee’s earnings record.

20. The earnings record provides the information needed to prepare periodic reports required by the various laws and to complete Form W-2 for each employee.

Questions for Discussion (p. 1–28)

1. A small retailer with only three employees would not need very detailed personnel records. There should be, however, an application form or some other record providing the employee’s name, address, telephone number, social security number, date of employment, regular working hours, and information about wages.

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2. Many employers do not check job applicants' references because former employers, who are afraid of lawsuits, tend to be less than candid in their comments about ex-workers. Some companies will not make any comment about former workers unless they have the written consent of those workers. Other companies have found that even a good recommendation can create a "potential liability."

3. Use of this approach in staffing an office may pose too great an opportunity for the development of cliques in the office. The applicant recommended may not be desirable, and this will cause some embarrassment or disappointment to the person who recommended the applicant. The advantages in most instances, however, outweigh these disadvantages. The advantages realized from the use of in-house referrals include the added prestige among present employees and a positive psychological effect. Firms may offer incentives, such as cash payments, U.S. savings bonds, and company merchandise, for referrals after the newly employed worker has been on the job for a stipulated period of time. Some firms estimate the recruiting and advertising cost of a new hire to be $5,000.

4. Sources of potential employees include employment agencies, both public and private; newspaper advertisements (Help Wanted and Jobs Wanted); employment bureaus in schools and in social and philanthropic institutions; friends and relatives secured through present employees; and "through the gate" and unsolicited applications. Past national surveys have found that for employees without a college degree, the leading recruiting sources were (1) walk-in, (2) newspaper advertisements, (3) in-house referrals, (4) employment agencies, (5) requests to high schools, (6) high school career conferences, and (7) unions.

5. **a.** and **b.** Illegally. Answers to these two questions could reveal the national origin, race, religion, or color of the applicant. One exception to this is when information of this nature is required as a bona fide occupational qualification for reasons of national or state security.

c. Legally. Companies subject to Title VII of the Civil Rights Act of 1964 must ask applicants if they are U.S. citizens. Companies are also permitted to ask the applicants if they intend to become U.S. citizens and if they have legal sanctions to remain in the United States.

d. Legally. A company is within legal sanction to ask the applicant *what* languages they are capable of reading, writing, or speaking. These abilities can be acquired through study and thus do not necessarily reveal race, religion, color, or national origin. However, the company may be proceeding illegally in its pre-employment practices if it inquires *how* the applicant acquired the language abilities, for this could easily determine ethnic background. Thus, the interviewer must be aware of the *what* and *how* aspects of this question when making pre-hire inquiries that could directly or indirectly establish ethnic background characteristics of the applicant.

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Case Problem (p. 1–28)

Case 1–1

Even though it was the company's mistake, legally it was entitled to reimbursement from Ken. However, the cost of legal fees to follow through on the proceedings needed to reclaim the paychecks would probably exceed the total of the four paychecks. The company would be better off to absorb this loss and to solve the problems it has in interdepartmental communication.

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Instructor Manual

Bieg/Toland, *Payroll Accounting* 2022, 978-0-357-51875-5; Chapter 1: The Need for Payroll and Personnel Records

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Purpose and Perspective of the Chapter

The purpose of this chapter is to examine the various laws that affect employers in their payroll operations and the payroll and personnel records that they use to meet the requirements of the laws.

List of Student Downloads

Students should download the following items from the Student Companion Center to complete the activities and assignments related to this chapter. Not every item listed below is specific to this chapter, but all items listed are beneficial, regardless of the chapter.

- As We Go to Press
- Check Figures*
- Annotated EOC Excel Templates*
- Continuing Payroll Problems A and B
- Federal Payroll Taxes Calendar
- Free Access to Microsoft Excel for Students
- PowerPoints*
- Tax Tables

*Items specific to this individual chapter.

Chapter Objectives

The following objectives are addressed in this chapter:

01.01. Identify the various laws that affect employers in their payroll operations.

01.02. Examine the recordkeeping requirements of these laws.

01.03. Describe the employment procedures generally followed in a Human Resources Department.

01.04. Identify the various personnel records used by businesses and the type of information shown on each form.

01.05. Identify the *payroll register* and the *employee's earnings record*.

Key Terms

Applicable large employers (ALEs): They are employers with 50 or more full-time employees during the previous year.

Application form: It is a personal record that gives the applicant an opportunity to provide complete information as to personal qualifications, training, and experience.

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Change in payroll rate form: It is a document that notifies the proper departments of a change in the employee's rate of remuneration.

Disability benefits: They are payments to employees who are absent from their jobs because of illness, accident, or disease not arising out of their employment.

Employee history record: It is a continuous record of the relationship between the employer and the employee.

Executive orders: They are regulations issued by the federal government that ban, in employment on government contracts, discrimination based on race, color, religion, sex, or national origin.

Fair employment practices: These are laws that deal with discrimination on the basis of age, race, color, religion, gender, or national origin as a condition of employment.

Form I-9, Employment Eligibility Verification: It is the form that lists the documents an employee must furnish to the employer; they identify the employee and, if an alien, verify authorization to work in the United States.

Form W-2, Wage and Tax Statement: It is the form used by the employer to report the amount of wages paid to each worker in the course of the trade or in the business of the employer.

Hiring notice: It is the form that is sent to the Payroll Department so that new employees are properly added to the payroll.

Human resources system: It is a system of procedures and methods related to recruiting, selecting, orienting, training, and terminating personnel.

Income tax: It is a levy on the earnings of most employees that is deducted from their gross pay.

Investigative consumer report: It is a study done by a consumer reporting agency on a job applicant or current employee concerning the individual's character, general reputation, and mode of living.

Payroll accounting system: It is a system of procedures and methods related to the disbursement of pay to employees.

Payroll register: It is a multicolumn form used to assemble and summarize the data needed at the end of each payroll period. It lists all employees who earned remuneration, the amount of remuneration, the deductions, and the net amount paid.

Prehire inquiries: They are questions asked in the employment interview and on application forms, résumés of experience or education required of an applicant, and any kind of written testing.

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Reference inquiry form: It is a document used by the employer to investigate the references given on the application blank by the job applicant.

Requisition for personnel: It is a document submitted by a department head to the Human Resources Department asking for additional or replacement employees.

Small employers: They are employers with fewer than 50 full-time equivalent employees with average annual wages of less than $50,000.

Vesting: It is the process of conveying to employees the right to share in a retirement fund in the event they are terminated before the normal retirement age.

Workers' compensation insurance: It is the protection provided to employees and their dependents against losses due to injury or death incurred during employment.

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What's New in This Chapter

The following elements are improvements in this chapter from the previous edition:

- *Revised and updated chapter materials as needed for the changes in years and the related amounts*
- *Revised and updated the tax table*

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Chapter Outline

The following outline organizes activities (including any existing discussion questions in PowerPoints or other supplements) and assessments by chapter (and therefore by topic) so that you can see how all the content relates to the topics covered in the text.

I. The Payroll Profession (01.01, PPT Slide 3)

a. Payroll professionals are required to comply with numerous regulations that require advanced knowledge.
b. Positions within the payroll profession range from payroll clerk to senior payroll manager.
    - As per 2021 Robert Half Associates survey, salaries for:
        - Payroll managers range from $61,250 to $130,250
        - Payroll clerks range from $33,500 to $62,250
    - Membership in American Payroll Association (APA) helps in keeping the professionals updated with the current changes.
    - "Code of Ethics" sets direction for profession.

II. Fair Labor Standards Act (FLSA) (01.01, PPT Slide 6)

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a. The outline of the law deals with:
    - Minimum wage ($7.25 per hour) and overtime pay requirements. In addition, equal pay for equal work, employment of child labor, public service contracts, and wage garnishment
    - Coverage of employers engaged in interstate commerce or in production goods and services for interstate commerce
    - Maintaining records that explain the basis of wage differentials paid to employees of opposite sex for equal work
    - Displaying a poster (from the regional office of the Wage and Hour Division) informing employees of the provisions of the law
    - States' Minimum Wage and Maximum Hour Laws that also establish minimum wage rates for covered employees. Where both federal and state laws cover the same employee, the higher of two rates prevails (e.g., Rhode Island—$12.25 per hour)
    - The State's wage orders that also can affect pay periods, pay for call-in and waiting times, rest and meal periods, absences, meals and lodging, uniforms, etc.

III. Federal Insurance Contributions Act (FICA) (01.01, PPT Slide 7)

a. The basic provisions of the act deal with:
    - Tax on employees (set percent of their gross wages) and employers for the Federal Old-Age and Survivors' Trust Fund and the Federal Disability Insurance Trust Fund
    - Separate tax on employees and employers to finance the Health Insurance Plan—Medicare
    - Tax on net earnings of the self-employed individual (Self-Employment Contributions Act—SECA)
    - Making payments to persons who are entitled to benefits under these social security taxes

IV. Income Tax Withholding Laws (01.01, PPT Slide 8)

a. Income tax is levied on the earnings of most employees and is deducted from their gross pay.
b. Income taxes can be imposed by federal, state, and local governments.
c. Federal Income Tax (FIT) employs a percentage formula or a wage bracket chart used by each employer to withhold a specified amount from each wage payment.
d. State tax rates vary from state to state.

V. Unemployment Tax Acts (01.01, PPT Slide 9)

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a. Tax levied on employers (Federal Unemployment Tax Act—FUTA) that is used to pay state and federal administrative expenses of the unemployment program
b. A credit granted against most of the FUTA tax if the employer pays a state unemployment tax. A smaller credit is granted to states that have not paid back borrowings from the federal government that were used to pay the cost of benefits to their eligible unemployed workers.
c. State unemployment taxes (SUTA) on employers imposed by all states. These taxes are used to pay unemployment benefits.
d. Standards set by the Social Security Act that result in a high degree of uniformity in the requirements of state unemployment laws
e. Employers need to be aware of the SUTA laws in the states where they operate.
f. **Knowledge Check Activity 1: 10 minutes total. Answer the multiple-choice question given in the PPT Slide 10**.

According to the Fair Labor Standards Act (FLSA), what is the minimum wage rate per hour?

a. $6.75
b. $7.25
c. $8.00
d. $8.25

VI. Fair Employment Laws (01.02, PPT Slide 12)

a. Title VII of the Civil Rights Act of 1964, entitled "EEO (Equal Employment Opportunity)":
    - Prohibits discrimination in hiring, firing, promoting, or compensating based on color, race, religion, national origin, or gender
        - Unions may not exclude/segregate members on the above bases.
    - Sexual harassment is also prohibited.
    - Applies to all employers who engage in an industry "affecting commerce" and employ 15 or more workers in each of 20 or more weeks in the current or preceding calendar year
    - Civil Rights Act of 1991—compensatory and punitive damages in cases where discrimination is intentional
b. Executive Orders: In a series of executive orders, the federal government has banned, in employment on government contracts, discrimination based on race, color, religion, sex, or national origin.
c. Age Discrimination in Employment Act (ADEA)
    - It states that employers, employment agencies, and labor unions cannot use age to discriminate in hiring, firing, or promoting.

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- It applies to employers engaged in interstate commerce with 20 or more workers.
- It provides protection to workers over 40 years old, with a few key exceptions.
- It places onus on employer to keep accurate personnel and payroll records.

d. Americans with Disabilities Act (ADA)
   - ADA of 1990 prohibits employers with 15 or more employees, employment agencies, labor organization, or joint labor management committees from discriminating against qualified (defined as persons who can perform essential functions of the job with or without reasonable accommodation) persons based upon disability.
   - The prohibition of disability-based discrimination applies to job application procedure, hiring, advancement, termination, compensation, job training, and other conditions of employment.
   - Reasonable accommodations, such as wheelchair-accessible restrooms and ramps, for qualified disabled job applicants and workers must be provided.

VII. Other Federal Laws Affecting the Need for Payroll and Personnel Records (01.02, PPT Slide 12)

a. Federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 requires employers to report information on all new hires within 20 days of hire to state agency. Every employer is required to report the name, address, and social security number of each new employee and the employer's name, address, and federal employer identification number within 20 days of hire to the State Directory of New Hire Reporting.
b. Immigration Reform and Control Act of 1986 (IRCA) bars employers from hiring and retaining persons unauthorized to work in the United States. It also requires all employers to verify employment eligibility for all individuals by examining the employee's verification documents and having the employee complete Form I-9, Employment Eligibility Verification. E-Verify is a government-run system that allows employers to check employment eligibility of new hires by crossmatching Form I-9 information with the Social Security Administration and Department of Homeland Security.
c. The Family and Medical Leave Act of 1993 (FMLA) requires employers that have 50 or more employees within a 75-mile radius, for at least 20 weeks in the current or preceding calendar year, to grant workers unpaid leave for a family or medical emergency. In cases of childbirth, adoption, serious illness of the employee or the employee's child, spouse, or parent, or emergency

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due to active duty in the Armed Forces, the employer must offer the worker as many as 12 weeks of unpaid leave.

d. The Uniformed Services Employment and Reemployment Rights Act (USERRA) gives military personnel the right to take leaves of absences from their civilian jobs for active military service and to return to their jobs with accrued seniority.
e. The Employee Retirement Income Security Act of 1974 (ERISA) covers employee pension and welfare plans established or maintained by any employer or employee organization representing employees engaged in commerce or in any industry or activity affecting commerce. The legislation safeguards pension funds by regulating how the funds are to be raised and disbursed, who controls them, and what is to be done when funds are insufficient to pay promised benefits.
f. The Affordable Care Act (Obamacare) consists of two pieces of legislation: Patient Protection and Affordable Care Act and Health Care and Education Reconciliation Act. The act was designed to expand health insurance coverage to more Americans while increasing benefits and lowering costs for consumers. The Tax Overhaul Bill of 2017 repealed the requirement that all Americans obtain health insurance resulting in an uncertain future for the ACA. Employers with 50 or more full-time employees during the previous year (applicable large employers—ALEs) are required to provide coverage for all full-time employees and their dependents. Small employers (less than 50 employees) can purchase affordable insurance through Small Business Health Options Program and may also receive a tax credit (if the pay is at least 50% of the cost for premiums for single coverage).

VIII. Other State Laws Affecting the Need for Payroll and Personnel Records (01.02, PPT Slide 21)

a. Workers' compensation insurance protects employees and their dependents against losses due to work-related injury, illness, or death.
b. State Disability Benefit Laws: California, Hawaii, Illinois, Massachusetts, New Jersey, New York, Rhode Island, and Puerto Rico have passed laws to provide disability benefits to employees absent from their jobs because of illness, accident, or disease not arising out of their employment.

IX. Human Resources and Payroll Accounting Systems (01.02, PPT Slide 22)

a. It is critical that a business keeps human resources and payroll records that meet federal and state law requirements.
b. The Payroll Department performs accounting functions and can be under the direct control of the chief financial officer, although the trend is to place it under the direction of Human Resources Department.

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c. **Discussion Activity 1: 30 minutes total. The scenario given in the PPT Slide 19 and related discussion questions below.**

Cascade International, a chemical manufacturing company, has recently started its business in San Francisco. The company has plans for expanding its business to other cities in California. As per the company's business plan, it will be recruiting 50 employees in the current quarter. The payroll clerk of the company has advised the employees joining the company to complete Form I-9 before accepting the job offer. You are a payroll manager at Cascade International and the company's executives are seeking your advice on the procedure involved in the filing of Form I-9.

- Discuss if the payroll clerk's advice is valid and discuss in detail the procedure involved in completing Form I-9.

X. Human Resources System (01.03, PPT Slide 25)

a. In many medium-sized and large companies, the human resources system embodies all those procedures and methods related to recruiting, selecting, orienting, training, and terminating personnel.
b. Before the Payroll Department can pay newly hired employees, the Human Resources Department must process those employees.
c. Job descriptions must be accurate and must have been prepared before the job was advertised or the interviewing began.
d. The requisition for personnel form notifies the Human Resources Department of the need for additional or replacement employees.
e. **Discussion Activity 2: 30 minutes total. The scenario given in the PPT Slide 19 and related discussion questions below**.

Your friend owns a start-up and he is of the opinion that the Payroll Department can handle all the steps involved in the hiring of employees, and there is no need for a separate Human Resources Department.

- Explain to your friend the need for a separate Human Resource Department. Discuss the role that the Human Resources Department plays in the hiring process.

XI. Application for Employment (01.04, PPT Slide 28)

a. Application for Employment should be completed by the person seeking employment. The following information needs to be provided by applicants:
    1. Personal information including the name, address, telephone number, and social security number of the applicant

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2. Educational background including a summary of the schools attended, whether the applicant graduated, and degrees conferred
3. Employment and experience record
4. Type of employment desired
5. References

b. Prehire inquiries include questions asked in the employment interview and on application forms, résumés of experience or education required of an applicant, and any kind of written testing.
c. Background checks must be in compliance with the rules established by the Fair Credit Reporting Act (FCRA).
d. Reference Inquiry: Before employing an applicant, a company may check some of the references given on the application.
e. Hiring Notice: After the successful applicant is notified of employment and the starting date, time, and to whom to report, a hiring notice is sent to the Payroll Department so that the new employee can be added properly to the payroll.
f. Employee history record contains performance evaluations, compensation adjustments, disciplinary issues, performance appraisals, etc.
g. The change in payroll rate form notifies the proper departments of a change in the employee's rate of remuneration.
h. The termination of an employee may be "at will" or "for good cause only" depending on the situation.
i. Whether the system is paper-based or computer-based or records in the cloud, it is advantageous to have four separate sets of records for each employee:
    1. Personnel file—basic information (e.g., name, address, etc.)
    2. Payroll file—salary and benefits
    3. Medical file—insurance and private medical data
    4. I-9 file—copies of the forms and the appropriate documents
j. Even though personnel files are the property of the employer, employees may have the right to view and receive a copy of their own files. Even though no federal law guarantees it, more than half of the states allow current employees access to their records.
k. **Knowledge Check Activity 1: 10 minutes total. Answer the multiple-choice question given in the PPT Slide 32**.

    Every business, regardless of size, should have an application form to be filled out by a person seeking employment. Which of the following steps is legal in the process of collecting information on employment application forms?

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a. Lie detector tests should be conducted to verify the criminal background of the applicant.
b. Give the applicant a notice and a copy of the investigative consumer report within two days of making an adverse employment decision.
c. Notify the applicant in writing that the information obtained will be used in the employment decision.
d. Persons involved in the reviewing of application forms should be involved in the interview process as well.

XII. Payroll Accounting System (01.05, PPT Slide 34)

a. A payroll accounting system embodies all those procedures and methods related to the disbursement of pay to employees.
b. Employee's Earnings Record: The employee's earnings record is a separate payroll record on each employee. The employee's earnings record provides the information needed to prepare periodic reports required by the withholding tax laws, the FICA tax law, and state unemployment or disability laws.
c. Employers also use the employee's earnings record in preparing Form W-2, Wage and Tax Statement.
d. Paycheck: When employees are paid by check, a check is written for each worker, using as the amount of net pay that figure appearing in the Net Paid column of the payroll register.
e. Outsourcing Payroll: With the increased need for up-to-the-minute information concerning changes in payroll tax laws, the trend toward outsourcing payroll operations has grown stronger.
f. **Discussion Activity 3: 30 minutes total. The scenario given in the PPT Slide 38 and related discussion questions below**.

   Your friend, an executive at a small-sized company, is planning to outsource the payroll operations of her company. However, she is skeptical about the quality and cost involved in the outsourcing of the payroll services. You work at an outsourcing company, and she is seeking your advice on her plan before making any decision on payroll outsourcing.

   - Explain to your friend the process and benefits of outsourcing the payroll operations.

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Additional Discussion Questions

The following are discussion questions that do not appear in the text, PPTs, or courseware (if courseware exists)—they are for you to use as you wish. You can assign these questions in several ways: in a discussion forum in your LMS, as whole-class discussions in person, or as a partner or group activity in class.

1. Discussion: Hiring Process Duration 45 minutes.
    a. Often companies are accused of discrimination during hiring practices and are subject to lawsuits. Some employees may complain about the job being significantly different than the one given in the job description. In the current human resources system, having a true and clear job description is a way to protect companies from such charges. Some jobs in certain industries are subject to transformation due to the technological developments or other noncontrollable factors. Therefore, a deviation from the standard job description is a reality.
    b. Should such deviations be allowed and protected by law?

        Answer: It can be argued that such deviations are normal to certain industries and should be protected by law. However, the job description could have been drafted in such a manner to accommodate deviations from the initial description due to technological changes, uncertainty in business, and other business reasons. For instance, an employee may be hired as a financial planner in a financial services company, and due to the change in the client's project, the employee may be assigned the task of financial analysis. A clear job description should indicate the possible changes from the initial description to the present one to avoid any legal proceedings.

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Additional Resources

Cengage Video Resources

- CNOW Videos:
    - Tell Me More: Identify the payroll register and the employee's earnings record-I.
    - Tell Me More: Identify the payroll register and the employee's earnings record-II.

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