

FPC-Remote Dumps

Fundamental Payroll Certification

<https://www.certleader.com/FPC-Remote-dumps.html>



NEW QUESTION 1

- (Topic 1)

Using the following information, calculate the social security tax to be withheld.

Category	Amount
YTD Wages	\$82,543.24
Salary	\$2,435.76
Workers' Compensation Wages	\$986.00
Section 125 Medical Insurance	\$45.00
Section 125 Dental Insurance	\$9.00
HSA Contribution	\$100.00
401(k) Deferral	\$48.72

- A. \$138.45
- B. \$141.47
- C. \$160.58
- D. \$202.60

Answer: B

Explanation:

Comprehensive and Detailed Explanation: Social Security tax is calculated at 6.2% of Social Security taxable wages.

? Determine taxable wages:

? Social Security tax = \$2,281.76 ?? 6.2% = \$141.47

Reference:

IRS – Social Security and Medicare Tax Guide (Publication 15) Payroll.org – Social Security Tax Calculation Rules

NEW QUESTION 2

- (Topic 1)

Which of the following circumstances would cause a breach of confidentiality?

- A. Furnishing payment history on a written authorization to a mortgage company
- B. Providing benefit election information to an employee's spouse
- C. Sharing general ledger costing data with the accounting department
- D. Supplying payroll records to the company's legal department

Answer: B

Explanation:

Comprehensive and Detailed Explanation: Payroll confidentiality ensures employee information is only disclosed with proper authorization.

? Option A (Payment history with written authorization) is NOT a breach because the employee provided consent.

? Option C (General ledger costing shared with accounting) is NOT a breach since accounting requires financial data for compliance.

? Option D (Payroll records to legal department) is NOT a breach as legal teams need data for investigations.

? Option B (Providing benefit election information to a spouse) is a breach unless the employee has explicitly authorized their spouse to receive this information.

Reference:

Payroll.org – Payroll Data Privacy Guidelines HIPAA & Confidentiality in Payroll Recordkeeping

NEW QUESTION 3

- (Topic 1)

To optimize customer service, policies should include attributes which are:

- A. Reliable
- B. Fluctuating
- C. Interchangeable
- D. Intangible

Answer: A

Explanation:

Comprehensive and Detailed Explanation: Good payroll customer service policies should be:

? Reliable (Option A) – Consistent and dependable for employees.

? Accurate – Ensuring payroll is error-free.

? Responsive – Quick resolution of inquiries.

? Option B (Fluctuating) is incorrect because inconsistent policies confuse employees.

? Option C (Interchangeable) is incorrect because policies must be specific to payroll needs.

? Option D (Intangible) is incorrect because customer service policies should be well-defined and enforceable.

Reference:

Payroll.org – Payroll Customer Service Best Practices HR Compliance Guide – Employee Service Expectations

NEW QUESTION 4

- (Topic 1)

All of the following objectives are included in the operations of a Payroll Department EXCEPT:

- A. Accurate tax reporting
- B. Cost savings
- C. Giving tax advice
- D. Reporting to management

Answer: C

Explanation:

Comprehensive and Detailed Explanation: The Payroll Department's key functions include:

? Tax reporting (Option A)– Payroll ensures accurate IRS and state tax reporting.

? Cost savings (Option B)– Payroll manages efficiency, compliance, and automation to reduce costs.

? Reporting to management (Option D)– Payroll provides financial reports and insights to company leadership.

However, giving tax advice (Option C) is NOT a function of payroll. Payroll professionals calculate and withhold taxes but do not provide tax planning advice to employees.

Reference:

Payroll.org – Payroll Department Responsibilities IRS – Employer's Responsibilities for Payroll Taxes

NEW QUESTION 5

- (Topic 1)

All of the following employee information is required when reporting unclaimed wages EXCEPT:

- A. Last Known Address
- B. Employee's Full Name
- C. Employee's Date of Birth
- D. Payment Amount and Date

Answer: C

Explanation:

Comprehensive and Detailed Explanation: Employers must report unclaimed wages to the state according to escheatment laws. Required information includes:

? Last Known Address (A)– To help locate the employee.

? Full Name (B)– To identify the rightful owner.

? Payment Amount & Date (D)– To track the missing wages.

? Option C (Date of Birth) is NOT required in most state reporting systems, as name and address are sufficient for identification.

Reference:

State Escheatment Laws – Unclaimed Wages Payroll.org – Handling and Reporting Unclaimed Wages

NEW QUESTION 6

- (Topic 1)

The types of accounts used by businesses to classify transactions are:

- A. Asset, Expense, Revenue, Inventory, and Equity
- B. Asset, Liability, Expense, Revenue, and Equity
- C. Inventory, Revenue, Equity, and Cash
- D. Revenue, Expense, Cash, and Net Income

Answer: B

Explanation:

Comprehensive and Detailed Explanation: Business transactions are classified using five main types of accounts:

? Asset– Resources owned (e.g., cash, equipment, accounts receivable).

? Liability– Amounts owed (e.g., payroll taxes, loans).

? Expense– Costs incurred to operate the business (e.g., payroll expenses).

? Revenue– Income earned (e.g., sales, service fees).

? Equity– Owner's interest in the business (e.g., retained earnings).

? Option A is incorrect because "Inventory" is a type of asset, not a separate category.

? Option C is incorrect because "Cash" is a subcategory of assets, not a primary account type.

? Option D is incorrect because "Net Income" is the result of revenues minus expenses, not a separate account category.

Reference:

GAAP Accounting Principles – Types of Accounts Payroll.org – Payroll Accounting Classification

NEW QUESTION 7

- (Topic 1)

Failure to create a payroll ACH file is a violation of which customer service principle?

- A. Empathy
- B. Reliability
- C. Responsiveness
- D. Tangibles

Answer: B

Explanation:

Comprehensive and Detailed Explanation: Reliability refers to a company's ability to provide accurate and timely service. In payroll, failing to create an ACH file results in missed payments, affecting employees and violating reliability standards.
? Option A (Empathy) is incorrect because it relates to understanding and addressing employee concerns, not payroll processing.
? Option C (Responsiveness) is incorrect because it deals with reaction speed rather than payroll execution.
? Option D (Tangibles) is incorrect because it refers to physical aspects of service (documents, appearance, etc.). Reference:
Payroll.org – Payroll Service Principles NACHA – ACH Payroll Processing Standards

NEW QUESTION 8

- (Topic 1)

Which test is used to determine if an employer-employee relationship exists?

- A. Time Test
- B. Substantial Presence Test
- C. Permanent Resident Test
- D. Common Law Test

Answer: D

Explanation:

Comprehensive and Detailed Explanation: The Common Law Test is used by the IRS to determine whether a worker is classified as an employee or an independent contractor. The test evaluates factors related to:
? Behavioral control (Does the employer control what and how the worker performs tasks?)
? Financial control (Are business expenses reimbursed? Is the worker making an independent profit or loss?)
? Type of relationship (Are there benefits like paid time off? Is the relationship expected to be long-term?)
? Option A (Time Test) is incorrect because it applies to qualifying earned income for tax benefits, not employment classification.
? Option B (Substantial Presence Test) is incorrect because it determines resident alien tax status.
? Option C (Permanent Resident Test) is incorrect because it relates to immigration status, not employment relationships.
Reference:
IRS Publication 15-A – Employer's Guide to Worker Classification Payroll.org – Independent Contractor vs. Employee Compliance

NEW QUESTION 9

- (Topic 1)

Which of the following expenses is a non-operating expense?

- A. Insurance
- B. Interest paid on income taxes
- C. Legal fees
- D. Utilities

Answer: B

Explanation:

Comprehensive and Detailed Explanation: Non-operating expenses are costs not directly related to the core operations of a business.
? Option A (Insurance) is an operating expense because it is necessary to protect business assets.
? Option C (Legal fees) is an operating expense if related to business operations.
? Option D (Utilities) is an operating expense because they are required to keep business operations running.
? Option B (Interest paid on income taxes) is a non-operating expense because it is not part of daily business operations but rather a financial or tax-related cost.
Reference:
GAAP Accounting Principles – Classification of Expenses Payroll.org – Payroll-Related Business Expenses

NEW QUESTION 10

- (Topic 1)

Which of the following wage attachments has the highest priority for withholding?

- A. Bankruptcy
- B. Child Support
- C. State Tax Levy
- D. Wage Assignment

Answer: A

Explanation:

Comprehensive and Detailed Explanation: The priority order for wage attachments is as follows:
? Bankruptcy orders (Option A) – Court-ordered payments under the U.S. Bankruptcy Code take top priority over all other wage deductions.
? Child support (Option B) – These second-highest priority under federal law, governed by the Consumer Credit Protection Act (CCPA).
? State tax levies (Option C) – Third in priority, varies by state.
? Wage assignments (Option D) – Lowest priority, usually voluntary agreements by employees.
Reference:
Consumer Credit Protection Act (CCPA) – Wage Garnishment Priorities Payroll.org – Wage Garnishment Guidelines

NEW QUESTION 10

- (Topic 1)

Which of the following documents listed on Form I-9 can be used to establish both an employee's identity and employment eligibility?

- A. Social Security Card
- B. U.
- C. Passport
- D. Voter's Registration Card
- E. Driver's License

Answer: B

Explanation:

Comprehensive and Detailed Explanation: According to Form I-9, Employment Eligibility Verification, an unexpired U.S. passport is a List A document that establishes both an employee's identity and work authorization. A Social Security card (Option A) is a List C document, which only proves employment authorization but not identity. A Voter's Registration Card (Option C) is not an acceptable I-9 document for identity or work authorization. A Driver's License (Option D) is a List B document, which only proves identity but not employment eligibility.
Reference:
U.S. Citizenship and Immigration Services (USCIS) – Form I-9 Instructions Payroll.org – Employment Eligibility Verification Guidelines

NEW QUESTION 14

- (Topic 1)

Which of the following statements about payments made under workers' compensation benefits is FALSE?

- A. They are not included in the employee's gross income
- B. They are received for injuries or illnesses suffered on the job
- C. They are subject to FUTA if they do not exceed the employee's benefits
- D. They are not subject to FICA if payments are made under state regulations

Answer: C

Explanation:

Comprehensive and Detailed Explanation: Workers' compensation benefits are NOT subject to FUTA (Federal Unemployment Tax Act) as long as they are paid under a workers' compensation law.
Option A (Not included in gross income) is correct because workers' compensation is tax-exempt under IRS rules.
Option B (Received for work-related injuries/illnesses) is correct because these payments replace lost wages due to job-related incidents.
Option D (Not subject to FICA under state laws) is correct because workers' compensation payments are exempt from Social Security & Medicare taxes if they are made under a state-approved program.
Option C is incorrect because workers' compensation payments are NOT subject to FUTA, regardless of the amount paid.
Reference:
IRS Publication 525 – Taxability of Workers' Compensation
Payroll.org – Payroll Taxation of Disability and Workers' Compensation Benefits

NEW QUESTION 19

- (Topic 1)

Which of the following master file components is NOT part of the employment data?

- A. Shift Premium
- B. Workweek
- C. Hire Date
- D. Net Pay

Answer: D

Explanation:

Comprehensive and Detailed Explanation: An employee master file contains employment-related data such as:
Shift Premium (A): Used to calculate earnings.
Workweek (B): Defines payroll schedules.
Hire Date (C): Essential for tenure and benefit eligibility.
However, Net Pay (D) is NOT part of employment data because it is a payroll outcome, not an employment record.
Reference:
Payroll.org – Employee Master File Data Requirements IRS – Payroll Recordkeeping Guidelines

NEW QUESTION 23

- (Topic 1)

An employee has YTD wages in the amount of \$250,000.00 and receives a \$1,753.00 bonus payment. Using the optional flat rate method, calculate the federal income tax withholding from the bonus payment.

- A. \$385.00
- B. \$420.13
- C. \$534.63
- D. \$647.50

Answer: A

Explanation:

Comprehensive and Detailed Explanation: Under IRS guidelines, supplemental wages such as bonuses are subject to a flat federal tax rate of 22% if paid separately.
Federal Tax Calculation:
Thus, the correct answer is A. \$385.00.
Reference:
IRS Publication 15-T – Federal Income Tax Withholding Methods Payroll.org – Supplemental Wage Withholding Rules

NEW QUESTION 26

- (Topic 1)

All of the following statements are correct regarding independent contractors EXCEPT that they:

- A. Receive a salary
- B. Risk profit or loss
- C. Can hire assistants
- D. Can end the relationship at any time

Answer: A

Explanation:

Comprehensive and Detailed Explanation: Independent contractors do NOT receive a salary. They:

- ? Invoice for services rendered rather than receiving fixed wages.
- ? Risk profit or loss (Option B) based on how they manage expenses.
- ? Can hire assistants (Option C) to help complete tasks.
- ? Can end the relationship at any time (Option D) unless bound by a contract.
- ? Option A (Receive a salary) is incorrect because salaries are paid only to employees, not independent contractors.

Reference:

IRS – Independent Contractor vs. Employee Classification Payroll.org – Guidelines for Contractor Payments and Taxation

NEW QUESTION 31

- (Topic 1)

All of the following elements are part of the control process EXCEPT:

- A. Batch Totals
- B. System Edits
- C. Unauthorized Overtime
- D. Balancing and Reconciliation

Answer: C

Explanation:

Comprehensive and Detailed Explanation: The payroll control process ensures accuracy and compliance by verifying records, preventing fraud, and reconciling financial transactions.

- ? Batch Totals (Option A) – Used to verify transaction accuracy.
- ? System Edits (Option B) – Automated controls to prevent errors.
- ? Balancing & Reconciliation (Option D) – Ensures payroll matches financial records.
- ? Option C (Unauthorized Overtime) is incorrect because overtime management is an operational issue, not a control process.

Reference:

Payroll.org – Payroll Audit and Internal Control Procedures IRS – Payroll Recordkeeping and Compliance Guide

NEW QUESTION 35

- (Topic 1)

All of the following workflow mapping descriptions are correct EXCEPT:

- A. Logical thought processes must include every step with nothing assumed
- B. Depictions and descriptions of sequences of operations of connected steps
- C. Where each step follows the last without delay or gap and ends just prior to the next
- D. When specifications detail the quality and level to be performed by one group for another

Answer: D

Explanation:

Comprehensive and Detailed Explanation: Workflow mapping is a visual representation of payroll processes to ensure efficiency and accuracy.

- ? Option A (Logical thought processes) ensures clarity and eliminates assumptions.
- ? Option B (Depictions of sequences) accurately describes workflow design.
- ? Option C (Steps follow without delay) ensures process efficiency.
- ? Option D is incorrect because it describes Service Level Agreements (SLA), not workflow mapping.

Reference:

Payroll.org – Payroll Workflow Mapping Guide
Process Improvement Standards – Payroll System Optimization

NEW QUESTION 37

- (Topic 1)

When an employer allocates tips, which of the following statements is TRUE?

- A. Allocated tips are subject to federal income tax withholding
- B. The employer is not liable for amounts incorrectly allocated
- C. Report the allocated amount on the employee's Form W-2
- D. No allocation is made for any reported tips

Answer: C

Explanation:

Comprehensive and Detailed Explanation: Employers must allocate tips if the total reported tips are less than 8% of gross receipts for establishments where tipping is customary.

- ? Allocated tips are reported on Form W-2, Box 8 (Option C) but are NOT subject to withholding.

- ? Option A is incorrect because allocated tips are not subject to automatic withholding unless voluntarily reported by the employee.
- ? Option B is incorrect because employers are responsible for accurate tip reporting.
- ? Option D is incorrect because tip allocation rules require reporting when applicable.

Reference:

IRS Publication 531 – Reporting Tip Income Payroll.org – Employer Tip Allocation Rules

NEW QUESTION 39

- (Topic 1)

Which of the following account types has a normal debit balance?

- A. Asset
- B. Capital
- C. Liability
- D. Revenue

Answer: A

Explanation:

Comprehensive and Detailed Explanation: In accounting, a normal balance refers to the side (debit or credit) that increases the account balance.

? Assets (Option A) normally have a debit balance because they represent resources owned by the company (cash, accounts receivable, equipment, etc.).

? Liabilities (Option C) and Revenue (Option D) normally have credit balances, meaning they increase with credits.

? Capital (Option B) also has a normal credit balance, as it represents owner's

equity. Reference:

GAAP Accounting Principles – Normal Account Balances Payroll.org – Payroll Accounting Basics

NEW QUESTION 42

- (Topic 2)

The purpose of the prenotification process for direct deposit is to ensure that the transaction is:

- A. Authorized by the company
- B. Authorized by the employee
- C. Acceptable to the receiving bank
- D. Acceptable to the originating financial institution

Answer: C

Explanation:

? Prenotification ensures that the receiving bank (C) accepts and properly routes the direct deposit transaction before funds are sent.

References:

? NACHA Direct Deposit Standards

NEW QUESTION 46

- (Topic 2)

What is the purpose of the ACA legislation?

- A. Financial reform
- B. Healthcare reform
- C. Income tax reduction
- D. Supplemental tax increase

Answer: B

Explanation:

? The ACA (Affordable Care Act) was enacted to reform healthcare.

? It mandates employer-provided health insurance and individual coverage. References:

? Affordable Care Act (IRS)

NEW QUESTION 50

- (Topic 2)

Using the percentage method for automated payroll systems, calculate the federal income tax withholding based on the following information:

Pay Type	Amount
Weekly salary	\$384.62
Holiday pay	\$76.92
Production bonus	\$38.46
2019 Form W-4	Single, 0 allowances

- A. \$18.65
- B. \$26.92

- C. \$39.04
- D. \$41.69

Answer: C

Explanation:

- ? Total taxable wages: $\$384.62 + \$76.92 + \$38.46 = \500.00
- ? Using IRS percentage method tables, withholding = \$39.04
- References:
 - ? IRS Publication 15-T (Tax Withholding Tables)

NEW QUESTION 52

- (Topic 2)

The MAXIMUM amount a 52-year-old employee can contribute to their 401(k) plan is:

- A. \$22,500.00
- B. \$23,000.00
- C. \$30,000.00
- D. \$30,500.00

Answer: C

Explanation:

- ? In 2024, the 401(k) contribution limit for employees under 50 is \$22,500.
- ? For employees age 50 or older, an additional "catch-up" contribution of \$7,500 is allowed.
- ? Total maximum contribution = $\$22,500 + \$7,500 = \$30,000$.
- References:
 - ? IRS 401(k) Contribution Limits for 2024

NEW QUESTION 53

- (Topic 2)

The monthly account reconciliation should include all of the following procedures EXCEPT:

- A. Balance the payroll tax liabilities
- B. Reconciling the payroll bank account
- C. Balance the payroll deduction liabilities
- D. Reconcile the payroll register to source documents

Answer: D

Explanation:

- ? Payroll account reconciliation ensures all financial data is accurate and balanced.
- ? Payroll register reconciliation (D) is a separate process used for payroll audits, not monthly account reconciliation.
- References:
 - ? Payroll Reconciliation Procedures (Payroll.org)
 - ? IRS Payroll Recordkeeping Guidelines

NEW QUESTION 57

- (Topic 2)

The employer's unpaid portion of payroll taxes is posted as a credit to a(n):

- A. Asset account
- B. Current liability account
- C. Long-term liability account
- D. Expense account

Answer: B

Explanation:

- ? Payroll taxes owed by the employer (such as FICA and FUTA) are recorded as a current liability because they must be paid within a short period.
- ? Long-term liability (C) applies to debts due over time, not payroll taxes.
- ? Expense accounts (D) track costs but do not reflect unpaid obligations.
- References:
 - ? Payroll Accounting Guidelines (Payroll.org)
 - ? IRS Employer Tax Guide (Publication 15)

NEW QUESTION 58

- (Topic 2)

On June 1st, the Payroll Department received an SUI rate change notice indicating a new rate effective January 1st of the current year. The system was not updated with the new rate until October 1st. SUI contribution recalculation will need to be done for:

- A. 2nd quarter only.
- B. 3rd quarter only.
- C. 2nd and 3rd quarters only.
- D. 1st, 2nd, and 3rd quarters only.

Answer: D

Explanation:

- ? SUI (State Unemployment Insurance) rate changes are often retroactive to January 1st.
- ? Since the system was not updated until October, payroll must recalculate all

affected quarters (1st, 2nd, and 3rd). References:
? SUI Tax Compliance Guide (Payroll.org)
? IRS Publication 15 (Employer's Tax Guide)

NEW QUESTION 61

- (Topic 2)

Workers' compensation payments are excluded from gross income and employment taxes EXCEPT when the amounts received:

- A. Are related to injuries suffered on the job.
- B. Are not related to illnesses suffered on the job.
- C. Do not exceed the benefits provided under the state workers' compensation law.
- D. Do not exceed the benefits provided under the federal workers' compensation law.

Answer: B

Explanation:

? Workers' compensation benefits are tax-exempt if they are paid for work-related injuries or illnesses.
? If payments are received for non-work-related illnesses (B), they become taxable.
? Amounts that do not exceed federal or state limits (C & D) remain tax-exempt. References:
? IRS Publication 525 (Taxable and Nontaxable Income)

NEW QUESTION 66

- (Topic 2)

The FLSA requires employers to retain employee work time schedules for at least:

- A. 2 years.
- B. 3 years.
- C. 4 years.
- D. 7 years.

Answer: B

Explanation:

? FLSA requires that work time schedules, payroll records, and related documents be kept for a minimum of 3 years.
References:
? Fair Labor Standards Act (FLSA) Recordkeeping Requirements (DOL)

NEW QUESTION 67

- (Topic 2)

A semiweekly depositor accumulates a payroll tax liability of \$49,000.00 on Thursday. The next day, the company has bonus payroll with a tax liability of \$120,200.00. Calculate the amount of tax deposit and its due date.

- A. \$120,200.00 on the following Friday; \$49,000.00 on the following Wednesday
- B. \$120,200.00 on the following Monday; \$49,000.00 on the following Wednesday
- C. \$169,200.00 on the following Monday
- D. \$169,200.00 on the following Wednesday

Answer: C

Explanation:

? As a semiweekly depositor, if the tax liability exceeds \$100,000 in a single day, the employer must deposit the full amount by the next business day.
? The combined liability of \$169,200 must be deposited on Monday.
References:
? IRS Publication 15 (Federal Deposit Rules)

NEW QUESTION 70

- (Topic 2)

Using the following schedule for an employee who earns \$9.00 per hour, calculate the overtime premium required under the FLSA.

Day	Hours Worked
Monday	8
Tuesday	9
Wednesday	8 (Sick)
Thursday	0
Friday	0
Saturday	8
Sunday	0

- A. \$0.00
- B. \$4.50
- C. \$9.00
- D. \$13.50

Answer: A

Explanation:

- Under the Fair Labor Standards Act (FLSA):
- ? Overtime is required only when an employee works more than 40 hours in a workweek.
- ? The total worked hours (excluding sick leave) = 25 hours (below 40).
- ? No overtime is due. References:
- ? FLSA Overtime Rules (Department of Labor)

NEW QUESTION 71

- (Topic 2)

Which activity does NOT indicate a data breach has occurred?

- A. Employee personal data change in the self-service portal
- B. Activity in the payroll system outside normal work times
- C. Excessive requests received for certain files or information
- D. Employee accounts have been locked without explanation

Answer: A

Explanation:

- ? Employee data changes in a self-service portal (A) are normal activities unless unauthorized.
- ? Payroll activity outside normal work hours (B), excessive file access (C), and unexplained account locks (D) may indicate security breaches. References:
- ? Payroll System Security Standards (Payroll.org)
- ? IRS Data Security Guidelines

NEW QUESTION 72

- (Topic 2)

The due date for filing Form 941 is the:

- A. Last day of the current quarter
- B. 15th of the month following the end of the quarter
- C. Last day of the month following the end of the quarter
- D. First day of the month following the end of the quarter

Answer: C

Explanation:

- ? Form 941 is due on the last day of the month following the end of the quarter.
- ? Example: References:
- ? IRS Form 941 Instructions

NEW QUESTION 74

- (Topic 2)

Which of the following criteria is NOT used to determine if the worker is a nonresident for

- A. U.S. income tax purposes?
- B. Supplying a W-9 form
- C. Substantial presence test
- D. Lawful permanent resident test
- E. Impact of tax treaty with another resident country

Answer: A

Explanation:

- ? Form W-9 is used for independent contractors (U.S. residents) but does NOT determine residency for tax purposes.
- ? The Substantial Presence Test (B) and Green Card Test (C) are used to determine tax residency.
- ? Tax treaties (D) impact tax status for nonresidents. References:
- ? IRS Publication 519 (U.S. Tax Guide for Aliens)

NEW QUESTION 78

- (Topic 2)

Based on the following Section 125 Cafeteria Plan contributions, calculate the employee's biweekly deductions.

Pay Type	Amount
Annual Salary	\$125,000.00
Annual Health Insurance	\$1,500.00
Monthly Life Insurance	\$15.00
Biweekly Dental	\$5.00

- A. \$69.61
- B. \$75.42
- C. \$77.69
- D. \$82.92

Answer: A

Explanation:

- ? Health Insurance (Biweekly) = $(\$1,500 \div 26) = \57.69
- ? Life Insurance (Biweekly) = $(\$15 \div 12 \div 26) = \6.92
- ? Dental Insurance = \$5.00
- ? Total Biweekly Deduction = $\$57.69 + \$6.92 + \$5.00 = \69.61 References:
- ? IRS Section 125 Cafeteria Plan Rules

NEW QUESTION 79

- (Topic 2)

An out-of-balance condition in the general ledger could be caused by:

- A. A direct deposit error
- B. Increased overtime
- C. Vacation payout
- D. High turnover

Answer: A

Explanation:

- ? Direct deposit errors (A) may result in payroll mismatches and unrecorded transactions, causing the general ledger to be out of balance.
- ? Other options (B, C, D) impact payroll costs but do not directly affect ledger balancing. References:
- ? Payroll Accounting Reconciliation Standards

NEW QUESTION 81

- (Topic 2)

All of the following employees are examples of phantom employees EXCEPT:

- A. A non-existent employee set up using false information.
- B. A remote employee that is not required to record their time.
- C. A terminated, salaried employee whose status was purposely not changed.
- D. A deceased employee that continues to receive pay due to lost paperwork.

Answer: B

Explanation:

- Phantom employees are fraudulent payroll entries where salaries are paid to non-existent or inactive employees.
- ? Option A, C, and D are examples of phantom employees.
- ? Option B (Remote employees not required to record time) is NOT a phantom employee, as long as they are legitimate workers.
- References:
- ? Payroll Fraud Prevention, IRS
- ? Payroll Audit Techniques Guide (IRS Publication)

NEW QUESTION 85

- (Topic 2)

All of the following standards demonstrate effective communication techniques EXCEPT:

- A. Empathy.
- B. Listening.
- C. Feedback.
- D. Measurability.

Answer: D

Explanation:

- ? Effective communication techniques involve empathy (A), active listening (B), and providing constructive feedback (C).
- ? Measurability (D) is NOT a communication technique; it refers to performance

evaluation metrics. References:

? Payroll Leadership and Communication Guide (Payroll.org)

NEW QUESTION 87

- (Topic 2)

The process used to verify and validate payroll system edits or warnings is called:

- A. Gap analysis.
- B. Balancing and reconciliation.
- C. Evaluating system performance.
- D. Periodic data auditing and sampling.

Answer: B

Explanation:

? Balancing and reconciliation ensures payroll data is accurate, consistent, and matches financial records.

? Gap analysis(A) is used to compare actual vs. expected performance.

? Evaluating system performance(C) focuses on efficiency, not data verification.

? Periodic auditing (D) is important but not the primary method of payroll validation. References:

? Payroll Balancing & Reconciliation Guidelines (Payroll.org)

NEW QUESTION 90

- (Topic 2)

An employee receives \$1,600.00 biweekly from their employer. Using the following information, calculate the total amount of voluntary deductions.

Deduction Type	Amount
Federal income tax	\$116.00
Social Security tax	\$93.00
Medicare tax	\$21.75
401(k)	\$160.00
Medical insurance	\$85.00
Dental insurance	\$15.00
Tax levy	\$35.00
Partial direct deposit	\$500.00

- A. \$760.00
- B. \$660.00
- C. \$205.00
- D. \$260.00

Answer: B

Explanation:

Voluntary deductions include:

? 401(k):\$160.00

? Medical insurance:\$85.00

? Dental insurance:\$15.00

Total voluntary deductions:\$160 + \$85 + \$15 =\$260.00

Federal income tax, Social Security, Medicare, and tax levies are mandatory deductions, so they are NOT included in voluntary deductions.

References:

? IRS Publication 15 (Circular E)

? Payroll Source®, Payroll.org

NEW QUESTION 94

- (Topic 2)

Examples of positive active listening through body language include all of the following actions EXCEPT:

- A. Avoiding slouching posture.
- B. Shrugging your shoulders.
- C. Making eye contact.
- D. Nodding your head.

Answer: B

Explanation:

- ? Shrugging shoulders (B) is a sign of uncertainty or disinterest, making it negative body language.
- ? Making eye contact (C), nodding (D), and avoiding slouching (A) are positive active listening cues. References:
- ? Effective Communication in Payroll Training Guide (Payroll.org)

NEW QUESTION 95

- (Topic 2)

The FINAL phase of the accounting process involves the:

- A. Transactions
- B. Journal entries
- C. General ledger
- D. Financial statements

Answer: D

Explanation:

- ? The final phase of the accounting process is generating financial statements (D), which summarize all accounting activities.
 - ? Transactions (A), journal entries (B), and general ledger (C) occur earlier in the process.
- References:
- ? Payroll Accounting Standards (Payroll.org)

NEW QUESTION 100

- (Topic 2)

Which of the following forms is used by an employer to file an annual return of withheld FIT from nonwage payments?

- A. Form 940
- B. Form 941
- C. Form 944
- D. Form 945

Answer: D

Explanation:

- ? Form 945 is used for reporting federal income tax withheld from nonwage payments, such as:
- ? Form 941 (B) is for employment taxes on wages.
- ? Form 940 (A) is for FUTA taxes. References:
- ? IRS Form 945 Instructions
- ? IRS Withholding Rules

NEW QUESTION 105

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