

# Payroll Systems

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Companies can use Microsoft Excel to keep pay details. In this activity you will create a company payroll table and pay advice slips for the individual employees. The data for the payroll system has been prepared for you, your task will be to complete the formulas.

## Loading the Payroll Template

- 1 Load Microsoft Excel, or close the current file.
- 2 Click on the OPEN icon in the QUICK ACCESS TOOLBAR or in the OFFICE BUTTON. Access the CHAPTER 16 folder of the EXCEL 2007 SUPPORT FILES and load the template:

PAYROLL

Selecting YES to the READ-ONLY dialogue box.

- 3 There are two worksheets in the template. Look over the PAYROLL sheet which will show the pay details for all employees. Click on the PAY ADVICE sheet. It will display the pay details for an individual employee. The employee would receive the PAY ADVICE printout when they receive their pay.
- 4 Save the template in your STORAGE folder under the file name:

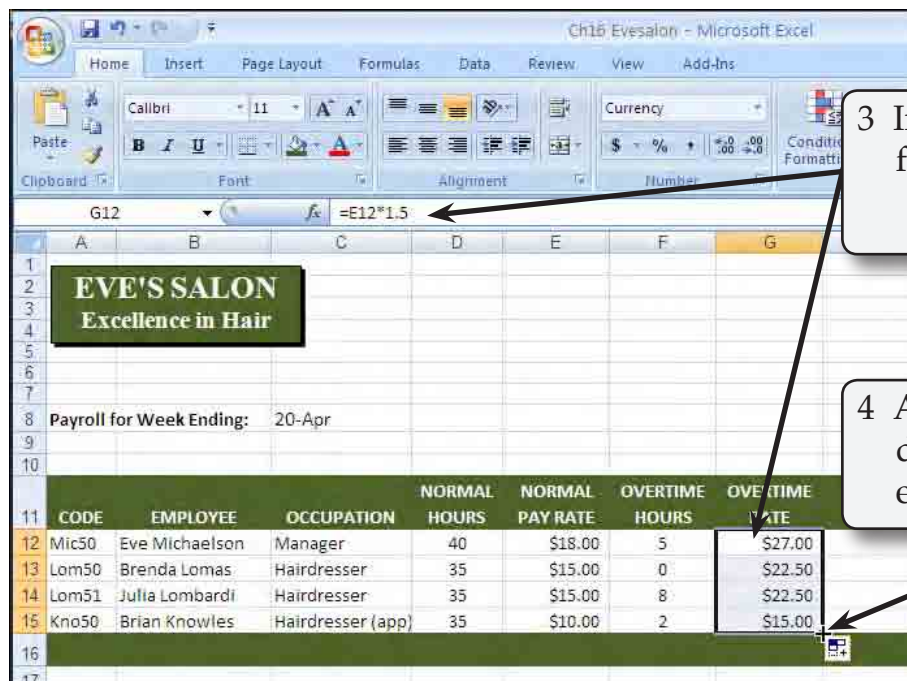
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Remember to turn off the READ-ONLY RECOMMENDED option.

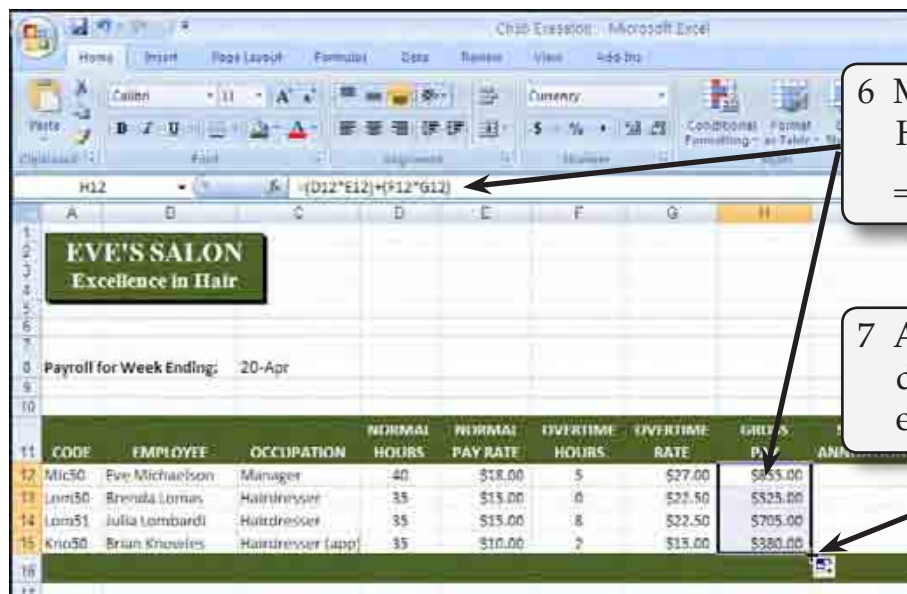
## Completing the Payroll Worksheet

The first sheet is the payroll sheet showing the pay details for all the employees of the company.

- 1 Ensure that the PAYROLL worksheet is on the screen.
- 2 Position the cursor at cell G12. We need to calculate the OVERTIME RATE OF PAY. It is 1.5 times the NORMAL PAY RATE.



5 The GROSS PAY is the total weekly pay earned by the employee before deductions are taken out. We need to multiply the NORMAL HOURS by the NORMAL PAY RATE and the OVERTIME HOURS by the OVERTIME RATE then add the two results together.



**NOTE:** The brackets in the GROSS PAY formula are not really necessary, but they help to separate the two calculation sections and make the formula easier to understand.

- 8 The SUPERANNUATION is the amount contributed by employees each week to a retirement fund. It is usually a percentage of the employee's Gross Pay. We will use a rate of 5% here.

9 Set the cursor at cell I12 and enter:  
 $= H12 * 5\%$   
 then autofill the formula down for the other employees.

CODE	EMPLOYEE	OCCUPATION	NORMAL HOURS	NORMAL PAY RATE	OVERTIME HOURS	OVERTIME RATE	GROSS PAY	SUPER ANNUATION	TAX
Mic50	Eve Michaelson	Manager	40	\$18.00	5	\$72.00	\$855.00	\$42.75	
Lom50	Brenda Lomas	Hairdresser	35	\$15.00	0	\$22.50	\$525.00	\$26.25	
Lom51	Julia Lombardi	Hairdresser	35	\$15.00	8	\$22.50	\$705.00	\$35.25	
Kno50	Brian Knowles	Hairdresser (app)	35	\$10.00	2	\$15.00	\$380.00	\$19.00	

## The Tax Calculation

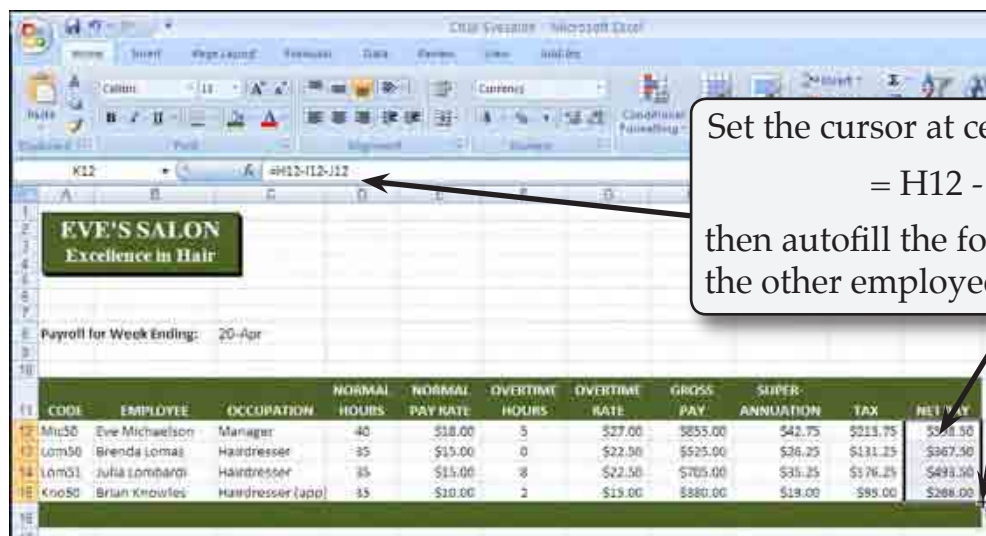
Normally the TAX is calculated through a series of lookups which you did in an earlier chapter. This could be done at the right of the payroll and set not to print when the payroll is printed. To make things a little easier we will use a base tax rate of 25%.

Set the cursor at cell J12 and enter:  
 $= H12 * 25\%$   
 then autofill the formula down for the other employees.

CODE	EMPLOYEE	OCCUPATION	NORMAL HOURS	NORMAL PAY RATE	OVERTIME HOURS	OVERTIME RATE	GROSS PAY	SUPER ANNUATION	TAX	NET PAY
Mic50	Eve Michaelson	Manager	40	\$18.00	5	\$72.00	\$855.00	\$42.75	\$213.75	\$598.50
Lom50	Brenda Lomas	Hairdresser	35	\$15.00	0	\$22.50	\$525.00	\$26.25	\$131.25	\$367.50
Lom51	Julia Lombardi	Hairdresser	35	\$15.00	8	\$22.50	\$705.00	\$35.25	\$176.25	\$593.50
Kno50	Brian Knowles	Hairdresser (app)	35	\$10.00	2	\$15.00	\$380.00	\$19.00	\$95.00	\$266.00

## Calculating the Net Pay

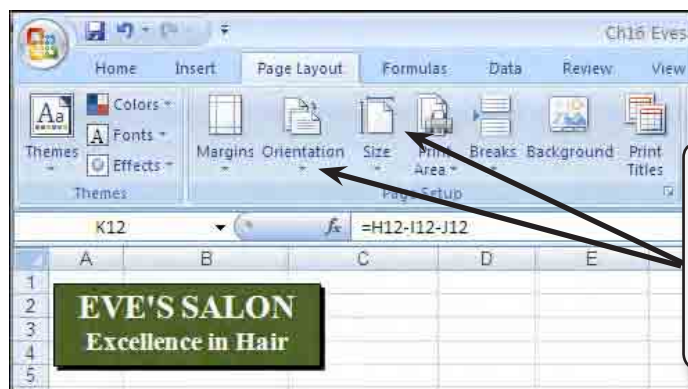
The NET PAY is the GROSS PAY minus the deductions (superannuation and tax),



Set the cursor at cell K12 and enter:  
 $= H12 - I12 - J12$   
 then autofill the formula down for the other employees.

## Printing the Payroll

The print area needs to be checked so that the whole payroll fits on one page and the ORIENTATION needs to be set to LANDSCAPE.



1 In the PAGE LAYOUT tab of the RIBBON set the ORIENTATION icon to LANDSCAPE and the SIZE icon to your printer's paper size (it is probably A4).