

# APA

## Exam Questions FPC-Remote

Fundamental Payroll Certification



### NEW QUESTION 1

- (Topic 1)

All of the following plans are deferred compensation plans EXCEPT:

- A. 401(k)
- B. 403(b)
- C. 457(b)
- D. 501(c)

**Answer: D**

#### Explanation:

Comprehensive and Detailed Explanation: Deferred compensation plans allow employees to defer income taxation until retirement. These include:

? 401(k) (Option A)– A private-sector retirement savings plan.

? 403(b) (Option B)– A similar plan for nonprofits and schools.

? 457(b) (Option C)– A nonqualified deferred compensation plan for government employees.

? Option D (501(c)) is incorrect because it refers to tax-exempt organizations under the IRS code, not a deferred compensation plan.

Reference:

IRS – Tax Treatment of Deferred Compensation Plans Payroll.org – Retirement Plan Payroll Compliance

### NEW QUESTION 2

- (Topic 1)

An exempt employee is being paid an annual discretionary bonus. The employee has submitted a 2020 W-4. Calculate the net pay based on the following information:

Category	Amount
Total YTD Wages	\$16,710.22
Bonus	\$5,000.00
Pay Frequency	Semimonthly
Form W-4	Married Filing Jointly
State Tax Rate	5.00%

- A. \$3,117.50
- B. \$3,267.50
- C. \$3,603.40
- D. \$3,932.83

**Answer: B**

#### Explanation:

Comprehensive and Detailed Explanation: Using the IRS Supplemental Wage Method, the flat tax rate of 22% applies to bonuses:

? Federal Income Tax:

? Social Security Tax:

? Medicare Tax:

? State Income Tax: Total Taxes Withheld:

$$1,100 + 310 + 72.50 + 250 = 1,732.50$$

**Net Pay Calculation:**

$$5,000 - 1,732.50 = 3,267.50$$

Thus, the correct answer is **B. \$3,267.50**.

#### Reference:

- IRS Publication 15-T – Federal Income Tax Withholding Methods
- Payroll.org – Bonus Tax Calculation Methods

A white paper with black text  
AI-generated content may be incorrect.

**NEW QUESTION 3**

- (Topic 1)  
Which form is used by third-party administrators to report sick pay paid on behalf of an employer?

- A. Form 941
- B. Form 1099
- C. Form 8922
- D. Form 1095-B

**Answer:** C

**Explanation:**  
Comprehensive and Detailed Explanation:Form 8922, Third-Party Sick Pay Recap,is used when athird-party administrator (TPA)payssick payon behalf of an employer and needs toreport taxable wages properly.  
? This ensures thatSocial Security, Medicare, and FUTA taxesare correctly allocated between theemployer and third party.  
? Sick pay is subject to FICA taxes, butnot always subject to FUTAif paid directly by an insurer.  
? Option A (Form 941)is incorrect because it is used forquarterly payroll tax filings.  
? Option B (Form 1099)is incorrect becausesick pay is reported on W-2, not 1099.  
? Option D (Form 1095-B)is incorrect because it relates tohealth coverage reporting.  
Reference:  
IRS Form 8922 Instructions – Third-Party Sick Pay Recap Payroll.org – Sick Pay Taxation Guidelines

**NEW QUESTION 4**

- (Topic 1)  
An employee hired on July 1, 2021, terminates employment on September 30, 2022. What is the earliest date the employer may dispose of the Form I-9?

- A. July 1, 2023
- B. July 1, 2024
- C. September 30, 2023
- D. September 30, 2024

**Answer:** D

**Explanation:**  
Comprehensive and Detailed Explanation:UnderForm I-9 retention rules, an employermust retain the form for the later of:  
? Three years from the date of hire, or  
? One year from the termination date.  
? Employee hired on July 1, 2021Three years from hire date= July 1, 2024  
? Employee terminated on September 30, 2022One year from termination= September 30, 2023  
Since thelatest date is September 30, 2024, that is theearliest date the employer may dispose of the Form I-9.  
Reference:  
U.S. Citizenship and Immigration Services (USCIS) – Form I-9 Retention and Storage Guidelines  
Payroll.org – Employer Compliance for I-9 Forms

**NEW QUESTION 5**

- (Topic 1)  
Based on the following information, using the percentage method, calculate the employee's net pay:

Category	Amount
YTD Wages	\$168,800.00
Semimonthly Salary	\$2,500.00
Pay Frequency	Semimonthly
2019 Form W-4	Married, 3 Allowances
Pre-Tax Health Deductions	\$425.00
Child Support	\$100.00
No State or Local Taxes	-

- A. \$1,649.01
- B. \$1,730.36
- C. \$1,804.01

**Answer:** B

#### Explanation:

Comprehensive and Detailed Explanation: Using the IRS Percentage Method for Married Filing Jointly (2019 W-4):

? Calculate taxable wages:

? Federal Income Tax (from IRS tax tables):

? Social Security Tax (6.2%):

? Medicare Tax (1.45%):

? Other deductions: Total Taxes and Deductions:

\*  $216.20 + 155.00 + 36.25 + 100.00 = 507.45$   
 $216.20 + 155.00 + 36.25 + 100.00 = 507.45$

Net Pay Calculation:

\*  $2,500.00 - 507.45 = 1,992.55$   
 $2,500.00 - 507.45 = 1,992.55$

Thus, the correct answer is B. \$1,730.36. Reference:

IRS Publication 15-T – Federal Income Tax Withholding Methods Payroll.org – Net Pay Calculation Guide

#### NEW QUESTION 6

- (Topic 1)

Using the wage bracket method and the information below, calculate the employee's weekly net pay.

Category	Amount
YTD Wages	\$26,003.00
Rate of Pay	\$10.00
Hours Worked	40
Pay Frequency	Weekly
Form W-4	Single with Box Checked
Pre-Tax Medical	\$50.00
Pre-Tax Dental	\$10.00
401(k) Deferral	\$25.00
Union Dues	\$25.00

A. \$230.40

B. \$244.99

C. \$246.90

D. \$259.99

**Answer: D**

#### Explanation:

Comprehensive and Detailed Explanation:

? Gross Pay Calculation:

? Taxable Wages:

? Federal Income Tax Withholding (Wage Bracket Method):

? Social Security & Medicare Taxes:

? Total Deductions:

? Net Pay:

Thus, the correct answer is D. \$259.99. Reference:

IRS Publication 15-T – Wage Bracket Withholding Method Payroll.org – Payroll Tax Calculation Guidelines

#### NEW QUESTION 7

- (Topic 1)

What is the purpose of Form I-9?

A. To request an ITIN

B. To determine how much FIT to withhold from a paycheck

C. To summarize taxable wages earned during the calendar year

D. To verify the identity and employment authorization of a worker

**Answer: D**

#### Explanation:

Comprehensive and Detailed Explanation: Form I-9, Employment Eligibility Verification, is used by employers to:

? Verify the identity of newly hired employees

? Ensure employees are legally authorized to work in the U.S.

? Prevent illegal employment practices

? Option A (Request an ITIN) is incorrect because an ITIN (Individual Taxpayer Identification Number) is requested using Form W-7, not I-9.

? Option B (Determine FIT withholding) is incorrect because Form W-4 is used for federal income tax withholding, not Form I-9.

? Option C (Summarize taxable wages) is incorrect because Form W-2 summarizes

taxable wages. Reference:

U.S. Citizenship and Immigration Services (USCIS) – Form I-9 Instructions Payroll.org – Employment Eligibility Verification Guide

#### NEW QUESTION 8

- (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 9

- (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 10

- (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 10

- (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 12

- (Topic 1)

To ensure net pay is correct and taxes are deposited timely, which items need to be reconciled?

- A. General ledger accounts and payroll register only
- B. Accounts payable payments and end-of-the-month balances only
- C. Accounts payable end-of-the-month balances and general ledger accounts
- D. Accounts payable payments and end-of-the-month balances; general ledger entries and payroll register

**Answer: D**

#### Explanation:

Comprehensive and Detailed Explanation: Payroll reconciliation ensures that payroll transactions match financial records to avoid errors in tax deposits, employee payments, and financial reporting.

The correct answer includes all necessary reconciliation points:

- ? Accounts payable payments (ensure wages were paid)
- ? End-of-the-month balances (cross-check payroll liabilities)
- ? General ledger entries (confirm correct postings)
- ? Payroll register (check against wage statements)
- ? Option A is incorrect because payroll must also be reconciled with accounts payable and monthly balances.
- ? Option B & C are incorrect because they exclude payroll register validation.

Reference:

Payroll.org – Payroll Reconciliation Best Practices IRS – Employer's Tax Guide (Publication 15)

#### NEW QUESTION 14

- (Topic 1)

When an information return is filed after August 1st of the same year, the penalty amount per form is:

- A. \$60.00
- B. \$120.00
- C. \$310.00
- D. \$630.00

**Answer: C**

#### Explanation:

Comprehensive and Detailed Explanation: According to the IRS penalty schedule for late-filed information returns, the penalty per form depends on how late it is filed:

Filing Timeframe	Penalty Per Form	Maximum Annual Penalty
Within 30 days	\$60.00	\$630,500 (\$220,500 for small businesses)
After 30 days but before August 1	\$120.00	\$1,891,500 (\$630,500 for small businesses)
After August 1 or Not Filed	\$310.00	\$3,783,000 (\$1,261,000 for small businesses)
Intentional Disregard	\$630.00	No limit

A screenshot of a computer screen

AI-generated content may be incorrect.

- ? Option A (\$60.00) is incorrect because this applies to returns filed within 30 days of the deadline.
- ? Option B (\$120.00) is incorrect because this applies to returns filed after 30 days but before August 1.
- ? Option D (\$630.00) is incorrect because this applies to cases of intentional non-compliance. Reference:

IRS Instructions for Forms W-2 & 1099 – Late Filing Penalties Payroll.org – Compliance with Information Return Filing Deadlines

#### NEW QUESTION 16

- (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 renderedrather than receivingfixed 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 incorrectbecausesalaries 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 21**

- (Topic 1)

Under the FLSA, all of the following categories are defined as "white-collar" exemptions EXCEPT:

- A. Executive
- B. Administrative
- C. Outside Sales
- D. Computer Hardware Operators

**Answer:** D

**Explanation:**

Comprehensive and Detailed Explanation:Under theFair Labor Standards Act (FLSA), "white-collar exemptions" apply to certain salaried employees who meet specific duties and salary tests. The three main categories are:

- ? Executive (Option A)– Managers with supervisory responsibilities.
- ? Administrative (Option B)– Employees in non-manual work related to business operations.
- ? Outside Sales (Option C)– Sales employees working away from the employer's place of business.
- ? Option D (Computer Hardware Operators) is incorrectbecause this role does not qualify for exemption under the FLSA white-collar rules. Only certain IT professionals (software engineers, systems analysts, etc.) qualify under the Computer Employee Exemption.

Reference:

U.S. Department of Labor – FLSA Exemptions Payroll.org – White-Collar Exemption Criteria

**NEW QUESTION 24**

- (Topic 1)

As of December 31, 2024, what is the MAXIMUM amount, if any, a 49-year-old employee can contribute to a 401(k) plan?

- A. \$7,500.00
- B. \$23,000.00
- C. \$30,500.00
- D. No Limit

**Answer:** B

**Explanation:**

Comprehensive and Detailed Explanation:For2024, the401(k) contribution limit is:

- ? \$23,000.00 for employees under 50 years old.
  - ? \$30,500.00 for employees 50 and older(includes\$7,500 catch-up contribution).
- Since the employee is49 years old, theydo not qualify for the catch-up contribution, so the maximum contribution is\$23,000.00.

Reference:

IRS – 401(k) Contribution Limits for 2024 Payroll.org – Retirement Plan Payroll Compliance

**NEW QUESTION 25**

- (Topic 1)

Payroll staff should be aware of all of the following potential warning signs of a data breach EXCEPT:

- A. Excessive system security reset requests
- B. Requests for large amounts of payroll data
- C. An employee email request for a reprinted W-2 form
- D. Payroll system activity occurring outside normal work hours

**Answer:** C

**Explanation:**

Comprehensive and Detailed Explanation:Payroll security professionals must monitor for potential payroll fraud or data breaches.

- ? A (Excessive security reset requests) Could indicate a hacker attempting unauthorized access.
- ? B (Large payroll data requests) Could signal attempted data theft.
- ? D (Activity outside normal hours) Could be an external breach or insider threat.
- ? Option C (Reprinting a W-2) is NOT necessarily suspicious, as employees frequently request reprints during tax season.

Reference:

Payroll.org – Payroll Data Security Best Practices

IRS – Data Breach Prevention in Payroll

**NEW QUESTION 28**

- (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 31**

- (Topic 1)

The DOL can issue fines for all the following violations EXCEPT:

- A. Overtime
- B. Sick Leave
- C. Child Labor
- D. Minimum Wage

**Answer:** B

**Explanation:**

Comprehensive and Detailed Explanation: The Department of Labor (DOL) enforces violations related to:

? Overtime (A) – Under the Fair Labor Standards Act (FLSA).

? Child Labor (C) – Protecting workers under age 18.

? Minimum Wage (D) – Enforcing the federal minimum wage.

? Option B (Sick Leave) is incorrect because the DOL does not regulate paid sick leave at the federal level. Sick leave laws vary by state, but there is no federal mandate requiring paid sick leave.

Reference:

FLSA – Wage and Hour Division (DOL) Enforcement Payroll.org – Federal and State Payroll Compliance

**NEW QUESTION 36**

- (Topic 2)

A willful violation of child labor laws, that does NOT involve serious harm or death, can result in a fine of up to:

- A. \$1,000.00
- B. \$2,203.00
- C. \$10,000.00
- D. \$13,227.00

**Answer:** D

**Explanation:**

? The Fair Labor Standards Act (FLSA) establishes child labor laws, and violations can result in fines.

? As of recent updates, the penalty for a willful violation of child labor laws is \$13,227.00 (adjusted annually).

? If serious injury or death occurs, penalties increase significantly. References:

? FLSA Child Labor Penalty Guidelines (DOL)

? Wage and Hour Division (DOL)

**NEW QUESTION 37**

- (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 42**

- (Topic 2)

When an employer engages with a leasing company to lease an employee, the employer does NOT:

- A. Hire and fire
- B. Report wages
- C. Set rate of pay
- D. Supervise the work



**Answer:** B

**Explanation:**

- ? Leasing companies (PEOs) handle payroll and wage reporting.
- ? Employers still set rates (C) and supervise work (D). References:
- ? IRS PEO Tax Responsibilities

**NEW QUESTION 47**

- (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 51**

- (Topic 2)

Employee privacy rights are NOT governed by:

- A. Company policy
- B. Federal law
- C. FLSA
- D. State regulations

**Answer:** C

**Explanation:**

- ? FLSA governs wages and hours, not privacy rights.
- ? Privacy laws are governed by federal/state regulations and company policies. References:
- ? Employee Privacy Rights (DOL)

**NEW QUESTION 53**

- (Topic 2)

Which of the following awards are included in an employee's taxable income?

- A. A \$5.00 restaurant gift card
- B. A coupon for a free holiday turkey
- C. A wearable fitness tracker for a safety award
- D. An engraved clock, valued at \$100.00, to celebrate an employee's retirement

**Answer:** A

**Explanation:**

- ? Cash equivalents, such as gift cards (A), are always taxable income.
- ? Nominal gifts (B, C, D) are generally tax-exempt under de minimis rules. References:
- ? IRS Publication 15-B (Taxable Fringe Benefits)

**NEW QUESTION 57**

- (Topic 2)

Depositors that fail to deposit the entire amount of tax required by the due date, without reasonable cause for the failure, are subject to a failure-to-deposit penalty of 5% of the undeposited amount if it is:

- A. Deposited within 5 days of the due date.
- B. Deposited within 6-15 days of the due date.
- C. Deposited more than 15 days after the due date.
- D. Not paid within 10 days after the employer receives its first IRS delinquency notice.

**Answer:** B

**Explanation:**

- ? The IRS assesses failure-to-deposit penalties based on the length of the delay: References:
- ? IRS Deposit Penalty Guidelines (Publication 15)

**NEW QUESTION 61**

- (Topic 2)

To stop payment on an employee's check, the employer must work with the:

- A. IRS
- B. Payroll provider
- C. Employer's bank
- D. Employee's bank

**Answer:** C

**Explanation:**

- ? Only the employer's bank (C) can place a stop payment request.
- ? Payroll providers (B) may facilitate, but do not issue bank stops. References:
- ? Payroll Banking & Direct Deposit Standards (Payroll.org)

**NEW QUESTION 66**

- (Topic 2)

Under the FMLA, employers MUST maintain related leave records for how many years?

- A. 1
- B. 3
- C. 4
- D. 5

**Answer:** B

**Explanation:**

- ? The Family and Medical Leave Act (FMLA) requires employers to keep FMLA-related records for at least 3 years.
- ? These records include:
- ? The DOL may audit these records to ensure FMLA compliance. References:
- ? FMLA Recordkeeping Requirements (DOL)
- ? Payroll Record Retention Guidelines (Payroll.org)

**NEW QUESTION 70**

- (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 71**

- (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 76**

- (Topic 2)

Using the following information, calculate the FUTA tax liability:

Pay Type	Amount
Total YTD wages	\$2,400.00
Weekly salary	\$1,200.00
Pre-tax health deduction	\$100.00
401(k) deferred	\$60.00
Qualified expense reimbursement	\$12.50

- A. \$6.24
- B. \$6.60
- C. \$6.68
- D. \$6.77

Answer: B

Explanation:

- ? Step 1: Determine taxable wagesFUTA tax applies to the first\$7,000of an employee's wages annually.
- ? Step 2: Calculate FUTA tax
- References:
- ? IRS Publication 15 (Employer??s Tax Guide)
- ? FUTA Tax Calculation Guide (Payroll.org)

NEW QUESTION 79

- (Topic 2)
- Payroll system security violations may result in:

- A. Data entry errors
- B. Unauthorized access
- C. Validation edit failures
- D. Unreconciled accounts

Answer: B

Explanation:

- ? Unauthorized access (B) is a direct result of security breaches.
- ? Other options (A, C, D) may result from human error but not security violations. References:
- ? Payroll Security Guidelines (Payroll.org)

NEW QUESTION 83

- (Topic 2)
- What information is reported to the IRS on Form 1094-C?

- A. Basic employer information and number of employees
- B. Employee FITW
- C. FUTA wages
- D. Payments made to the beneficiary of a deceased employee

Answer: A

Explanation:

- ? Form 1094-C is used by employers under the Affordable Care Act (ACA) to report employer health coverage information.
- ? Itincludes basic employer details, employee counts, and ACA compliance data.
- ? Employee FITW (B), FUTA wages (C), and deceased employee payments (D) are NOT reported on Form 1094-C.
- References:
- ? IRS Form 1094-C Instructions
- ? ACA Compliance Guidelines (Payroll.org)

NEW QUESTION 85

- (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 86

- (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 itnegative 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 87

- (Topic 2)  
A paycheck that is never collected by the employee is considered:

- A. Voided.
- B. Written off.
- C. Accounts payable.
- D. Abandoned property.

Answer: D

Explanation:

? Unclaimed wages are classified as abandoned property under escheatment laws.  
? Employers mustremit unclaimed wages to the state after a certain period.  
? Voiding (A) and writing off (B) apply only when payroll errors occur. References:  
? Unclaimed Property Laws (State Escheatment Regulations)  
? Payroll Compliance Guide (Payroll.org)

NEW QUESTION 91

- (Topic 2)  
The journal is commonly referred to as the record of:

- A. Cross-reference
- B. Final entry
- C. Original entry
- D. Secondary entry

Answer: C

**Explanation:**  
? A journal is known as the "original entry" because transactions are first recorded here before posting to the ledger.  
? The general ledger is the final entry (B), not the journal.  
References:  
? Payroll Accounting Standards (Payroll.org)

NEW QUESTION 95

- (Topic 2)  
All of the following statements about the implementation of department processes are true EXCEPT:

- A. Each team member has a clear and concise assignment.
- B. A backup manager is identified and participating in the project.
- C. The standards for measuring success must be clear and specific.
- D. Managers who delegate properly have less time to focus on work.

Answer: D

**Explanation:**  
? Managers who delegate properly actually have MORE time to focus on work, not less.  
? Delegation improves efficiency and productivity by allowing managers to focus on strategic tasks.  
? Options A, B, and C are correct as they are key to successful implementation of processes.  
References:  
? Payroll Process Best Practices (Payroll.org)

NEW QUESTION 96

- (Topic 2)  
Using the following information, calculate the employer's total FICA tax liability for the first payroll of the year.

Pay Type	Amount
Regular Wages	\$2,000.00
Shift Differential	\$1,000.00
Non-Taxable Tuition Reimbursement	\$500.00
Employee Travel Reimbursement	\$50.00

- A. \$459.00
- B. \$466.66
- C. \$535.50
- D. \$543.16

Answer: A

**Explanation:**  
? Step 1: Determine taxable wages  
? Step 2: Calculate Social Security tax  
? Step 3: Calculate Medicare tax  
? Step 4: Total employer FICA tax  
References:  
? IRS Publication 15 (Employer's Tax Guide)  
? Social Security and Medicare Tax Rates (IRS)

NEW QUESTION 99

.....



## Thank You for Trying Our Product

### We offer two products:

1st - We have Practice Tests Software with Actual Exam Questions

2nd - Questions and Answers in PDF Format

### FPC-Remote Practice Exam Features:

- \* FPC-Remote Questions and Answers Updated Frequently
- \* FPC-Remote Practice Questions Verified by Expert Senior Certified Staff
- \* FPC-Remote Most Realistic Questions that Guarantee you a Pass on Your FirstTry
- \* FPC-Remote Practice Test Questions in Multiple Choice Formats and Updatesfor 1 Year

**100% Actual & Verified — Instant Download, Please Click**  
**[Order The FPC-Remote Practice Test Here](#)**