

APA CERTIFIED PAYROLL PROFESSIONAL (CPP) PRACTICE EXAM (SAMPLE) STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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THE FULL VERSION STUDY GUIDE**

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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- 1. What is the primary purpose of Form I-9?**
 - A. To apply for an employer's Federal ID
 - B. To determine worker status for tax withholding
 - C. To verify an employee's right to work in the US
 - D. To report special wage payments to employees
- 2. Communicating, motivating and providing guidance to employees belongs to which management skill?**
 - A. Staffing
 - B. Planning
 - C. Controlling
 - D. Directing
- 3. What is the maximum amount for 2018 that an employee may elect to defer to a 457 plan?**
 - A. \$15,500
 - B. \$16,500
 - C. \$18,500
 - D. \$19,500
- 4. What is the BOX 12 code for uncollected social security tax on tips?**
 - A. A
 - B. V
 - C. L
 - D. Q
- 5. Which form might be used to receive a determination letter of a worker's status from the Social Security Administration?**
 - A. SS-4
 - B. SS-5
 - C. SS-8
 - D. None of the above

- 6. For an employee receiving various attachments to their wages, the federal levy must be prioritized over which of the following?**
- A. Child Support Payment
 - B. Consumer Garnishment
 - C. Health Insurance Deductions
 - D. Insurance Premiums
- 7. A covered full-time employee must be allowed how many weeks off under the Family and Medical Leave Act?**
- A. 16
 - B. 8
 - C. 12
 - D. 20
- 8. What does ERISA stand for?**
- A. Employee Retirement Income Security Act
 - B. Employer Reporting Insurance Standards Act
 - C. Employer Required Insurance Security Act
 - D. Employment Reconciliation Income Standards Act
- 9. Which deferred plan is primarily utilized by public school employees?**
- A. 401 (k)
 - B. 403 (b)
 - C. 408
 - D. 457
- 10. What is the maximum employee contribution to a 401(k) for the year 2016?**
- A. \$5,500
 - B. \$15,500
 - C. \$18,500
 - D. \$17,500

Answers

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1. C
2. D
3. C
4. A
5. C
6. B
7. C
8. A
9. B
10. C

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Explanations

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1. What is the primary purpose of Form I-9?

- A. To apply for an employer's Federal ID
- B. To determine worker status for tax withholding
- C. To verify an employee's right to work in the US**
- D. To report special wage payments to employees

The primary purpose of Form I-9 is to verify an employee's right to work in the United States. This form is a vital part of the hiring process and is used by employers to confirm that all employees hired after November 6, 1986, are legally authorized to work in the country. When a new employee is onboarded, they must provide specific identification documents that prove their identity and work eligibility. The employer then completes the Form I-9 based on the documentation presented, ensuring compliance with federal immigration laws. It creates an official record that the employer has taken the required steps to confirm the employee's eligibility to work.

Understanding this purpose is crucial for payroll professionals as it relates to compliance and avoiding potential penalties associated with hiring undocumented workers. The other options—such as applying for a federal ID, determining tax withholding status, or reporting wage payments—are not the focus of Form I-9, even though they involve important aspects of employment and payroll processes.

2. Communicating, motivating and providing guidance to employees belongs to which management skill?

- A. Staffing
- B. Planning
- C. Controlling
- D. Directing**

The correct answer is directing, as this management skill involves leading and influencing employees to perform their tasks effectively. Directing encompasses the aspects of communication, motivation, and guidance, which are essential for fostering a productive work environment. Managers use directing to ensure that team members understand their roles and objectives, remain motivated to achieve them, and receive the support they need to overcome challenges. In contrast, staffing focuses on the recruitment and selection of employees, planning is concerned with setting objectives and outlining how to achieve them, and controlling involves monitoring performance and implementing corrective actions when necessary. These functions, while critical to management, do not specifically center on the interpersonal aspects of guiding and motivating employees as directly as the directing function does.

3. What is the maximum amount for 2018 that an employee may elect to defer to a 457 plan?

- A. \$15,500
- B. \$16,500
- C. \$18,500**
- D. \$19,500

For the year 2018, the maximum amount an employee could elect to defer to a 457 plan was set at \$18,500. This limit reflected the contribution amounts managed by the IRS, which regularly adjusts these figures based on inflation and other factors. The 457 plan, which is commonly available to state and local government employees as well as certain non-profit organizations, allows participants to defer a portion of their salary into a retirement savings account on a pre-tax basis. The terms of these plans can vary between employers, but the overall contribution limits are outlined by federal regulations. In this case, the figure of \$18,500 for 2018 was in line with the annual limits specified by the IRS for various retirement plans, such as 401(k) and 403(b) plans as well. Understanding these contribution limits is crucial for financial planning and ensuring that employees can maximize their retirement savings within legal limits each year. The other amounts listed in the choices either preceded or succeeded the 2018 limit or pertain to different types of retirement plans.

4. What is the BOX 12 code for uncollected social security tax on tips?

- A. A**
- B. V
- C. L
- D. Q

The correct BOX 12 code for uncollected social security tax on tips is indeed A. This code is used on Form W-2 to report the amount of uncollected social security tax that applies to tips given to employees. When tips are not subjected to withholding for social security tax, it is essential for both the employee and the IRS to be aware of this uncollected amount, especially for tax calculations and compliance purposes. Using this code allows for clear communication of the specific tax situation concerning employee tips, helping ensure accurate reporting and processing of taxes. In summary, code A accurately reflects the specific type of uncollected social security tax on tips, confirming its role in federal tax reporting for individuals engaged in tip-receiving positions.

5. Which form might be used to receive a determination letter of a worker's status from the Social Security Administration?

- A. SS-4
- B. SS-5
- C. SS-8**
- D. None of the above

Determining whether a worker is an employee or an independent contractor for federal employment taxes and Social Security uses a form specifically created for that purpose. Form SS-8 is filed to request an official determination of worker status, and the resulting determination letter explains how the worker should be treated for tax and benefit purposes. The other forms serve different tasks—SS-4 is for obtaining an Employer Identification Number, and SS-5 is for obtaining a Social Security card. So SS-8 is the form you'd use to obtain a determination of worker status.

6. For an employee receiving various attachments to their wages, the federal levy must be prioritized over which of the following?

- A. Child Support Payment
- B. Consumer Garnishment**
- C. Health Insurance Deductions
- D. Insurance Premiums

In the context of wage garnishments and attachments, the federal levy must be prioritized over consumer garnishments. This is due to the stipulation in federal law which establishes that if an employee's wages are subjected to multiple garnishments, the federal tax levy takes precedence. This prioritization ensures that federal tax obligations are met first, as they are a legal obligation to the government. Other types of attachments, such as consumer garnishments, like those arising from credit card debts or loans, are considered less critical compared to federal tax debts. Child support payments also hold a significant priority, often mandated by state and federal laws, thus they must be satisfied before many other types of debt. Health insurance deductions and insurance premiums are typically treated as necessary deductions that do not fall into the same category as garnishments, and they often do not carry the same legal weight as tax levies or child support. Therefore, understanding the hierarchy of wage garnishments is essential for compliance with federal and state laws surrounding payroll processing and employee compensation.

7. A covered full-time employee must be allowed how many weeks off under the Family and Medical Leave Act?

- A. 16
- B. 8
- C. 12**
- D. 20

Under the Family and Medical Leave Act (FMLA), a covered full-time employee is entitled to take up to 12 weeks of unpaid leave during a 12-month period for specific family and medical reasons. This law ensures that employees can take time off to care for a newborn, a newly adopted child, to care for a seriously ill family member, or for their own serious health condition without the fear of losing their job or health benefits. The entitlement to 12 weeks is a key aspect of FMLA and is in place to support employees during times of significant personal or family needs, promoting a balance between work and family responsibilities. Thus, the correct answer reflects the legal framework established by the FMLA regarding leave duration for covered employees.

8. What does ERISA stand for?

- A. Employee Retirement Income Security Act**
- B. Employer Reporting Insurance Standards Act
- C. Employer Required Insurance Security Act
- D. Employment Reconciliation Income Standards Act

The correct answer, Employee Retirement Income Security Act, is significant as it establishes standards for pension and health plans in the private industry to provide protection for individuals in these plans. Enacted in 1974, ERISA aims to ensure that employees receive the benefits promised by their employers, particularly regarding retirement plans. The act oversees various aspects such as plan funding, fiduciary responsibilities, and the right of participants to sue for benefits and breaches of duty. It does not cover all employee benefits, but it is crucial for ensuring the stability and security of retirement plans, which enhances employee trust and commitment. Understanding ERISA is essential for payroll professionals as it directly affects how retirement plans are managed and reported on payroll. Recognizing ERISA's principles ensures compliance and helps organizations avoid legal pitfalls associated with benefit management.

9. Which deferred plan is primarily utilized by public school employees?

- A. 401 (k)
- B. 403 (b)**
- C. 408
- D. 457

The 403(b) plan is specifically designed for the benefit of employees in public schools, as well as certain tax-exempt organizations, such as educational institutions and non-profits. It allows employees to set aside pre-tax income for retirement, which is particularly advantageous for public school employees who work within these types of organizations. Contributions to a 403(b) plan are made through salary reduction agreements, enabling them to save on taxable income while building a retirement fund. The distinctive nature of the 403(b) plan lies in its flexibility with investment options, typically allowing employees to choose between various annuities or mutual funds tailored for their retirement goals. This makes it an appealing option for public school employees who often have invested in long-term career paths in education. In contrast, while 401(k) plans are primarily designed for for-profit corporations and can also be used by non-profit organizations, they do not specifically cater to the public education sector. The 408 plan refers to an Individual Retirement Account (IRA), which is a traditional retirement savings vehicle not specifically tailored for employees in educational settings. Lastly, the 457 plan is another retirement option, commonly used by governmental and some non-profit organizations, but it is distinct from the 403(b) and is

10. What is the maximum employee contribution to a 401(k) for the year 2016?

- A. \$5,500
- B. \$15,500
- C. \$18,500**
- D. \$17,500

The maximum employee contribution to a 401(k) plan for the year 2016 is accurately reflected by the amount of \$18,500. This limit applies to the contributions that employees can make to their 401(k) accounts through salary deferrals. It's important to note that this figure is established by the Internal Revenue Service (IRS) and is subject to annual adjustments for inflation. For the tax year 2016, the contribution limit was set at this amount. Additionally, individuals who were 50 years of age and older were allowed to make additional catch-up contributions, enabling them to contribute beyond the standard limit, which is designed to help them save more effectively for retirement. The other choices represent either earlier limits or incorrect figures related to 401(k) contributions. For example, the \$5,500 figure relates to the contribution limits for Individual Retirement Accounts (IRAs), while the amounts \$15,500 and \$17,500 were relevant for earlier years and are not applicable for 2016. Understanding these limits is crucial for payroll professionals to ensure compliance and accurate payroll processing.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://apacpp.examzify.com>

We wish you the very best on your exam journey. You've got this!

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