Payroll Manager interview questions

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What to expect

The interview for a Payroll Manager role typically assesses your technical payroll knowledge, compliance understanding, and ability to lead a team under deadline pressure. You can expect a mix of technical, behavioural, and scenario questions.

- **Technical:** Questions on payroll systems, award interpretation, tax, and superannuation compliance.
- **Process:** Questions that ask you to walk through your pay run process and controls.
- **Behavioural:** Questions about past experiences with errors, team management, or stakeholder communication.
- **Scenario:** Hypothetical situations testing your judgement under pressure or with incomplete information.
- **People leadership:** Questions about developing, motivating, and managing a payroll team.

The process often starts with a phone screen with a recruiter, followed by a face-to-face or video interview with the hiring manager and possibly a finance lead. Some employers include a practical assessment, such as interpreting an award or reviewing a sample pay run. A second interview may focus on leadership and culture fit.

1. How do you ensure compliance with Single Touch Payroll and superannuation guarantee obligations?

Why they ask

This tests your technical knowledge of Australian payroll compliance, which is core to the role.

How to structure your answer

Answer directly, then outline the specific steps you take: how you prepare and lodge STP reports, calculate superannuation, meet deadlines, and stay updated with ATO changes.

Example answer

"In my current role, I ensure STP compliance by running a pre-lodgement check on each pay event, verifying that all employee details, gross wages, tax, and superannuation are correct. I lodge STP reports to the ATO on or before each payday, using payroll software that is STP-enabled. For superannuation, I calculate the guarantee on ordinary time earnings, check that employee fund details are current, and process payments through a clearing house to meet the quarterly deadline. I also subscribe to ATO updates and attend payroll webinars to stay current with any legislative changes."

2. Walk me through your end-to-end pay run process.

Why they ask

This assesses your organisation, attention to detail, and knowledge of payroll systems.

How to structure your answer

Give a chronological walkthrough, highlighting checkpoints, controls, and how you handle exceptions.

Example answer

"I start by confirming the pay period dates and any changes to awards or employee contracts. Then I review timesheets and leave requests, checking for approvals. I import data into the payroll system, run a validation report to catch errors, and calculate pay, tax, and superannuation. I check the payroll summary against the previous period for anomalies. After approval from finance, I disburse payments

via EFT and lodge STP to the ATO. Finally, I reconcile the payroll accounts and prepare reports for management."

3. Tell me about a time you discovered a significant payroll error. How did you handle it?

Why they ask

This tests your problem-solving, communication, and integrity when something goes wrong.

How to structure your answer

Use STAR: situation, task, action, result. Focus on how you identified the issue, corrected it, and prevented recurrence.

Example answer

"In a previous role, a new enterprise agreement was implemented, and I noticed that overtime rates for a group of 30 employees had been calculated using the old award. I immediately flagged it to my manager, calculated the underpayment for the affected staff, and arranged for a correction in the next pay run. I also wrote a checklist for future agreement changes and trained the payroll team on it. The employees were paid correctly, and we avoided any further errors."

4. You have a pay run due in two days, but a key team member calls in sick. How do you manage?

Why they ask

This tests your prioritisation, leadership, and ability to meet deadlines under pressure.

How to structure your answer

Demonstrate judgement under pressure: assess the situation, prioritise tasks, delegate, and communicate with stakeholders.

Example answer

"First, I would assess the critical tasks that only the sick team member can do and see if any can be delayed or reassigned. I would check if other team members have the skills to cover, and if not, I would step in myself for the most urgent parts. I would communicate with finance and HR about the situation and any potential impact on the deadline. If necessary, I would seek approval for a short extension, but I would do everything possible to run the pay on time."

5. How do you develop and motivate a payroll team?

Why they ask

This assesses your leadership and team management skills, which are essential for a manager role.

How to structure your answer

Describe your approach with specific examples, such as training, feedback, and creating a positive culture.

Example answer

"I believe in setting clear expectations and giving regular feedback. In my current team, I run monthly one-on-ones to discuss workload, training needs, and career goals. I encourage team members to take on new responsibilities, like leading a pay run or researching a legislative change. I also celebrate wins, such as completing a complex pay run without errors, to keep morale high. When mistakes happen, I focus on learning rather than blame."

6. How do you stay current with changes to awards, tax rates, and payroll legislation?

Why they ask

This tests your commitment to professional development and risk management, which is vital for compliance.

How to structure your answer
List your sources, habits, and how you apply changes to your work.

Example answer

“I subscribe to ATO updates and the Fair Work Ombudsman newsletter, and I regularly check the Fair Work Commission website for award variations. I also attend payroll seminars and webinars, and I am a member of a professional payroll network where we share updates. When a change occurs, I review its impact on our payroll, update our procedures, and brief the team. I also diarise key dates, like superannuation rate changes, to ensure we are never caught off guard.”