

End of Payroll Year Guide 2018

How to use your software to guide your business through the end of payroll year period

Need some help?

Visit help.myob.com, or find answers, ask questions, and share your knowledge at community.myob.com.

End of Payroll Year Guide 2018

How to use your software to process your end of payroll year tasks

This guide is for:

- AccountRight Plus
- AccountRight Premier
- AccountRight Enterprise
- AccountEdge Pro
- AccountEdge Network Edition

If you manage your payroll using AccountRight or AccountEdge, this guide steps you through what you need to do to stay ATO compliant for the 2018-2019 payroll year.

If you're using MYOB Essentials Accounting, you can still use this guide to identify the key tasks required at the end of the payroll year.

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EOFY videos when you need them

We've also prepared videos to help you learn what you need to do at the end of your payroll and financial years, and to make sure you avoid the common issues that can trip you up.

The videos are free, and you can watch them as often as you like. We'll also have a team of EOFY experts ready to answer your questions at selected times during June and July on Live Chat.

[Watch now](#)

Be ready for Single Touch Payroll

Single Touch Payroll (STP) is an ATO initiative to streamline payroll reporting. You'll be able to report payroll and super information directly to the ATO when you process a pay run.

Single Touch Payroll will be a big change for a lot of businesses so make sure you are ready.

For more information go to myob.com/stp

Step 1: Process the last pays for the year

Ensure that you've entered all pays to 30 June 2018 before continuing.

In the new AccountRight, make sure you don't have any saved pay runs that still need to be processed, as these will be cancelled when you close the payroll year. Once you close the payroll year you won't be able to enter or edit pays dated in a closed payroll year.

Step 2: Print the key payroll reports

To print payroll reports

1. Go to the **Reports** menu and choose **Index to Reports**.
2. Click the **Payroll** tab and print the following reports:
 - **Employees Activity Summary:** Print this report for the full payroll year. This report lists each employee's total wages, entitlements, deductions, employee expenses and taxes. The Activity Report derives its information from pays recorded using the Pay Employees function only, so it does not include any history that may have been manually entered in the employee's card.
 - **Employees Register Summary:** Print this report for the full payroll year. This report lists each employee's total wages, entitlements, deductions, employee expenses and taxes but derives its information from the payroll history contained in the employee cards only. The payroll history is also the basis for the information used by the Payment Summary Assistant.
 - **Entitlements Balance Detail:** Print this report to review your employees' leave entitlements. Choose the date range 01/07/17 to 30/06/18 as the period to identify the current balances for each employee. The opening hours will include the carry over figure and the total available hours indicate the lifetime balance.

- **Superannuation reports:** Make sure you've printed your superannuation reports for the month of June 2018 or the April-June quarter. Superannuation reports for these periods cannot be generated once you close the payroll year, so print them to ensure that you have enough information to pay your super contributions.

NOTE: If you've made direct adjustments to the payroll history information in your employees' cards, the Employees Activity and Employees Register reports will not match.

The only time these reports should differ is when you've commenced using the payroll function part-way through the year and have entered opening payroll balances in the **Pay History** tab of your employee cards. If a mistake has been made on a Pay Employee transaction, you shouldn't manually adjust the payroll history within an employee card, as there will be no audit trail and the general ledger accounts will not be updated. Instead, you should delete the incorrect pay and re-enter it.

Also note that payment summaries retrieve their figures from the employee Payroll History, so if this information is incorrect, the payment summaries will also be incorrect.

Step 3: Reconcile PAYG withholdings

Using the payroll reports that you printed at step 2, you should now be able to reconcile your year-to-date PAYG withholding figures.

This process will check that you've remitted the full amount of PAYG withholdings that were collected during the payroll year.

To reconcile PAYG withholdings you'll need to total all the payments that have been made to the Australian Taxation Office during the year. Compare the total payments made to the ATO with the total PAYG figures appearing on the Employees Activity and Employees Register reports.

Total PAYG remitted to the ATO	\$
Total PAYG showing on the Employees Activity / Register reports	\$
Variance	\$

If there is a variance between the PAYG remitted to the ATO and the Payroll Activity and Payroll Register reports, you'll need to print these payroll reports for each month and compare them to the figures paid to the ATO for the PAYG Withholdings until you find the discrepancy. (See Step 2 for reasons why the Employees Activity and Employees Register reports may not match).

You can also compare the total gross wages shown on the Employees Activity and Employees Register reports with the Wages expense account in the Profit and Loss Statement for the payroll year. If the two figures do not match (remember to take into account any allowances paid into other accounts), you'll need to print the Employees Activity and Employees Register report for each month and compare it to the monthly Profit and Loss Statements until you find the discrepancy.

Step 4: Prepare payment summaries

Once all payroll transactions have been entered and your PAYG withholdings have been reconciled, you're ready to print the payment summaries for your employees.

TIP: If you're unable to print the payment summaries before the first pay run of the new year, make two backups of your company file. Then start a new payroll year and keep using the file. When you're ready to print your payment summaries, restore a backup. Give the restored file a name that easily identifies it as the "before new payroll year" file so that it's not accidentally used to enter data for the new payroll year.

Record your backup file names and locations here:

- 1.
- 2.

Before preparing your payment summaries:

- Make sure your employee cards contain a current address (including a city and postcode) and a tax file number.
- For workers paid under labour hire arrangements, make sure their employee card has the Employment Basis set to Labour Hire (Card File > Cards List > Employee tab > open the card > Payroll Details tab).

- Have available all details of any fringe benefit amounts and reportable superannuation amounts for your employees.

To prepare your payment summaries

1. Go to the **Payroll** command centre and click **Prepare Payment Summaries** (or Print Payment Summaries). The Payment Summary Assistant appears. The Payment Summary Assistant helps you complete your payment summaries.
2. [AccountRight v19 and AccountEdge only] Select the Individual non-business and Employment termination payment option.
3. Click Next.
4. **Check Your Company's Payment Summary Information.** This window displays your company's name and address, as you entered it in the **Company Information** window when you set up the company file. This information will appear on your employees' payment summaries, and also in the electronic file (the EMPDUPE file) containing payment summary information that you'll provide to the ATO.

Ensure that this information is correct and also enter your company's Trading Name if you wish.

NOTE: In the **State** field, you must select one of the following two- or three-character codes:

ACT	Australian Capital Territory
NSW	New South Wales
NT	Northern Territory
QLD	Queensland
SA	South Australia
VIC	Victoria
WA	Western Australia
OTH	Overseas addresses

If OTH is selected (your company is a non-resident):

- The **Country** field is activated. You must enter your company's country information in this field.
- The **Postcode** field defaults to 9999 and cannot be changed.

- The state and postcode as well as the town must all be reported in the **Suburb/Town/City** field.

For example, assume your address is 275 Central Park West, Apartment 14F, New York, NY USA 10024. This address would be entered as follows:

Street Address - Line 1	275 Central Park West Street
Address - Line 2	Apartment 14F
Suburb/Town/City	New York, NY 10024
State	OTH
Postcode	9999
Country	USA

The ATO requires each business to provide contact information for the person who processed your business payment summaries as well as your company information.

If you have approval from the ATO, you can also specify an authorised signatory in this window; this person's name will appear in the "Signature of Authorised Person" area on your employees' payment summaries.

[New AccountRight only] If you're a bookkeeper or accountant preparing the payment summaries on behalf of the business, select the option **I use a third party service provider to lodge my payment summaries** and enter your details in the **Service Provider Details** step.

When you're satisfied with the entries in this window, click **Next**.

5. **Set up the payment summary fields:** Indicate which payroll categories in your software are reported in each payment summary field on your employees' payment summary. You can also enter a descriptive label for some fields and these will be printed with the amounts for the payroll categories you've linked to the fields.

IMPORTANT: Take care when completing this step. Incorrectly selecting or omitting a category will result in erroneous amounts on the payment summaries.

Refer to the ATO website for information about which wages and deductions should be selected for each field. Use the following information to help you complete this window.

- **Gross Payments:** Select the **Gross Payments** field on the left. The row will highlight. Now, in the right hand column, select all payroll categories that you want to include in the Gross Payments box on the payment summary. To start with, you may select Base Hourly, Base Salary, Annual Leave and Personal Leave.

Also select any relevant salary sacrifice categories. Even if only some of your employees are linked to a certain category, select it if any amounts for any employees have been allocated to that category.

NOTE: Ensure that you don't select any Allowances, Lump Sum Payment categories, CDEP categories, or Taxes at this stage.

- **Allowances:** Select the **Allowance 1** field on the left, enter the name of an allowance paid to your employees in the Description column, and then select the relevant allowance category in the right hand column. Select **Allowance 2**, enter the description of another allowance, and then select the relevant allowance category in the right hand column.

Repeat this for any other allowances you may have. If you have more than nine allowances, enter eight of them as described above, then select **Allowance 9**, enter the description as Other and select the remaining allowance categories in the right hand column.

- **Lump Sum Payments:** If you've paid any amounts to your employees that belong to the Lump Sum Payments A, B, D and E boxes, you'll need to select the appropriate field on the left-hand side and click on the right-hand side payroll categories that correspond to the box.

It's recommended that you have dedicated payroll categories set up to report Lump Sum Payments. This enables you to easily report Lump Sum amounts separately to Gross Payments.

NOTE: Lump Sum Payment C is for any Employment Termination Payments (ETP) eg. cash sum on termination of employment. These payments need to be issued on a separate ETP Payment Summary, which is available in some more recent software versions as a part of the Payment Summary Assistant. Please contact the ATO for further information.

Lump Sum Payment E refers to amounts received for back payment of salary or wages, which accrued more than 12 months ago.

- **Community Development Employment Project (CDEP) Salary or Wages:** CDEP payments refer to salary or wages received by persons of Aboriginal or Torres Strait Island descent on a "work for the dole" project within their community. If you've made CDEP payments, select the **CDEP** field on the left and then select the appropriate CDEP payroll category on the right.

- **Tax Instalments Deducted:** Select the **Total Tax Withheld** box on the left. On the right hand side, notice that the PAYG Withholding category is automatically selected. Do not clear this category.

If you've set up other deductions to act as tax deductions (e.g. flat rate of 20% tax set up as a deduction) then also select these.

- **Employment Termination Payments:** If you've paid any amounts to your employees that are considered part of an employment termination payment (ETP), select the appropriate ETP field on the left hand side and click the relevant payroll categories on the right hand side. This works best when you've set up ETP wage categories. This is detailed in the following help topics which can be found at help.myob.com

> [Processing termination payments in the new AccountRight](#)

> [Processing termination payments in AccountRight v19](#)

> [Processing termination payments in AccountEdge](#)

Once you've selected all required payroll categories click **Next**.

6. **Enter reportable employer superannuation contributions (RESA):** Enter any applicable RESA amounts in this window. To do this, click the **Link Superannuation Categories** button and select the superannuation payroll categories that are reportable, for example Salary Sacrifice and Employer Additional. You can also manually enter amounts next to an employee's name.

NOTE: Reportable superannuation amounts usually include salary sacrifice and over-award superannuation contributions. In most cases, superannuation guarantee and after-tax contributions are not reported. For more information about RESA, contact the ATO. Once you've entered or selected applicable RESA amounts, click Next.

7. **Fringe benefits:** Enter the Reportable Fringe Benefit amounts earned by your employees during the corresponding FBT year (in whole dollar amounts).

Employers are required to record the taxable value of fringe benefits provided to individual employees. Where the total taxable value of fringe benefits provided to an employee exceeds \$2000 in a FBT year, employers will be required to report the grossed-up taxable value of those benefits on the employee's payment summary for the corresponding income year. For information regarding reportable fringe benefits, visit the ATO web site at ato.gov.au. After entering the Reportable FBT amounts, click **Next**.

8. **Review Individual Payment Summaries:** You now have the opportunity to review the figures that will appear on each employee's payment summary.

Click the zoom arrow beside each employee's name. You can change the figures or descriptions given to the union fees or allowances for the individual employees. Note that any figures that you change in this window will show with an asterisk (*) next to them. To change the figure(s) back to their original amounts click the **Reset All** button (the **Recalc** button in some versions).

IMPORTANT: You need to enter Tax File Numbers (TFN) for all employees whether you print payment summaries for them or not. You can enter your employees' TFNs in the **Employee Payment Summary Information** window or in the employee cards. If an employee does not have a TFN, use one of the following numbers provided by the ATO:

Payee Status	TFN
New payee has not made a TFN Declaration, but 28 days have not passed	111 111 111
Payee is under 18 years of age and earnings do not exceed \$350 per week, \$700 per fortnight or \$1,517 per month	333 333 333
Payee is an Australian Government pensioner payee	444 444 444
Payee chooses not to quote a TFN and has not claimed an exemption from quoting a TFN or does not fit into any of the above categories	000 000 000

9. **Save and print payment summaries:** Once you've reviewed the individual payment summaries, you have the option to Save, Print or Email Payment Summaries. The entries will be checked for compliance with the ATO standards, for example the system will check that all employees have a valid Tax File Number. When you save the payment summaries you can choose where you want to save them.
10. **Verify your Payroll Information:** This window provides a summary of the number of records, total tax withheld, and total gross payments. Click **Preview Verification Report**

to view a report showing details of amounts reported for each employee. You can use this report to complete payment summaries manually if you want.

Number of Records: This will be the number of employees whose information is contained in the EMPDUPE file (in v19 and AccountEdge, it includes even employees for whom payment summaries have not been printed). It does not include any employees whose Salary and Tax is equal to \$0.

Total Tax Withheld: This will be the total PAYG withheld for all employees.

Total Gross Payments: This includes total salary and wages for all employees. It does NOT include Allowances or Lump Sum Payments. Also note that each employee's Total Gross Payments will truncate the cents (as payment summaries do not include cents).

11. **Create the EMPDUPE File:** This window shows important information about the EMPDUPE file, which contains the PAYG Payment Summary Annual Report information that you need to provide to the ATO. Before creating the EMPDUPE file, you should be sure that you've printed, saved or emailed all payment summaries and verified that the amounts on these payment summaries are accurate.

Click **Create EMPDUPE file**.

IMPORTANT: From this year forward, the **ATO will not accept EMPDUPE files on magnetic media**, such as USB or CD/DVD discs. The EMPDUPE file that you save must be submitted electronically to the ATO via the ATO's Business Portal at bp.ato.gov.au.

To access the ATO's Business Portal you need:

- an AUSKey. If you don't have an AUSKey, you'll need to [register for an AUSKey](#) before you can lodge.
- use Internet Explorer or Mozilla Firefox. The Google Chrome and Microsoft Edge browsers are not currently supported.

To lodge the EMPDUPE file

- a. Log in to the Business Portal at bp.ato.gov.au
- b. Go to the **Lodge file** page (you'll see it in the menu).

- c. Select **Lodge > Browse** and then find and select your EMPDUPE file in the window that appears.

12. The final window in the Payment Summary Assistant lets you back up your company file. You can click **Backup** here, or proceed to Step 5 below.

13. Finish: Click **Finish** to close the Payment Summary Assistant window.

Step 5: Back up the company file

If you haven't already done so, make two backups of your company file after preparing your payment summaries.

For example, name the backup file "Company_Name_10A" and label the disk "Company Name, 30/6/18, payment summary backup A".

Store one backup in your business premises and the other in a secure location away from your business. Record your backup file names and locations here:

- 1.
- 2.

To back up your company file in the new AccountRight

1. Go to the **File** menu and choose **Back Up**. The **Back Up Company File** window appears.
2. Select the location where you want to save the backup file. If you like, you can also specify a password to protect your backup file.
3. Click **Back Up**. Your company file will be backed up to the specified location.

To back up your company file in AccountRight v19 and AccountEdge

1. Go to the **File** menu and choose **Backup**. The **Company File Backup** window appears.
2. Select the **Backup all data** and **Check Company File for errors** options.

3. Click **Continue**. The data verification process begins and the company file is checked for errors. When the data verification process is complete, a message appears, describing the results.
4. If the verification process did not detect any errors, click **OK**. The **Back Up** window appears, prompting you to choose a location to save the backup.
5. If the verification process did detect errors, run the Optimisation Assistant to repair the company file. This assistant is capable of fixing certain types of data errors and can also make your company file more efficient. To run the Optimisation Assistant, go to the **File** menu and choose **Optimise Company File**.

Once you've optimised the file, perform the data verification procedure again to determine if the data errors have been repaired. If errors continue to be detected and the message refers to a particular transaction, open the transaction, review it or delete and re-enter it. If you receive a message referring to a record, such as an inventory item or tax code, open the record to investigate its setup.

If the verification process does not specify transactions or records, you should restore the most recent backup of your company file and use that file instead. You should also check that company file for errors. MYOB also offer a company data file repair service. Visit http://myob.com.au/datafile_repair for more information.

Step 6: Close the payroll year

When all the previous tasks have been completed, you're ready to close the payroll year (known as starting a new payroll year in AccountRight v19 and AccountEdge).

After closing the payroll year:

- You'll be able to enter pays for the new year.
- The previous year's Payroll History information will be cleared from the employee cards.
- Entitlement balances will be cleared unless the **Carry Remaining Leave Over to Next Year** option is selected in the **Entitlement Payroll Category** windows (accessible by going to the **Lists** menu, choosing **Payroll Categories**, and then **Entitlements**).

To close the payroll year in the new AccountRight

1. Go to the **File** menu, choose **Close a Year** and then choose **Close a Payroll Year**. The **Close a Payroll Year Assistant** appears.
2. Once you've read and understood the introduction, click **Next**.
3. Specify the new payroll year. If you're closing the payroll year ended 30 June 2018, you'd select 2019 as the new payroll year (as it covers the 2018-19 years).
4. Click **Next**.
5. If you want to create a backup file before purging payroll information, click **Back up** and follow the instructions in the windows that appear.
6. When you're ready to close the year, click **Close the Payroll Year**.

The **Conclusion** window shows the details of the new year.

To start a new payroll year in AccountRight v19 and AccountEdge

1. Go to the **File** menu, choose **Start a New Year** and then choose **Start a New Payroll Year**. The **Start a New Payroll Year** window appears. If you haven't backed up your company file, click **Backup**.
2. Click **Continue**. You'll be presented with details of all the changes that will occur during the Start a New Payroll Year process. Read this carefully and then click **Continue**.
3. Specify the new payroll year. If you're closing the payroll year ended 30 June 2018, you'd select 2019 as the new payroll year (as it covers the 2018-19 years).
4. Click **Continue**. If you've backed up your company file, and are satisfied with the selections you've made in the Start a New Payroll Year windows, click **Start a New Payroll Year**.

The process may take some time if you have a large number of transactions or records in your company file.

To check that you have the correct tax tables loaded

- Go to the **Setup** menu and choose **General Payroll Information**. In the window that appears, the tax table revision date should be 1/7/2018.

Once this process is complete, you're done!

Step 7: Load new payroll tax tables

After you roll over your payroll year and before you enter pays in the new year, you need to ensure your software complies with the latest tax legislation applicable from July 1.

You can do this by installing the 2018 compliance update on every computer that has AccountRight or AccountEdge.

AccountRight will prompt you to install the compliance update when it's available (usually during the last week in June). To download the compliance update for other versions, or to learn more about what's changed for the new payroll year, visit myob.com.au/eofy

Once you've updated your software, you can load the new tax tables.

To load the tax tables

- Go to the **Setup** menu and choose **Load Payroll Tax Tables**, then click **Load Tax Tables**.