

This edition covers the latest payroll gossip and changes you need to be aware of...

Holidays Act Changes

The Holidays Act has been amended, with most new provisions coming into effect from 1 April 2011.

New factsheets

We have released a series of new Factsheets to help you understand the changes. These are available on the website (and in many cases from within SmoothPay's updated assistant screens).

Cashing-up annual leave

Employees may request up to 1 week of annual leave be cashed-up in any 12-month period. You do not have to approve a cash-up request, and the request and your response must be in writing. The leave being cashed-up must have accrued since 1 April 2011. A Cash-out option has been added to the Annual Leave Assistant and to our Leave Application Form, and a factsheet has been added to the website.

Public, Sick and other leave

Averaging calculations for Relevant Daily Pay leave (Public, Sick etc.) require you to make sure you correctly capture the number of days pay included in every pay period, as the calculation is now based on the number of days paid in the last 12 months (was based on the last 4 weeks).

You can edit the number of days paid in Pay Input, and make corrections in employee pay history - you can also manually override the number of days paid in the last 12 months in the leave assistant screens (we suggest you make sure that the correct number of days paid is entered as you enter each pay).

New factsheets for Sick, Public, Alternative and ACC have been published on the website, and are also available in each leave assistant screen.

Tax changes

Minor tax changes (a small increase in ACC earner levy collected as part of employee's PAYE), and an increase in the ACC earner levy threshold have been released as part of your latest update.

These tax changes take effect automatically for pay periods ending on or after 1 April 2011.

Earnings certificates

The unique Tax-Tattler has now been removed permanently from employee Earnings Certificates.

This helped employees determine if they had paid enough or too much tax during the year (so they could claim a refund if they paid too much - and boy, did that raise lots of calls to the helpdesk), however with the Government's insistence on implementing tax rate changes mid-year it makes it impossible to guess how IRD will determine your final tax liability, and if they don't know (or won't say) then we can't provide an accurate assessment.

However, employees can access their tax information for free from the IRD website, and we've added a note to that effect on the new version certificates.

Other changes

Number of days paid has been added to "Salary/Tax" and quick employee settings screens in Pay Input (defaults to number of pay periods x weeks per pay period x employee's days per week setting - recalculated if number of pay periods, days per week or pay cycle is changed).

This field permits up to 2 decimal places (so half- and quarter-days etc are possible), however the Department of Labour suggest that any part of a day should be counted as 1 day (which is plainly silly if an employee works 1 whole day and 2 half-days, as their average daily pay would always be lower than the real average value, but that's bureaucratic logic for you).

Employee Pay History screen now has extra summary info (the blue box) and a facility to edit and correct the number of

days paid per pay period (required by amended Holidays Act).

Contract days per week can now be set in Annual Leave setup and quick employee settings (available by clicking the blue status area at the top of the Pay Input screen), as well as in the employee's contract screen.

Note that for non-compliant annual accrual methods (days or hours) an automatic adjustment to leave accrual and balance will occur (user advised and changes logged).

This field permits up to 2 decimal places (so half-days etc. are possible).

Number of pay periods override now permits up to 2 decimal places (so half-weeks etc are possible, and tax and per-pay-period values will be calculated on that basis).

A more extensive note facility has been added to Edit Leave Records, as well as an audit field to show when/who created entries, and a protected note option if entry was generated by SmoothPay (e.g. accrual, auto-reduction etc).

Standard Pay loading now strips overrides for number of pay periods, tax, student loan, child support and extra pay flag, and resets paid days.

Any attempt to override tax will now display a warning.

Automatic leave liability report production has been added to Finish This Pay process. This creates a PDF in your company data pool folder. Production occurs immediately after employees have been updated and before dates are rolled to the next period, so the report takes into account the current pay. Archived reports can be viewed from the Leave Liability Report screen.

Thinking about a Mac?
Check out SmoothPay/Gold
www.smoothpaygold.com

In this issue:

| | |
|-----------------------------|---|
| Changes to the Holidays Act | 1 |
| Tax changes | 1 |
| Other changes to SmoothPay | 1 |
| End of year procedure | 2 |

SmoothPay

payroll basics : end of year procedure

End of tax year What is the end-of-year procedure in SmoothPay?

We've designed SmoothPay to avoid any special processes, but we're often asked, so we present for you a typical list of optional reports you might find useful - and why you might want them.

SmoothPay detects when you're moving into a new tax year (based on the new pay period dates) and prompts you to print a variety of reports you might find useful - none of which are compulsory.

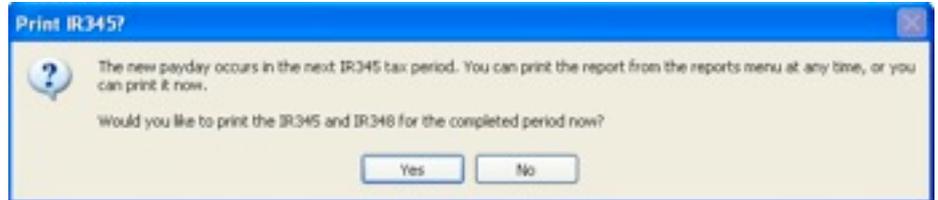
So, you don't actually need to do anything more than print and file the reports you're prompted to print - just like the "end-of-month" procedure. It just happens.

One issue we constantly receive requests for, is the Leave Liability Report as at 31 March. Now, under usual circumstances it's not possible to produce a back-dated leave liability report, as users make adjustments, change leave accrual methods etc that would significantly impact on the reliability of the report. So, to cater for this, SmoothPay now automatically produces a PDF copy of the Leave Liability Report *every* pay period, so you can examine the report at any point in time. Pretty neat eh?

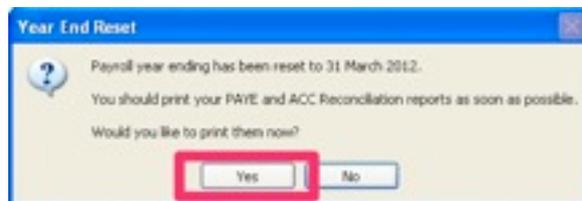
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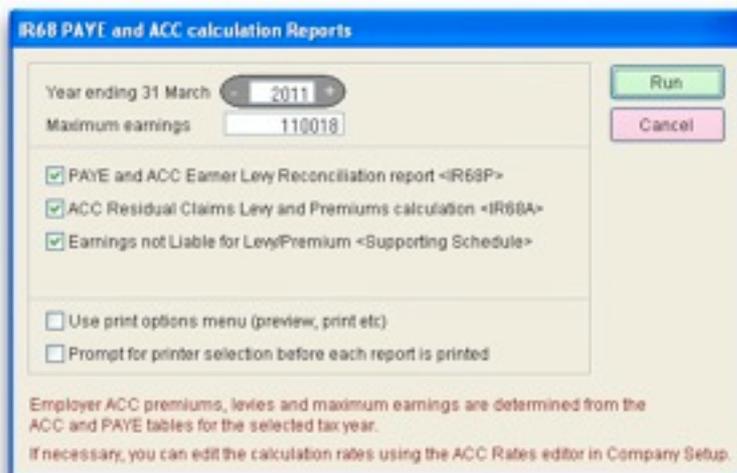
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Look familiar? You're prompted at the end of every tax month to print your IRD Schedules. At the end of the tax year you'll be prompted to print some additional reports...



Click Yes. If you accidentally choose No, or you want to re-run the reports at some point in the future, you can select the additional reports from the Reports menu (there's a list below)



In the olden days, employers had to produce a set of reconciliation reports for IRD. You no longer have to do this, however it is useful to be able to prove that the amount you're being charged for ACC Premiums is correct (or not)

Run any or all of the reports offered, and file for future reference or the Accountant. These reports are particularly helpful in possibly reducing your ACC Premium cost - the savings are often worth more than the annual SmoothPay maintenance and support fee!

Earnings Certificates

Your staff may request Earnings Certificates, or you might have a policy to produce them for all staff at the end of each tax year. These are not compulsory and it's up to you whether you produce them or not.

How do I re-run these reports?

All reports can be reproduced from the Reports list:

- IRD Schedules..IR68 PAYE and ACC Reports (anytime, for any year)
- Earnings Certificates..Earnings Certificates (anytime, for any year). You can also produce individual Earnings Certificates from the Edit Employee..Pay History screen (for any tax year)
- Leave Reports..Holiday Leave Liability Report - run a fresh report anytime you like, or view any historical report using the View Historical button.