MYOB EXO EMPLOYER SERVICES

Australian Edition

2013.01

Release Notes

EXO
EMPLOYER
SERVICES

MYOB ENTERPRISE SOLUTIONS

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Introduction

What's New in this Release?

The 2013.01 release contains compliance updates for the 2014–2015 payroll year. This release can be installed prior to 1 July 2013; compliance changes are not activated in the product until the relevant date, e.g. changes to Superannuation Guarantee rate are applied when a pay ending on or after 1 July 2013 is run.

> **Note:** This release includes support for changes to the process of reporting Employment Termination Payments (ETPs). These changes have been applied retroactively to the entire 2012–2013 payroll year, which means that any payments entered for the 2012–2013 year prior to the installation of this release will need to be updated to the new format before they can be submitted to the ATO. A new utility is available in EXO Payroll to convert existing ETPs to the new format—see page 13 for more information.

This release also introduces changes to supported operating systems—see "Changes to Supported Platforms" on page 3 for details.

The purpose of this document is to provide essential information on the installation and use of this release:

- The **Installation** section provides an overview of the installation process, including pre-installation requirements and post installation steps.
- The **New Features** section describes all new features introduced in this release.
- The **Resolved Issues** section describes all issues that have been addressed by this release.
- The **Known Issues** section details any issues in this release that have been identified as requiring attention.
- The **Summary of Changes** section provides a quick overview of the major changes in this release, and the actions that must be taken to implement them.

Need assistance? If you have any questions or you need assistance with installing this update, please contact your MYOB Accredited Business Partner. Alternatively, the answers to most common installation issues can be found on the MYOB Enterprise Knowledgebase at http://myobexo.custhelp.com/.

Installation

Pre-Install Requirements

Requirements for PCs running MYOB EXO Employer Services components are detailed in the the Minimum System Requirements document, available on the MYOB website.

Installing MYOB EXO Employer Services

Information on installing and upgrading MYOB EXO Employer Services is maintained on the MYOB Enterprise Knowledgebase. See the following articles:

- Upgrading MYOB EXO Employer Services Online
- Upgrading MYOB EXO Employer Services Manually (Australia)
- How do I run Network.exe?

Note: Check the Known Issues section on page 17 for any known installation issues.

Check the Release

After the installation is complete, the version numbers of all MYOB EXO Employer Services applications should be as follows:

Application	Version
MYOB EXO Employer Services	2013.01
MYOB EXO Payroll	2013.01
MYOB EXO Employee Information	2013.01
MYOB EXO Time and Attendance	2013.01
Runtime Files	09.00.0000.7423

To check that this release installed successfully, check that the versions displayed on the About window (**Help menu > About**) match the versions listed here.

New Features

Changes to Supported Platforms

MYOB EXO Employer Services now supports installation on Windows 8 and Windows Server 2012.

Tax Updates

The compliance changes and features introduced in MYOB EXO Employer Services 2013.01 are listed below.

Change/Feature	See
Changes to PAYG	page 3
State Payroll Tax Changes	page 4
Changes to HELP and SFSS	page 5
Changes to Withholding on Additional Payments	page 5
Changes to Withholding Calculation on Allowances	page 6

Changes to PAYG

PAYG has not changed for the 2013–2014 payroll year. MYOB EXO Payroll will continue to use the PAYG rates and thresholds from the 2012–2013 payroll year.

> **Note:** HELP and SFSS rates and thresholds have changed (see page 5), so any PAYG tax scales that include HELP and SFSS will include changes.

State Payroll Tax Changes

The following state payroll tax rates and thresholds are used by MYOB EXO Payroll (highlighted states are changing in the 2013–2104 financial year) :

State	Financial Year	1 July – 31 Dec	1 Jan – 30 June	Annual wage threshold
ACT	current	6.85%	6.85%	$1,750,000
	2013–2014	6.85%	6.85%	$1,750,000
New South Wales	current	5.45%	5.45%	$689,000
	2013–2014	5.45%	5.45%	$750,000
Northern Territory	current	5.5%	5.5%	$1,500,000
	2013–2014	5.5%	5.5%	$1,500,000
Queensland	current	4.75%	4.75%	$1,100,000
	2013–2014	4.75%	4.75%	$1,100,000
South Australia	current	4.95%	4.95%	$600,000
	2013–2014	4.95%	4.95%	$600,000
Tasmania	current	6.1%	6.1%	$1,010,000
	2013–2014	6.1%	6.1%	$1,250,000
Victoria	current	4.9%	4.9%	$550,000
	2013–2014	4.9%	4.9%	$550,000
Western Australia	current	5.5%	5.5%	$750,000
	2013–2014	*	*	*

*Budget information for Western Australia had not been made available at the time of this release. If changes are made to WA payroll tax following this release, MYOB will issue an update to EXO Payroll as necessary.

Changes to HELP and SFSS

The following Higher Education Loan Programme (HELP) income thresholds and repayment rates are automatically applied for the 2013–2014 payroll year:

Current rates		New rates from 1 July 2013	
Below $49,096	Nil	Below $ 51,309	Nil
$49,096 to $54,688	4.0%	$51,309 to $57,153	4.0%
$54,689 to $60,279	4.5%	$57,154 to $62,997	4.5%
$60,280 to $63,448	5.0%	$62,998 to $66,308	5.0%
$63,449 to $68,202	5.5%	$66,309 to $71,277	5.5%
$68,203 to $73,864	6.0%	$71,278 to $77,194	6.0%
$73,865 to $77,751	6.5%	$ 77,195 to $81,256	6.5%
$77,752 to $85,564	7.0%	$81,257 to $89,421	7.0%
$85,565 to $91,177	7.5%	$89,422 to $95,287	7.5%
$91,178 and above	8.0%	$95,288 and above	8.0%

The following Student Financial Supplement Scheme (SFSS) income thresholds and repayment rates are automatically applied for the 2013–2014 payroll year:

Current rates		New rates from 1 July 2013	
Below $49,096	Nil	Below $51,309	Nil
$49,096 to $60,279	2%	$51,309 to $62,997	2%
$60,280 to $85,564	3%	$62,998 to $89,421	3%
$85,565 and above	4%	$89,422 and above	4%

Changes to Withholding on Additional Payments

The following changes to "additional payment" Allowances apply to pays where the Physical Pay Date is on or after 1 July 2013:

- The amount of tax withheld for an additional payment, including HELP or SFSS, cannot exceed 46.5%. Where the tax amount exceeds 46.5% and has multiple components (e.g. PAYG and HELP/SFSS), all components will be reduced proportionally to produce a 46.5% rate.
- If the amount of tax withheld for an additional payment is a negative value, the amount will be treated as a nil amount.

Changes to Withholding Calculation on Allowances

The ATO specifies two calculation methods for calculating withholding on back payments, lump sum arrears, bonus and similar payments, commissions and other additional payments; these two methods are referred to as Method A and Method B. These methods have been renamed: Method A is now Method B and vice versa; this reflects the fact that the method now called Method A is the simpler of the two methods, and is used more often.

MYOB EXO Payroll uses Method A (formerly Method B). Using the simpler method makes it easier for users to manually calculate withholding outside the EXO Payroll system and reconcile it with the system's calculations, reducing any confusion that users may have when determining the correct withholding amount.

Method A calculates withholding by apportioning additional payments made in the current pay period over the number of pay periods in a year, and applying that average amount to the gross earnings in the current pay period. See the ATO document "Tax table for back payments, commissions, bonuses and similar payments (NAT 3348)" for more information.

Changes to Payment Summaries

Electronic Reporting Specification – PAYGW v10.1

MYOB EXO Payroll complies with the ATO specification for the preparation of the electronic version of the PAYG withholding payment summary annual report (EMPDUPE version 11) and Magnetic Media Form for the 2013–2014 payroll year reporting period and onwards.

Formatting Changes

Several minor changes have been made to the Individual Non-business and Business and Personal Services payment summaries:

- The "refer to *TaxPack*" note has been removed.
- "(EST)" has been removed from the note on phone information.
- The NAT or JS number has been removed from the bottom of the payment summaries.

This release also corrects formatting errors where the footers of the Individual Non-business and Business and Personal Services payment summaries would be cut off.

Superannuation Guarantee Changes

From 1 July 2013, the Superannuation Guarantee rate rises from 9% to 9.25%. MYOB EXO Payroll has been updated for this change; when opening a pay in the 2013–2014 financial year, users will be asked if they want to update the SG rate to 9.25%. (If they choose not to, the message will continue to appear each time a pay in the new year is created, until the user chooses to update the rate.)

> **Note:** When the user chooses to update the SG rate, <u>all</u> open pays are affected—this means that if the rate is updated while there are still pays open in the 2012–2013 year, the SG rates in these pays will also be updated to 9.25%. To avoid this, ensure that all pays in the 2012–2013 year have been closed before choosing to update the SG rate.

This change is the first step in a gradual increase to a rate of 12%—rates will be changing each financial year as follows:

| Period	Super Guarantee Rate
1 Jul 2012 – 30 June 2013	9%
1 Jul 2013 – 30 June 2014	9.25%
1 Jul 2014 – 30 June 2015	9.5%
1 Jul 2015 – 30 June 2016	10%
1 Jul 2016 – 30 June 2017	10.5%
1 Jul 2017 – 30 June 2018	11%
1 Jul 2018 – 30 June 2019	11.5%
1 Jul 2019 – 30 June 2020 and onwards	12%

The Superannuation Guarantee age limit of 70 years is also removed for pays where the physical pay date is 1 July 2013 or later (this has no effect on MYOB EXO Payroll).

Changes to Child Support Deductions

From 1 January 2013, the Child Support Protected Earnings Amount (PEA) changed as follows:

Frequency	Amount
Weekly	$333.53
Fortnightly	$667.06
Monthly	$1450.26

Any new Child Support Deductions created after the installation of this release will contain these values as defaults. MYOB EXO Payroll does not automatically update these amounts in existing Deductions, however; you must edit them on the Deductions Maintenance window for each Child Support Deduction (if you have not done so already):
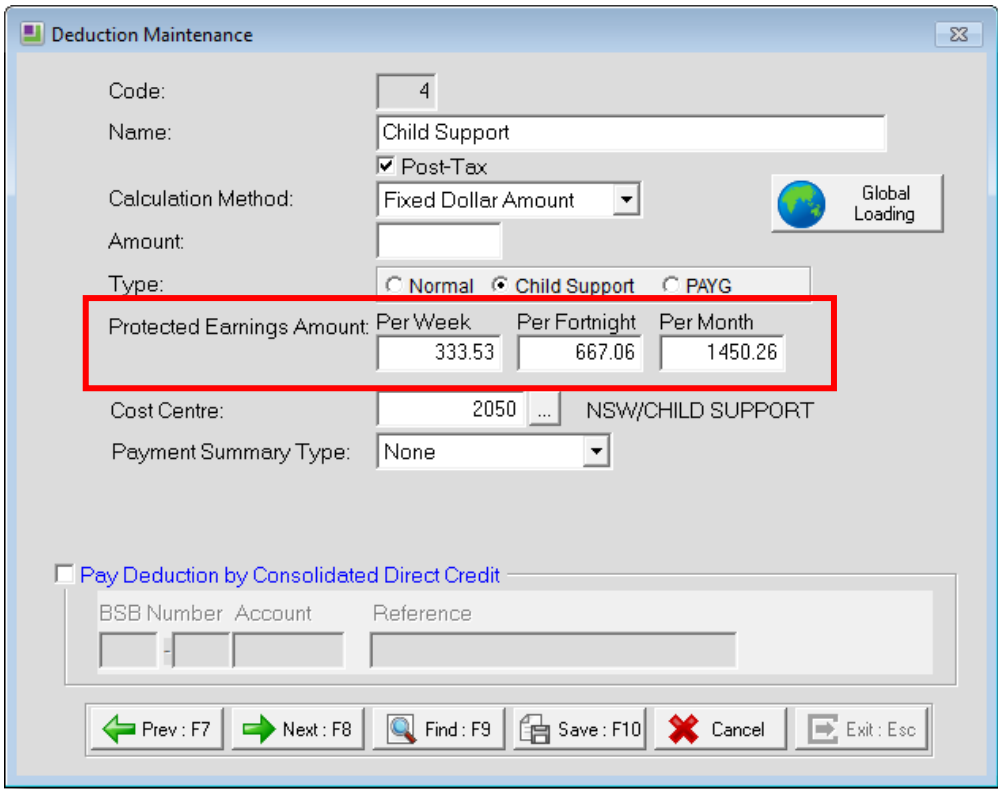
The PEA amounts must be updated as shown for the first pay after 1 January 2013.

ETP Changes

The ATO has made changes to the process of reporting Employment Termination Payments (ETPs), including the introduction of a new range of ETP codes. These changes have been retroactively applied to the entire 2012–2013 payroll year, starting 1 July 2012. The effects of the changes on the MYOB EXO Payroll system are detailed below.

See the ATO website for more information on termination payments.

ETP Codes

The new ETP codes describe the reason for the termination payment. The following codes are used:

- R – payment made due to retirement, redundancy, invalidity or compensation for personal injury, unfair dismissal, harassment or discrimination.
- O – payment for reason not covered by R, e.g. golden handshake, gratuity, payment in lieu of notice, payment for unused sick leave, payment for unused rostered days off.
- S – a code R payment made in a previous income year.
- P – a code O payment made in a previous income year.
- D – a death benefit ETP paid to a dependant of the deceased.
- N – a death benefit ETP paid to a non-dependant of the deceased.
- B – a death benefit ETP paid to a non-dependant of the deceased and a termination payment was made to the non-dependant in a previous income year for the same termination.
- T– a death benefit ETP paid to a trustee of the deceased's estate.

Note: Codes S, P and B refer to payments in previous years— these codes are not used in EXO Payroll, as the system supports ETPs in the current year only.

Termination Wizard Changes

The final page of the Termination Wizard has been updated to allow for the new ETP codes introduced by the ATO.

This page replaces the existing Employment Termination Payment page of the wizard, as the options on the old page are no longer used.

The values and codes to enter for each record can be determined by using the Employment Termination Payment Calculator tool on the ATO website (a link to this tool has also been added to the EXO Payroll Help menu—see page 16).

The ATO requires that if more than one ETP code applies to a termination payment, a separate payment summary record must be made for each code. Two payment summary records can be specified on the new page, each with a different ETP code.

The ATO has also introduced new ETP cap method: the "whole of income" cap is an additional $180,000 non-indexed cap that is based on the employee's yearly taxable income. The new page also specifies the ETP cap method for each payment using the new **CAP** field.

> **Note:** The "whole of income" cap applies only to ETP records where the ETP code is "O"—in these cases, use the lower of the existing ETP cap and the "whole of income" cap.

Termination Payment Setup

A new Termination Payments section has been added to the Setup Payroll window under Payment setup:
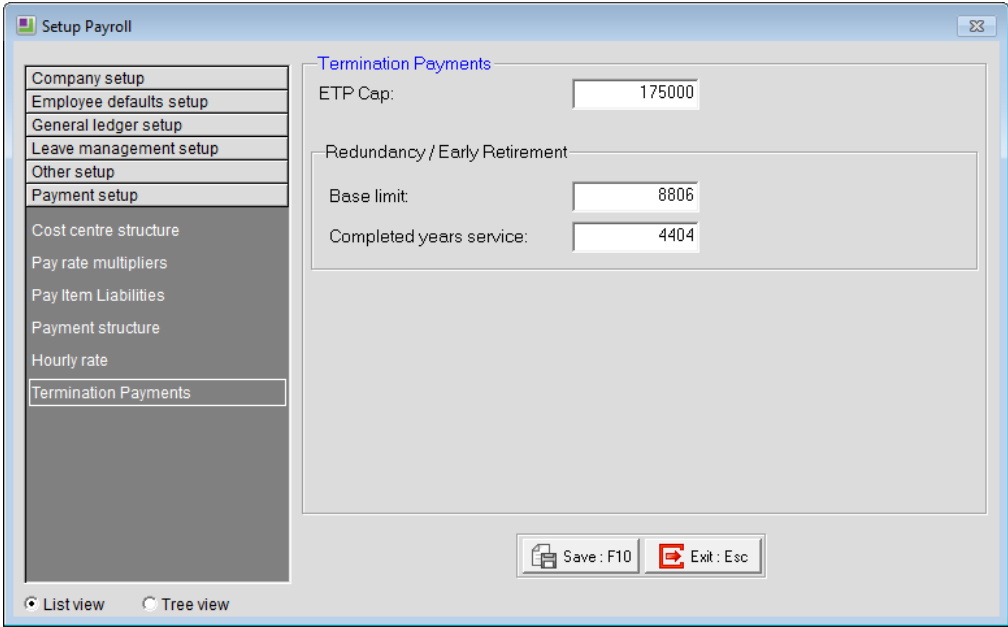
This section contains the values that are used to calculate the Tax Free Limit for termination payments. In a new installation, the values for the 2013–2014 financial year are loaded; however, in an upgrade to EXO Employer Services 2013.01 the values for the 2012–2013 financial year are loaded, to allow for terminations in the period between upgrading to this release and the start of the new financial year. In these cases, you must manually update the values as follows after the start of the 2013–2014 financial year:

Value	Amount for 2012–2013	Amount for 2013–2014
ETP Cap	$175,000	$180,000
Base limit	$8,806	$9,246
Completed years service	$4,404	$4,624

ETP Pay Items

Upon completing a termination, EXO Payroll now automatically generates pay items (Allowances and/or Deductions) for employment termination payments. The pay items that are generated depend on the Type of Payment. The pay items that can be generated are:

Type	Name	Description
Allowance	ETP Payment	The sum of the **Taxable component** and **Tax free component** from the Termination Wizard.
Allowance	ETP TFT Payment	The amount of the termination payment that is below the tax free threshold (**Amount Under Tax Free Limit** on the Termination Wizard) for "Genuine Redundancy" or "Early Retirement Scheme" termination payments.
Allowance	Death Dependant TFT	The amount of the termination payment that is below the tax free threshold (**Amount Under Tax Free Limit** on the Termination Wizard) for "Death Benefit – Dependant" termination payments.
Deduction	Tax on ETP	The total tax to withhold on the termination payment (**Total tax to withhold** on the Termination Wizard).

The "ETP Payment" Allowance has its **Type** set to "ETP", as it is liable for payroll tax; the "ETP TFT Payment" and "Death Dependant TFT" Allowances are not liable for payroll tax, and have the **Type** "Normal".

Pay item types are created automatically as they are needed, i.e. the first time a termination requiring one or more of these pay items is processed.

> **Note:** No Cost Centres are specified for the new Allowances and Deductions when they are first created. If you want to specify a Cost Centre for the new pay items, you must edit them manually from the Allowance Maintenance or Deduction Maintenance window.

ETP Payment Summaries

The Employment Termination Payment report (under Payment Summaries) has been updated to comply with the PAYGW self-print payment summary specification v5.2.0. For both the Windows Facing and Z-Fold versions of the report, the new ETP codes are displayed and fields relating to the old ETP format have been removed.

ETPs in the 2012–2013 Financial Year

As the ETP changes have been applied retroactively to the entire 2012–2013 payroll year, any payments entered for the 2012–2013 year prior to the installation of EXO Employer Services 2013.01 will need to be updated to the new format before they can be submitted to the ATO.

A new utility is available to convert existing ETPs to the new format. Before running an Employment Termination Payment report or an Electronic File report (EMPDUPE) for the 2012–2013 year, the system checks to see if there are any ETPs in the old format; if there are, the report cannot be run and users are prompted to open the new utility:
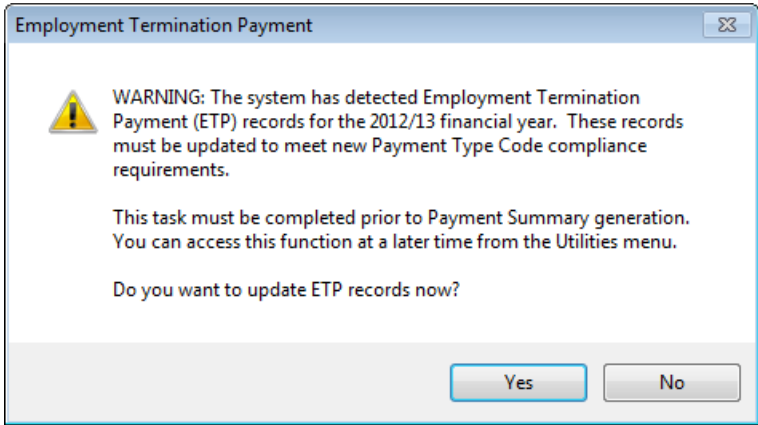
The utility can also be run at any time by selecting **ETP FY12/13 Update** from the Utilities menu. It displays all ETPs that were recorded in the old format:
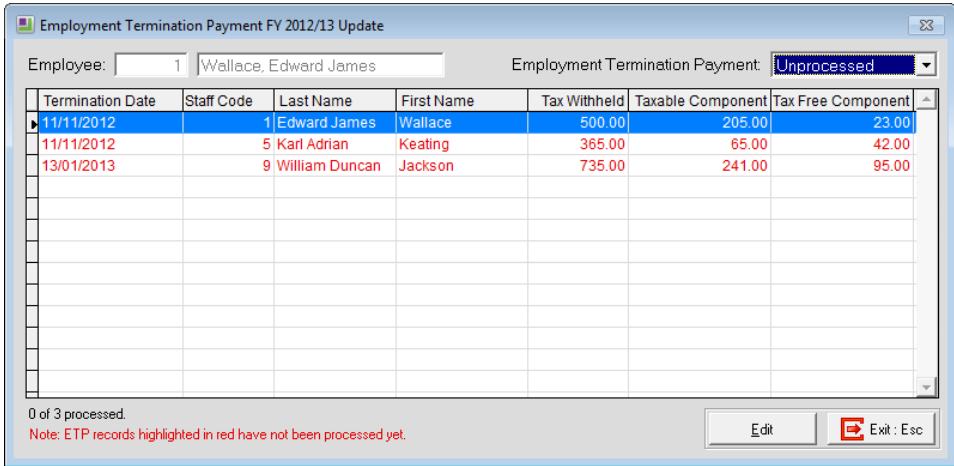
Payments that have not been converted to the new format are highlighted red. Select an ETP and click the **Edit** button to open a window where the payment can be processed:

This window is a combination of the old and new ETP windows from the Termination Wizard. As with the new window, a link to the Employment Termination Payment Calculator tool on the ATO website is available; users can use this calculator to determine the correct amounts and codes to enter.

Interface Improvements

Dates Taken Windows

On the various Dates Taken windows, days can be selected simply by clicking on them—it is no longer necessary to select them and then click the ⊕ button.

Payslip Updates

Several improvements have been made to the Payslip and Payslip – PDF Email reports; these are detailed below.

Year to Date Superannuation

The payslip now includes Year to Date values for Employer Superannuation and Employee Superannuation:

The new values are printed on the payslip when the new **Show Year to Date Superannuation** option is enabled on the Report Options window.

> **Note:** The existing **Show Year to Date Totals** option must also be enabled for these values to appear.

Print Date

The date and time that the payslip was printed is now displayed at the top of the report:

Performance Improvements

Updated Runtime Files

The VFP runtime files used by MYOB EXO Employer Services have been updated to version 09.00.0000.7423, enhancing the performance of the EXO Employer Services system. (This version number is displayed on the About window).

When installing EXO Employer Services over a network, the updated runtime files will be copied to all PCs.

Tax Table Optimisation

The EXO Employer Services database has been optimised by adding indexes and removing old tax tables (prior to 2011). This should result in performance improvements when navigating between employees.

New Links to the ATO Website

The Employers section of the ATO website has a new URL:

http://www.ato.gov.au/employers

The **ATO Employer Essentials** link on the Help menu in EXO Payroll has been updated to open this URL.

A link to the Employment Termination Payment Calculator tool on the ATO website has also been added to the EXO Payroll Help menu.
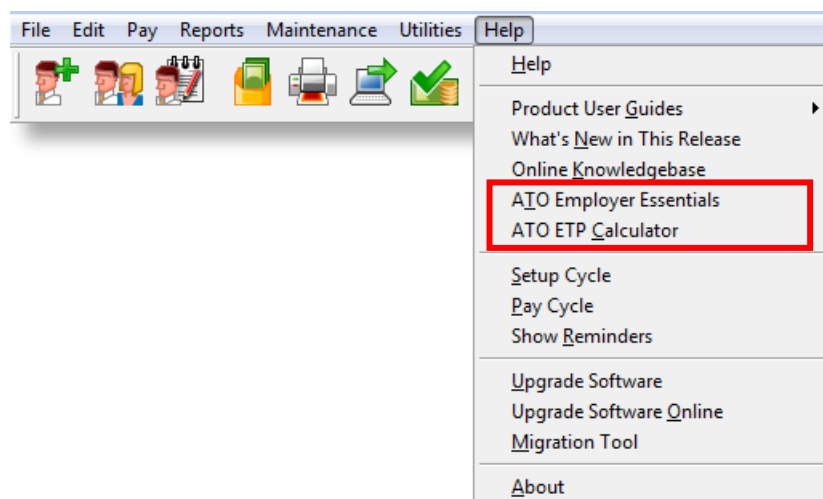
Resolved Issues

The following issues have been addressed in this release:

Problem Record	Service Request	Description
12422945132	12423264453	When emailing payslips, the system would not accept many special characters in email addresses, even though these characters were valid for email addresses. This has been resolved.
-	-	The component used to convert reports to PDF did not install correctly on 64-bit systems. This has been resolved.
-	-	The Payroll Input Form report truncated employee's first names if they had a long last name. This has been resolved; employee names are now displayed over two rows to ensure that they will fit.
-	-	The **Show direct credit information** option on the Payslip and Payslip – PDF Email reports was not working; direct credit details always appeared on payslips. This has been resolved.
-	-	This release includes improvements to avoid payslips being emailed to the wrong employees. The system now ensures that payslip files created for emailing payslips have unique filenames, and filenames now include information that uniquely identifies the intended recipient.

Known Issues

The following Known Issues have been identified in this release.

Error 2066 in a networked environment

The FoxPro error: "2066/Index file [filename].CDX is corrupt. Please rebuild it" can occur persistently on network systems that have a Server 2008 operating system with workstations running Windows Vista, Windows 7 or 2008 Terminal Server; or peer-to-peer networks where the server/workstation is running a Windows Vista or Windows 7 operating system, and one or more other workstations are also using a Windows Vista or Windows 7 operating system.

For information on this issue and suggested workarounds, see the following articles on the MYOB Enterprise Knowledgebase:

- [What to do when getting an Error 2066 message](#)
- [Consistent error 2066 in a networked environment](#)

Microsoft XPS Document Writer not supported for reports

The system does not support printing reports to the "Microsoft XPS Document Writer" printer.

Summary of Changes

Below is a quick overview of the changes addressed by this release and what actions are needed to implement them.

Rates and Threshold Changes

- There are no changes to PAYG tax rates. The new rates and thresholds for HELP and SFSS will be applied automatically by MYOB EXO Payroll for pay periods that end on or after 1 July 2013.

Superannuation Guarantee Changes

- The Superannuation Guarantee rate changes to 9.25% for pay periods with a physical pay date on or after 1 July 2013. Rates will be updated in MYOB EXO Payroll the first time a pay with a physical pay date on or after 1 July 2013 is created—ensure that all pays in the 2012–2013 year have been closed before creating any pays in the 2013–2014 year.

- The Superannuation Guarantee age limit of 70 years is also removed for pays where the physical pay date is 1 July 2013 or later. This has no effect on any settings in MYOB EXO Payroll.

Employment Termination Payments

- New ETP codes must be specified for termination payments.

- A new page on the Termination Wizard will be used for pays where the physical pay date is 1 July 2013 or later. This page allows you to specify the ETP code(s) relating to the payment.

- A new utility allows you to convert termination payments that were entered for the 2012–2013 financial year prior to the installation of this release.