# MYOB IMS Payroll Payroll Giving

July 2019



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### **Payroll Giving Overview**

Payroll Giving is a voluntary scheme that allows employees to make charitable donations from their pay.

Donations to an authorised Donee Organisation will attract a tax credit of 33.33%, which is offset against the PAYE for that pay period. You must file electronically to the IRD to implement Payroll Giving. It is voluntary for both employers and employees.

#### **Key Points**

- Payroll Giving is voluntary for both employers and employees.
- You must file to the IRD electronically to implement Payroll Giving.
- A list of authorised Donee Organisations can be located at: <a href="https://www.ird.govt.nz/roles/employers/payroll-giving-for-my-employees">https://www.ird.govt.nz/roles/employers/payroll-giving-for-my-employees</a>
   employees/set-up-payroll-giving-for-my-employees
- Any tax credit granted in a pay period cannot subsequently be donated to another Payroll Giving Donee Organisation within that pay period, i.e. you are not entitled to a Tax Credit on a Tax Credit used for an additional Payroll Giving deduction.
- The maximum tax credit allowed is limited by the tax portion of the PAYE for that period, i.e. the ACC Earner Levy portion of the PAYE cannot be used for the credit.
- Tax credits cannot be generated for Payroll Giving deductions where an employee has the "WT" Tax Code. Additionally, tax relating to schedular payments cannot be reduced by any tax credit calculation.

For further information, refer to the IRD's Payroll Giving Guide:

https://www.classic.ird.govt.nz/forms-guides/number/forms-600-699/ir617-guide-payroll-giving.html

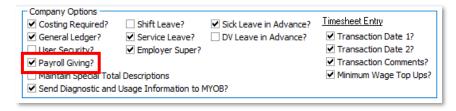
Further employer information and a list of approved Donee Organisations can be found on the IRD website:

https://www.ird.govt.nz/roles/employers/payroll-giving-for-my-employees/set-up-payroll-giving-for-my-employees

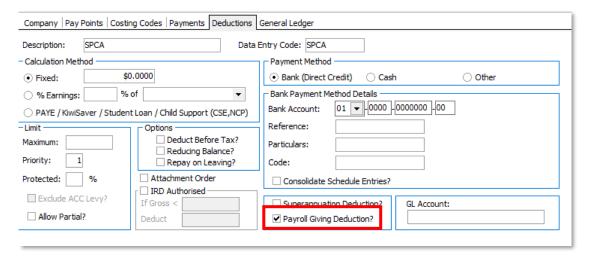


### Implementing Payroll Giving

To activate Payroll Giving for a particular payroll company, tick the **Payroll Giving?** check box in the Company Options section of the Company tab.



Go to the Deductions tab and create a new deduction to the authorised Donee Organisation. Ensure that the **Payroll Giving Deduction?** check box at the bottom of the screen is selected on these deduction(s).



This box will activate the Tax Credit calculation on the total amount of the deduction. This box is only available if **Payroll Giving?** was selected on the Company tab. It is advisable that the name of the authorised Donee Organisation be utilised for the Deduction's **Description** to enable identification of deductions made and tax credits granted for auditing purposes.

As with any other deduction, if the **Payment Method** is set to "Bank", the donation will be included in your regular payroll bank file.

If the deduction is a regular donation it will need to be added to the Employee's Permanent Tab.



## **Reporting Changes**

The Employees payslip shows the Tax Credit:

HOURLY	EARNINGS	S		
	Hours	Base Rate	Pay Rate	Value
Ordinary Time	40.00	17.7000 x 1.0000	17.7000 _	708.00
		Total	Taxable	708.00
DEDUCT	ONS			
P.A.Y.E. (includ	es Tax Credit of \$1.6	66)		132.08
SPCA				5.00
Health Insuranc	е			15.66
Social Club			_	7.00
		Total Dec	ductions	159.74
		Net E	arnings	548.26
		NET PAY (B	Banked)	548.26

Reporting to the IRD will also show the Tax Credit, as will the IRD Reconciliation Report:

MYOB   IMS PA	AYROLL				Samp	le Company	Limited					Page: 1
Date Run:19/07/2019 Time:11:57 AM  Surname Firstname Start Date		Gross	Earnings not liable	Lump	PAYE/ Schedular	CS Code Child	Student	KiwiSaver	Net Kiwi Saver	Number:	Payroll Giving	
IRD Num be r	Tax Code	Finish Date	Earnings	for EL	Sum	Tax	Support	Loan	Em ploye e Contributions	Em ployer Contribution	ESCT	Tax Credit
Ashton Bror 089417163	wyn CAE		2320.00	0.00		438.24	0.00	0.00	69.60	46.83	22.77	0.00
Ashton Coli 020981899			1491.15	0.00		338.18	0.00	0.00	59.64	0.00	0.00	6.66
Bloxham Pet 049497970			1110.00	0.00		214.19	0.00	0.00	0.00	0.00	0.00	0.00
Clark Andre 023489643	-		800.00	0.00		132.27	0.00	0.00	32.00	19.80	4.20	0.00
Flowers And 025974328			891.35	0.00		149.52	125.00	0.00	35.65	22.19	4.55	0.00
Gardiner Ar 085913492			708.00	0.00		133.74	0.00	0.00	0.00	0.00	0.00	1.66

MYOB   IMS PA	YROLL			Sample Company Limited										Page: 1
						IR R	econciliati	on Repor	t					
Date Run:19/	07/2019	Time:1:23 P	м	Full Details							Payment Dates: 15/04/2019 to 30/04/2019			
Surname Firstname Si		Start Date	Gross Earnings	Earnings not liable for EL	not liable Lump Schedular Child Student Employee Employer N				<b>Employer Net</b>	t Employee Employer Net			Tax Credits	
Payment Date	- 21/04/	2019												
Ashton Bronw 089417163	ryn CAE		2320.00	0.00		438.24	0.00	0.00	69.60	46.83	0.00	0.00	22.77	0.00
Ashton Colir 020981899	M M		1491.15	0.00		331.52	0.00	0.00	59.64	0.00	0.00	0.00	0.00	6.66
Bloxham Pete 049497970	M M		1110.00	0.00		214.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Clark Andrea 023489643	M		800.00	0.00		132.27	0.00	0.00	32.00	19.80	0.00	0.00	4.20	0.00
Flowers Ands 025974328	ew M		891.35	0.00		149.52	125.00	0.00	35.65	22.19	0.00	0.00	4.55	0.00
Gardiner Ann 085913492	ne S		708.00	0.00		132.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.66

