
MYOB IMS Payroll

Payroll Giving

July 2019

myob

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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: <https://www.ird.govt.nz/roles/employers/payroll-giving-for-my-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.

Company Options

<input checked="" type="checkbox"/> Costing Required?	<input type="checkbox"/> Shift Leave?	<input checked="" type="checkbox"/> Sick Leave in Advance?	<u>Timesheet Entry</u>
<input checked="" type="checkbox"/> General Ledger?	<input checked="" type="checkbox"/> Service Leave?	<input type="checkbox"/> DV Leave in Advance?	<input checked="" type="checkbox"/> Transaction Date 1?
<input type="checkbox"/> User Security?	<input checked="" type="checkbox"/> Employer Super?		<input checked="" type="checkbox"/> Transaction Date 2?
<input checked="" type="checkbox"/> Payroll Giving?			<input checked="" type="checkbox"/> Transaction Comments?
<input type="checkbox"/> Maintain Special Total Descriptions			<input checked="" type="checkbox"/> Minimum Wage Top Ups?
<input checked="" type="checkbox"/> Send Diagnostic and Usage Information to MYOB?			

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).

Company | Pay Points | Costing Codes | Payments | **Deductions** | General Ledger

Description: SPCA Data Entry Code: SPCA

Calculation Method: Fixed: \$0.0000

Payment Method: Bank (Direct Credit)

Bank Payment Method Details: Bank Account: 01 0000 00000000 00

Options: Deduct Before Tax? Reducing Balance? Repay on Leaving?

Attachment Order IRD Authorised

Payroll Giving Deduction?

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				
	Hours	Base Rate	Pay Rate	Value
Ordinary Time	40.00	17.7000 x 1.0000	17.7000	708.00
Total Taxable				708.00
DEDUCTIONS				
P.A.Y.E. (includes Tax Credit of \$1.66)				132.08
SPCA				5.00
Health Insurance				15.66
Social Club				7.00
Total Deductions				159.74
Net Earnings				548.26
NET PAY (Banked)				548.26

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

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EI Return Report

For Payment Date: 21/04/2019
Period Number: 858 Company IRD Number: 029-322-155

Date Run: 19/07/2019 Time: 11:57 AM

Surname Firstname	Start Date	Gross Earnings	Earnings not liable for EL	Lump Sum	PAYE/Schedular Tax	CS Code Child Support	Student Loan	KiwiSaver Employee Contributions	Net KiwiSaver Employer Contribution	ESCT	Payroll Giving Tax Credit
Ashton Bronwyn 089417163 CAE		2320.00	0.00		438.24	0.00	0.00	69.60	46.83	22.77	0.00
Ashton Colin 020981899 M		1491.15	0.00		338.18	0.00	0.00	59.64	0.00	0.00	6.66
Bloxham Peter 049497970 M		1110.00	0.00		214.19	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	4.20	0.00
Flowers Andrew 025974328 M		891.35	0.00		149.52	125.00	0.00	35.65	22.19	4.55	0.00
Gardiner Anne 085913492 S		708.00	0.00		133.74	0.00	0.00	0.00	0.00	0.00	1.66

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IR Reconciliation Report

Full Details Payment Dates: 15/04/2019 to 30/04/2019

Date Run: 19/07/2019 Time: 1:23 PM

Surname Firstname	Start Date	Gross Earnings	Earnings not liable for EL	Lump Sum	PAYE/Schedular Tax	CS Code Child Support	Student Loan	KiwiSaver Employee Contribution	KiwiSaver Employer Net Contribution	Compliant Fund Employee Contribution	Compliant Fund Employer Net Contribution	ESCT	Tax Credits
Payment Date - 21/04/2019													
Ashton Bronwyn 089417163 CAE		2320.00	0.00		438.24	0.00	0.00	69.60	46.83	0.00	0.00	22.77	0.00
Ashton Colin 020981899 M		1491.15	0.00		331.52	0.00	0.00	59.64	0.00	0.00	0.00	0.00	6.66
Bloxham Peter 049497970 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 Andrew 025974328 M		891.35	0.00		149.52	125.00	0.00	35.65	22.19	0.00	0.00	4.55	0.00
Gardiner Anne 085913492 S		708.00	0.00		132.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.66