

The Pulse Employee Management System

Important Changes Implemented for the 2009/2010 Financial Year

Introduction

The document discusses the changes to the Pulse Employee Management System necessitated by recent announcements from the Australian Taxation Office. These changes impact the production of the 2009/2010 PAYGW Payment Summaries which are not due for another twelve months. However, data for these summaries will be accumulated from the first pay period after 30th June 2009 and changes must therefore be in place by that date.

In summary, the changes are as follows...

1. New tax tables for the 2009/2010 financial year
2. Reportable Employer Superannuation Contributions
3. Workplace Giving
4. Union / Professional Association Fees
5. Lump Sum A Termination Type
6. Changes to Pay As You Go Withholding (PAYGW) Payment Summary (Group Certificates), and
7. Changes to the Electronic Commerce Interface (ECI) specification.

We anticipate the software changes will be placed on our website on the 23rd June 2009 in readiness for the first pay period in the new financial year.

These changes should not be downloaded until PAYGW Payment Summaries have been printed for the current 2008/2009 financial year and transmitted to the ATO.

2009/2010 Tax Tables

As always, the new tax scales from the ATO will be available for download from the *Downloads* page on our public website, <http://www.pulseclub.com.au.au>. Please do not download these scales until the last pays for the 2008/2009 financial year have been finalised.

Reportable Employer Superannuation Contributions

The definition and requirements for Reportable Employer Superannuation Contributions can be found on the ATO's website at:

<http://www.ato.gov.au/businesses/content.asp?doc=/content/00189411.htm>.

In essence, a Reportable Employer Superannuation Contribution is a before-tax superannuation contribution additional to the compulsory employer superannuation contribution percentage and in which the employee has influenced the determination of the rate or amount of contribution.

Reportable Employer Superannuation Contributions will be printed on the PAYGW Payment Summary for the 2009/2010 Financial Year onward.

As the Pulse Employee Management System allows only one compulsory employer superannuation percentage, reportable contributions within the system will therefore be salary sacrifice before-tax superannuation deductions.

What You Must Do

1. Review your allowance / deduction codes in the Pulse Employee Management System. Ensure all before-tax salary sacrifice superannuation contributions have the Group Certificate code: *S – Superannuation*.
2. Do not make before-tax salary sacrifice superannuation contributions via the Superannuation page in Employee File Maintenance. These values are reported on the superannuation report only and are not accumulated in the year-to-date totals required by the PAYGW Payment summary. All reportable contributions must be entered (or calculated) during Pay Details Entry only.

Workplace Giving

The definition and requirements for Workplace Giving can be found on the ATO's website at: <http://www.ato.gov.au/businesses/content.asp?doc=/content/36715.htm>.

Workplace Giving is a program whereby employers and their staff donate to charitable organisations registered as a Deductible Gift Recipient (DGR).

Workplace Giving amounts will be printed on the PAYGW Payment Summary and included in the Electronic Commerce Interface for the 2009/2010 Financial Year onwards.

What You Must Do

1. Ensure your Workplace Giving program if any, complies with the rules and requirements as detailed on the ATO's website.
2. Review your allowance / deduction codes in the Pulse Employee Management System. Ensure all before-tax Workplace Giving deductions have the Group Certificate code: *G- Workplace Giving*.

Union / Professional Association Fees

The Electronic Commerce Interface specification (see below) now requires that union and professional association fees be reported separately.

This requirement should necessitate no change as allowance / deduction codes have always had the ability to identify these amounts with the U- Union Group Certificate code.

What You Must Do

1. Review your allowance / deduction codes in the Pulse Employee Management System. Ensure all deductions for union and professional association fees have the *U – Union* group certificate code.

Lump Sum A Termination Type

Lump Sum A termination payments must now be identified as type R or Type T...

- **Type R** payments are payments for a genuine redundancy, invalidity or under an approved early retirement scheme.
- **Type T** payments are payments NOT for a genuine redundancy, invalidity or under an approved early retirement scheme. In other words, normal termination payments.

In addition, Termination Type C payments have been removed from the system as they are no longer required by the ATO.

The termination payment type will be printed on the PAYGW Payment Summary for the 2009/2010 Financial Year onwards.

What You Must Do

1. When an employee's termination pay is calculated using *Termination Details Entry*, identify the Payment Type as Type R or T using the field provided.

Changes to the PAYGW Payment Summary (Group Certificate)

As discussed above, the 2009/2010 PAYGW Payment Summary will have the following new data...

1. Lump Sum A Termination Type.
2. Reportable Employer Superannuation Contributions
3. Workplace Giving

In addition, there is now a requirement to print *Total Allowances*, irrespective of whether or not they are Before-Tax or After-Tax.

An example payment summary showing these changes is attached to this document.

What you must do

1. Review all allowance and deduction codes. Understand that any code that does not have a Group Certificate Type of: - *Not Required* will be printed on the payment summary.
2. We suggest that a review of this kind should be undertaken under the supervision of a qualified accountant.

Electronic Commerce Interface (ECI)

For some years the Pulse Employee Management System has supported the ATO's Internet-based ECI for the electronic lodgement of Employment Declarations and PAYGW Payment Summaries. If you do not currently use this system then you are encouraged to do so as the physical magnetic media (floppy and zip diskettes, DAT tapes etc) supported by the ATO is increasingly becoming out-of-date and therefore unavailable on modern systems.

The Pulse Employee Management System has been modified to support Version 9 (FEMPA009.0) of the interface for both ECI and physical magnetic media.

What You Must Do

1. Download and install the latest version (2009.2.1) of the Pulse Employee Management System available from the *Downloads* page of the Pulse Club Computers public website at: <http://www.pulseclub.com.au> . Please do not download these scales until the payment summaries for the 2008/2009 financial year have been finalised.

2. If you do not currently use the Internet-based ECI software we encouraged to read the ATO page and its associated links at:
<http://www.ato.gov.au/onlineservices/content.asp?doc=/Content/50871.htm> where you will find details for installing and setting up the software. Contact Pulse support staff for the configuration of Pulse software.

Installing the Pulse EMS Software Update

1. ONLY install the updates AFTER the PAYGW Payment Summaries have been finalised for the 2008/2009 Financial Year and BEFORE first pay for the 2009/2010 Financial Year.
2. From the Downloads page on the Pulse Club Computers website, download and install the following modules in the order listed...
 - a. Pulse Core Components
 - b. Financial Management. Note that this is required irrespective of whether or not you use the Pulse Financial Management System.
 - c. Employee Management, and
 - d. 2009 Payroll Tax Rates File

For your convenience, this document is included as a link to Employee Management on the *Downloads* page.

Thank You

The Pulse Club Management System Team

Sample 2009/2010 PAYGW Payment Summary

PAYG Payment Summary - Individual Non Business

Payment Summary for year ending 30 June 2010

Payee details

ANDREW SAMPLE
939 MARY STREET
CURRUMBIN QLD 4213

NOTICE TO PAYEE

If this payment summary shows an amount in the total tax withheld box you must lodge a tax return. If no tax was withheld you may still have to lodge a tax return.
For more information on whether you have to lodge, or about this payment and how it is taxed, you can:
* refer to TaxPack
* phone 13 28 61 between 8.00am and 6.00pm (EST) Monday to Friday, or
* visit www.ato.gov.au

Period during which payments were made Day/Month/Year
1/07/2009 To 30/06/2010

Payee's tax file number 807083809

TOTAL TAX WITHHELD	\$1,989
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		Lump sum payments	Type
Gross payments	\$5,901	A \$200	T
CDEP payments	\$0	B \$300	
Reportable fringe benefits amount FBT year 1 April to 31 March	\$15,000	D \$500	
Reportable Employer Superannuation Contributions	\$53	E \$6,000	
Total Allowances	\$117		

Total allowances are not included in Gross Payments above.
This amount needs to be shown separately in your tax return.

Allowance:	LAUNDRY ALLOW	\$42
	Car Expenditure	\$23
	TOOL ALLOWANCE	\$24
	Car	\$28
B/Tax Deduction:	W/Place Giving	\$56
A/Tax Deduction:	Employee Super	\$29
	Union Fees	\$845

Payer Details

Payer's ABN or withholding payer number 46002327442 Branch number 001

Payers Name PULSE RECREATION CLUB

Signature of authorised person	B R RICHARDS	Date	18/06/2009
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