

Release Notes

MicrOpay Version 9.2.SP1 B3

Introduction

MicrOpay

This is a mandatory bulletin release that addresses an issue with reporting of tax values in STP2 reporting for employees with an ETP. This caused reported PAYGW amounts to be overstated and has resulted in inflated values in employee income statements for the 2022/2023 financial year.



Points to note:

STP Update required after upgrade

- If you have paid and reported ETP values from an STP2-enabled database, following upgrade to MicrOpay 9.2.SP1 B3, you will need to submit an STP Update to update the previously reported values and ensure PAYGW and ETP PAYGW tax values are reflected accurately.
- You will need to *submit separate STP Updates* (see page 7) for values reported via STP2 in different financial years. For example, if you commenced reporting in the 2022/2023 financial year and have employees with ETPs processed in both that year and the current financial year, you will need to submit STP Updates for each year.

Refer to *What's in this MicrOpay Release* (see page 3) for more information.

Advice from the ATO to provide to affected employees

- As this issue affected values displayed in employee income statements for the previous financial year, we requested advice from the ATO that you can provide to impacted employees.

For more details about this advice and submitting an STP Update to update overstated PAYGW, refer to *What Happens Next?* (see page 6) at the end of these notes.

On Premise customers

- If you are an **On Premise customer**, i.e. using a local, desktop version of MicrOpay, you should arrange to upgrade to 9.2.SP1 B3 as soon as possible, to ensure consistent reporting of tax values through STP2 for the current financial year.
- Before updating your MicrOpay software, both the **Payroll** and the **Common** database **must** be backed up. More information about database backup is available in the Knowledge Base article *How do I Backup and Restore?*
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Payroll Online Customers

- Customers using **MicrOpay in the Payroll Online** environment can disregard instructions regarding downloading or installing software upgrades, as this is managed as part of our service to you.
- Following upgrade to 9.2.SP1 B3, Payroll Online customers **should still submit an STP Update** for each year that STP2 has been enabled and ETPs have been paid and reported.

For more information, refer to *What's in this MicrOpay release?* (see page 3)

MicrOpay ESP

There are no changes for MicrOpay ESP in this release and no corresponding MicrOpay ESP upgrade file to install. This means that after MicrOpay is upgraded, your MicrOpay and MicrOpay ESP software version numbers will be different.

Refer to *After you upgrade* (see page 4) to check the software and database version numbers for both products.

What's in this MicrOpay release?



STP Reporting

ETP tax now excluded from PAYGW values in STP Reporting events (STP2 only)

This bulletin addresses an issue with PAYGW and ETP tax values reported via STP2. Previously, for employees with an ETP, the ETP tax amount was included in the reported PAYGW amount as well being reported as ETP PAYGW.

This has resulted in overstated PAYGW being reported to the ATO. The overstated PAYGW is also reflected in employee income statements for the 2022/2023 financial year.

Now, when an ETP is processed for an employee, ETP tax is only reported as ETP PAYGW and the PAYGW amount is reduced by the ETP tax value.

Refer to *What Happens Next?* (see page 6) for the steps required after upgrade, to correct previously reported overstated PAYGW.



Known issue with STD Year to Date Report

This issue also impacts PAYGW values in the STP Year to Date Report. When producing the report, an employee's PAYGW amount will still include their ETP tax, so will be overstated. This issue is not corrected by MicrOpay 9.2.SP1 B3 but will be addressed in a future release.

After you upgrade

For our Payroll Online customers

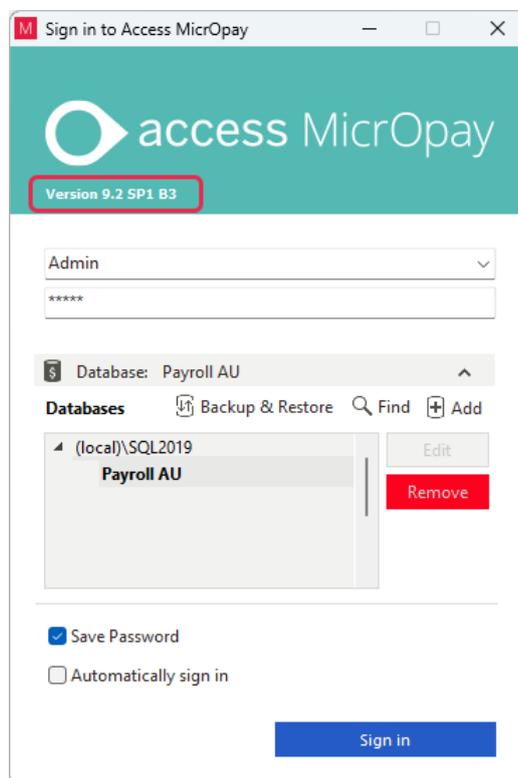
Please note that installation and upgrade of MicrOpay and MicrOpay ESP are managed as part of our service to you. You can disregard any comments or instructions that refer to downloading and installing software upgrades.

After the upgrade is installed, you should check that the correct software and database versions are displayed. If the latest version numbers are not displayed, MicrOpay may not have been successfully upgraded.

To check the version of MicrOpay

After the upgrade is installed the version number displayed should be *9.2.SP1 B3*.

The version number is displayed on the MicrOpay login window.

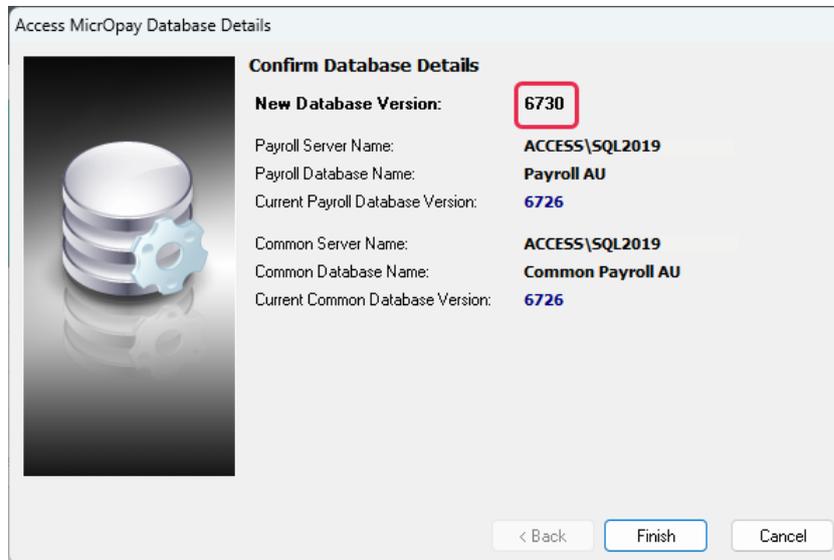


After you have signed in, you can check the version number by going to **Help** > **About**.

To check the MicrOpay database version

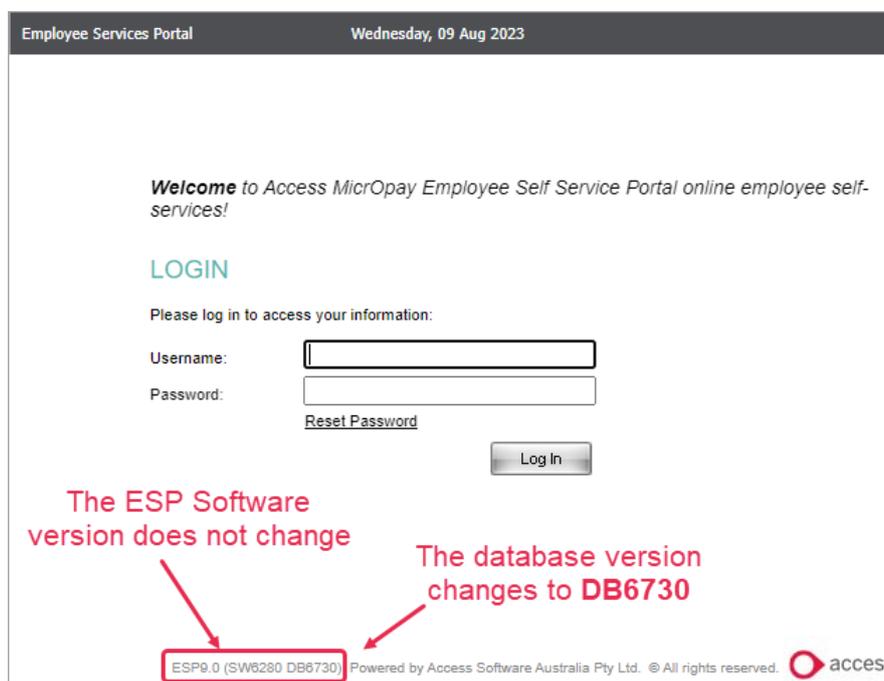
Your new database version number after the upgrade should be **6730**.

The first time you log in to MicrOpay after installing the upgrade, the payroll and common databases will be updated. You can check the new database version from the Confirm Database Details window.



If you use MicrOpay ESP

There is no MicrOpay ESP upgrade to install so the MicrOpay ESP software number will not change. However, after MicrOpay version 9.2.SP1 B3 is installed, your database version will be updated to **6730**.



What happens next?

After you have upgraded to MicrOpay 9.2.SP1 B3 you will need to process an STP Update for each financial year where ETPs were paid and reported via STP2. This will update the previously reported PAYGW for employees with an ETP to reduce it by the ETP PAYGW and report the updated values to the ATO.

For example, if you enabled STP2 last financial year (2022/2023) and have been reporting since that time, you will need to submit STP Updates for the last and current financial years.



Please note that:

- If submitting an STP Update for a previous year, the Final Event checkbox should be ticked for employees being updated.
- If, after changing tax year, you submitted an STP Adjustment for the previous year for any affected employees, the adjusted values will be overwritten when the STP Update is submitted for the previous tax year. A new, previous year STP Adjustment will be required to apply the adjusted values again.

Providing more information to employees

If you have employees whose income statement showed overstated PAYGW values for the previous financial year, please refer to the following advice from the ATO. Please note that affected employees should wait until the STP Update for the previous year is submitted and their income statement values are updated in the ATO's online services before either:

- Submitting their 2022/2023 tax return, if they have not already done so.
- Requesting an amendment to their 2022/2023 tax return if one is required.

Advice provided by the ATO

"What you need to do:

If you have not lodged your 2022/23 tax return, no additional actions are required as the updated figures will flow through to your pre-filling information of your tax return.

If you have lodged your 2022/23 tax return, you will need to ensure the figures used in your tax return match to your updated income statement figures. Your income statement can be accessed via ATO online services through your *my gov* account or by contacting your registered tax agent. When viewing your updated 2022/23 income statement the 'Reported date' field reflects the date your employer last updated your income statement totals with the ATO.

If the totals in your tax return do not match your income statement, you can request an amendment to your tax return via:

- your registered tax agent; or
- ATO's online services via *my gov* by selecting the ATO online services homepage > select the 'Manage tax returns' button > select 'Amend' for the 2022-23 tax return.

For more information:

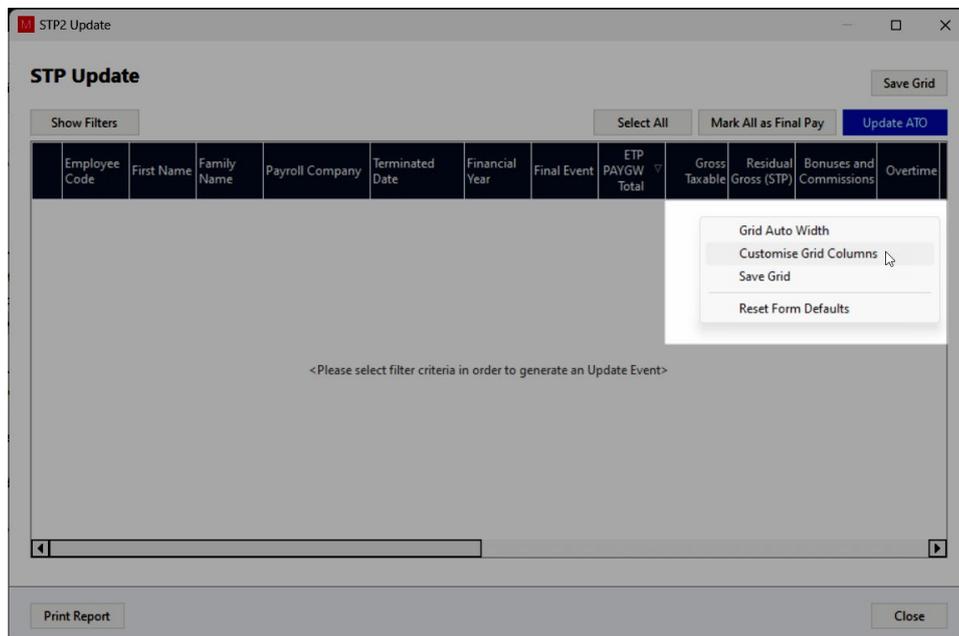
- view *How to request an income tax amendment* on ato.gov.au"

Processing the STP Update

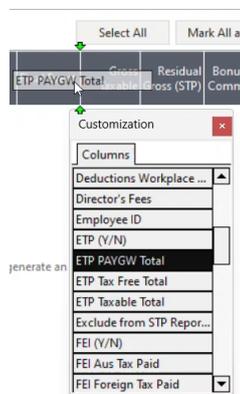
Identifying Employees with an ETP

To make employees with an ETP easy to identify, customise the STP Update grid to add the ETP PAYGW column. This enables you to sort the grid contents by this column so that you can select those employees to be reported, only.

1. Customise the grid by right clicking anywhere in the grid area to open a pop-up menu.



2. Select **Customise Grid** options to open the **Customization** list.
3. Locate **ETP PAYGW Total** in the list, then drag and drop it onto the STP Update column headings row. This column is populated with the ETP tax value reported for employees with an ETP.



4. Close the **Customization** list.

Submitting the STP Update for ETP employees:

1. Go to **Payroll > Transactions > Import and Export** and select **STP Update**.

This opens the STP Update grid and overlays the Filters window.

Apply Filters

2. In the Filters section, select the **Payroll Company** and **Location(s)** for the Update.
If you have more than one Payroll Company, you will have to submit separate STP Updates for each one.
3. Tick the **All** checkbox next to the **Employee** field.
4. Select the **Financial Year** that for the STP Update, i.e. the STP2 reporting year where ETPs were paid and reported. If you reported ETPs via STP2 in both a previous and the current financial year, you need to submit separate STP Updates for each.
5. In the Finalise Employees section, tick **All Employees paid in the selected Financial Year**.

STP Update - Filters

Filters

Payroll Company: MPAYPL (MicrOpay Pty Ltd)

Location: < All >

Employee: All

Financial Year: 2023

Finalise Employees

All Employees paid in the selected Financial Year

Terminated in the selected Financial Year

Not marked as Final for the selected Financial Year

Marked as Final for the selected Financial Year

Excluded from ATO Reporting

Reportable Fringe Benefit (RFB)

Reporting Special Category Employees

Closely Held Payees

Foreign Employment Income Employees

Inbound Assignees to Australia

Apply Cancel

6. Click **Apply** to load employees into the grid.

Selecting ETP employees and submitting the STP Update:

7. Customise the grid to add the **ETP PAYGW Total** column if you haven't already done so.
8. Click into the **ETP PAYGW Total** column heading to order grid contents by this column.
9. Click into the **ETP PAYGW Total** heading again until a down arrow is displayed next to the heading text.

This sorts the grid from highest to lowest **ETP PAYGW Total** so that employees with an ETP appear at the top.

| Final Event | Gross Taxable | ETP PAYGW Total | Residual Gross (STP) | Bonuses and Commissions | Overtime |
|--------------------------|---------------|-----------------|----------------------|-------------------------|----------|
| <input type="checkbox"/> | 283,290.74 | 21,667.00 | 37,500.00 | 0.00 | 0.00 |
| <input type="checkbox"/> | 109,138.33 | 16,384.00 | 5,769.24 | 0.00 | 0.00 |
| <input type="checkbox"/> | 11,704.50 | 0.00 | 11,704.50 | 0.00 | 0.00 |
| <input type="checkbox"/> | 760.00 | 0.00 | 760.00 | 0.00 | 0.00 |

- By default, all employees are selected to be included in the STP Update. Click **Unselect All** to clear the selection checkbox for all employees.
- Tick the selection checkbox for each employee with a value displayed in **ETP PAYGW Total**.

STP Update

Show Filters Filter: Payroll Company=MPAYPL; Location(s)=All; Employee(s)=All; Financial

| Employee Code | First Name | Family Name | Payroll Company | Terminated Date | Financial Year | ETP PAYGW Total | |
|-------------------------------------|------------|-------------|-----------------|-----------------|----------------|-----------------|-----------|
| <input checked="" type="checkbox"/> | N15 | ZACK | ZACHARY | MPAYPL - MicrOp | 30/04/2023 | 2023 | 21,667.00 |
| <input checked="" type="checkbox"/> | A07 | TARUN | SAHAR | MPAYPL - MicrOp | 17/05/2023 | 2023 | 16,384.00 |
| <input type="checkbox"/> | V01 | SARAH | APPLEGATI | MPAYPL - MicrOp | 2023 | 0.00 | |
| <input type="checkbox"/> | N01 | DANIEL | PLATES | MPAYPL - MicrOp | 2023 | 0.00 | |
| <input type="checkbox"/> | 3003 | TIMOTHY | KIRBY-JON | MPAYPL - MicrOp | 2023 | 0.00 | |
| <input type="checkbox"/> | S01 | NICOLE | BERRY | MPAYPL - MicrOp | 2023 | 0.00 | |
| <input type="checkbox"/> | V04 | JESSICA | PHILLIPS | MPAYPL - MicrOp | 2023 | 0.00 | |
| <input type="checkbox"/> | N14 | GEORGE | DEMETRIOI | MPAYPL - MicrOp | 2023 | 0.00 | |
| <input type="checkbox"/> | W04 | MIKE | MANNERS | MPAYPL - MicrOp | 2023 | 0.00 | |



Are you submitting the STP Update for the previous financial year?

- As previous year reporting has already been finalised, you must also **tick the Final Event checkbox** for the selected employees, before submitting the Update.

| Employee Code | First Name | Family Name | Payroll Company | Terminated Date | Financial Year | ETP PAYGW Total | Final Event | |
|-------------------------------------|------------|-------------|-----------------|-----------------|----------------|-----------------|-------------|-------------------------------------|
| <input checked="" type="checkbox"/> | N15 | ZACK | ZACHARY | MPAYPL - MicrOp | 30/04/2023 | 2023 | 21,667.00 | <input checked="" type="checkbox"/> |
| <input checked="" type="checkbox"/> | A07 | TARUN | SAHAR | MPAYPL - MicrOp | 17/05/2023 | 2023 | 16,384.00 | <input checked="" type="checkbox"/> |

- If, after changing tax year, you reported an STP Adjustment for any of the selected employees for the previous year, these adjusted values will be overwritten by the STP Update. You may need to report another STP Adjustment after the Update, to reapply the adjusted values.

- Review the selected employees in the grid and when you are ready to submit the STP Update, click **Update ATO** and complete the STP Update process.
- Repeat steps 1 to 12 to report further updates if required, e.g. for a different Payroll Company or Financial Year.

When the STP Update is received and processed by the ATO, updated PAYGW values will be reflected in employee income statements.