Payment Summaries

(aka Group Certificates)

This step-by-step guide shows you how to produce Payment Summaries for your staff, and also how to produce your EMPDUPE file for electronic reporting of your payment summaries to ATO. **You must complete this task by 14 July each year.**

> **IF YOU ARE USING STP (Single Touch Payroll) and have finalised STP by 14 July** then you do not need to produce payment summaries or file an EMPDUPE (and you never need to file TFN Declarations).

Payment Summaries are produced by SmoothPay onto plain A4 paper, using the Z-fold format which makes it easy to fold and place into a standard window envelope for privacy.

The Payment Summary is used by the employee for their tax return preparation, and shows their earnings, deductions etc., in the format specified by the ATO.

This document also discusses RESC (Reportable Employer Super Contributions) and Fringe Benefits - see below.

> **NOTE: If you want to print or email plain paper payment summaries then ATO requires that you submit your EMPDUPE file electronically (via Online Services).**
>
> **If your payroll data is incorrect (not showing correct information of the payment summary) then you must either correct your payroll data or otherwise perform the entire process manually.**

Definitions & Terminology

To help new payroll people get up to speed (and prevent any confusion), a few definitions are in order:

Group Certificates: It's been some years since "*Group Certificates*" became "*Payment Summaries*" and the use of the old name is discouraged - we'll refer to these as Payment Summaries only.

EMPDUPE: This is the file produced by SmoothPay to be used to electronically report your Payment Summary information to ATO via the BDT.

Online Services: The ATO provides Online Services that provides a convenient and easy to use method of lodging returns electronically (such as the EMPDUPE, TFN Declarations etc.).

ECI: The *Electronic Commerce Interface* software is freely available from the ATO's website, however it's likely to be deprecated in the next year or so [2015]. This software

enables you to lodge TFN declarations, **PAYG withholding payment summary annual report (the EMPDUPE file), BAS etc.**

Select Reports..Tax..Payment Summaries:

The available options and their meanings are:

◉ **Year ending: Specify the tax year that the Payment Summaries are to be produced for**

◉ **This is an amendment…: If selected, prints "amended" versions of the Payment Summaries. These are used when you have already produced the original Payment Summaries and sent the EMPDUPE file to ATO, but then discovered that you've missed out some pay information and had to make corrections to it - necessitating the production of amended summaries.**

◉ **Print Payment Summaries…: This produces the selected type of payment summaries**

    ◉ **Email if possible via SecureMail…: this is only available if you select Print Payment Summaries, and any staff having email addresses will have their Payment Summaries sent as a PDF**

◉ **Generate EMPDUPE: This causes the EMPDUPE file and Payment Summary (summary) report to be produced:**

…with totals and details of the process:

You can run these reports any time you like, for checking or when you actually need to produce them.

You can easily reprint a payment summary for any employee, for any year from their History tab (use the Print tool and select Payment Summary).

## Sending/Testing your EMPDUPE file using ATO's Online Services

Logon to ATO's Online Services (business) at ato.gov.au - the examples illustrate the Test facility provided by ATO - the screens you see will be similar.
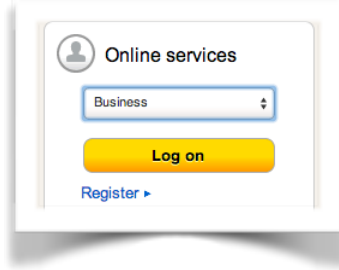
Choose Send data, then choose File - navigate and select the EMPDUPE.A01 file that was created in your SmoothPay folder. Then click Send:
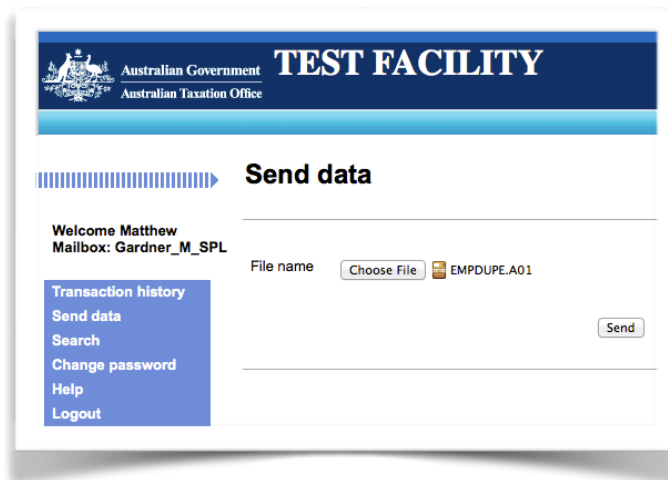
Transaction history will display files uploaded and any messages back from ATO:
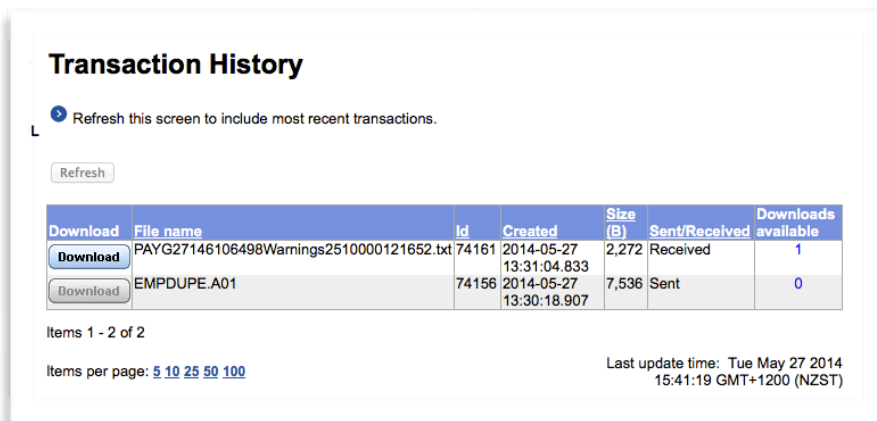
If there are any errors, choose Download and examine it for the problems it found in your data - usually missing information (town/locality, contact name, postcode etc). The error messages are usually quite clear.

> **Please!** Do not send EMPDUPE files to ATO without pre-testing them - you must make sure that the Payment Summaries are all correct (no missing pays, correct totals etc).

Data missing from your Payment Summaries?

Super not showing in RESC field
It is a common misconception that all superannuation contributions should show as RESC (Reportable Employer Super Contributions). This is not the case - only (usually) salary sacrifice amounts or amounts contributed above the SG (9.5%) amount would show here.

Fringe Benefits not being shown
Fringe benefits must be captured in your pay entries (or manually added to history), and the date of the benefit/s must be in the year 1 April to 31 March *prior* to the tax year ending (e.g. Fringe benefits recorded in pay days from 1 April 2011 to 31 March 2012 will appear on Payment Summaries for the tax year ending 30 June 2012).

SmoothPay provides for two types of Fringe Benefit:
1) Cash value (such as LAFHA etc.), which affects the employee's net pay amount. This will appear in the allowances section of the employee's pay advice.

2) Non-cash value (such as use of a motor vehicle, office equipment etc.) which doesn't affect the employee's net pay amount. This will appear in the footer area of the employee's pay advice.

When you establish a fringe-benefit allowance, categorise it appropriately (a listing of all categories and how they are treated for tax, super and payment summary purposes is available on request)

Fringe benefits can be captured in one of two ways:

1) a single entry added to employee pay history (you can enter the total Fringe Benefit value in a single manual history record) - make sure it's pay date is correct to appear on the correct payment summary - then check.

2) individual entries added to one or more pays during the year. This needs to be set up like this:

NOTE: The tax rule *must* be Fringe benefit

Then, add the fringe benefit allowance for the required amount to the employee's pay input

If the allowance has a cash value (like LAFHA), then it will appear in the allowances section of the employee's pay advice.

If the allowance has a non-cash value (like personal use of a company vehicle or other equipment) then it *will not* appear on the employee's payslip in the allowances section (as it's not payable as net pay), but will add to the fringe benefit total for the employee, and appear in the footer area of the payslip and on their Payment Summary (Group Certificate).

If the payment occurs regularly, save it as part of the employee's standard pay entries.

Lump sum payments and all that jazz

These types of payments must be made as allowances, set up using the appropriate ATO taxation rule, e.g.:

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* RESIGNATION/TERMINATION/DISMISSAL *
Annual Leave (pre 18/8/93)
Annual Leave (post 17/8/93)
Annual Leave Loading (pre 18/8/93)
Annual Leave Loading (post 17/8/93)
Long Service Leave (pre 16/8/78)
Long Service Leave (16/8/78 to 17/8/93)
Long Service Leave (post 17/8/93)
ETP (pre 1/7/83)
ETP Non–Transitional (post 30/6/83, 55+ ...
ETP Non–Transitional (post 30/6/83, <55 ...
ETP Transitional (post 30/6/83, 55+ years)
ETP Transitional (post 30/6/83, <55 years)
* GENUINE REDUNDANCY/EARLY RETIRE/I...
Annual Leave (all payments)
Annual Leave Loading (all payments)
Long Service Leave (pre 16/8/78)
Long Service Leave (post15/8/78)
Genuine Redundancy and Early Retirement...
ETP (Invalidity component)
ETP (pre 1/7/83)
ETP Non–Transitional (post 30/6/83, 55+ ...
ETP Non–Transitional (post 30/6/83, <55 ...
ETP Transitional (post 30/6/83, 55+ years)
ETP Transitional (post 30/6/83, <55 years)
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SmoothPay provides all known ATO tax rule options. These tax rule options are available in the allowance code setup.

SmoothPay will split non-taxable components, tax the remainder etc, and show the amounts in the correct lump sum field on payment summaries and the EMPDUPE file.

Feedback

We're always keen to do better!

Any and all feedback is appreciated and if you feel we could include better examples, provide more explanation, provide references to additional information, make a process easier to use, or you spot something that isn't working the way it's supposed to - please let us know.