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# MYOB Ace Payroll 3.49B

## Release Notes

March 2021



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# Introduction

## What's New in this Release?

The 3.49B release addresses the legislative changes that take effect from 1 April.

(This release can be installed prior to 1 April 2021; the changes are not activated in the product until the relevant date, e.g. changes to tax codes are applied when a pay ending on or after 1 April 2021 is run.)

## Installing Your Upgrade

You can download the latest version from within Ace Payroll—just follow these three easy steps:

1. Back up your payroll data to an external drive or Ace Payroll online. Close any open programs.

**Note:** You may need to log in as a Windows administrator to do this.

2. Go to **Utilities > Ace Payroll Online > Download An Upgrade** and follow the onscreen instructions.
3. Ace Payroll restarts automatically after the installation. After it's restarted, press F5 and check that it displays the latest version number, 3.49B.

If you experience any difficulties, check you are connected to the internet and have administration rights to install new software.

If you have any questions, give us a call on 0800 ACE PAY (0800 223 729).

We're here to help.

# New Features

## Tax Updates

### Updates to Tax Codes

From April 2021, new tax rates apply to the M and ME tax codes, and two new tax codes for secondary income become available. The tax code changes are as follows:

- **M, ME, M SL and ME SL** – Annual income greater than \$180,000 is now taxed at a rate of 39%
- **SA** – New tax code for secondary income greater than \$180,000
- **SA SL** – New tax code for secondary income greater than \$180,000 with student loan

**Note:** The new SA and SA SL tax codes apply from 1 April 2021—any pays prior to this date that include employees with these codes will be rejected by payday filing.

This affects the tax on extra pays and termination/Holiday Pay payments—a new option for the highest tax rate is available in these situations:

Extra Emoluments Wizard

### Confirm Tax Calculation

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**Extra Emolument Tax Calculation for JONES, Melanie Ruth - Pay Date: 05/04/2020**  
Annualised gross is less than \$48,000  
Tax at low rate of 18.89%

✗ Lowest Rate 11.89%   ✓ Low Rate 18.89%   ✗ Mid Rate 31.39%   ✗ High Rate 34.39%   ✗ Highest Rate 40.39%

Earnings during the last four weeks from 09/03/2020 to 05/04/2020

Date	Gross
15/03/2020 payment made	\$807.69
22/03/2020 payment made	\$807.69
29/03/2020 payment made	\$807.69
Payment this pay excluding the extra emolument	\$807.69
Total payments made during the last four weeks	<b>\$3,230.76</b>
Multiply \$3,230.76 by 13 for the annualised gross	<b>\$41,999.88</b>
Add the extra emolument being paid here - Bonus	\$123.00
Total annualised gross	<b>\$42,122.88</b>

Back   Next   Quit   ?   Hint

### ACC Rates and Thresholds

The ACC Earner Levy rates and threshold have not been changed for the 2021–2022 financial year.

### Updates to Public Holidays

Public Holidays for 2022 have been added to Ace Payroll's public holidays calendar.

## Student Loan Thresholds

This release updates the student loan thresholds for the 2021–2022 financial year. The new thresholds are:

Frequency	2020-21 tax year	2021-22 tax year
Annual threshold	\$20,020	\$20,280
Monthly pay period (Threshold divided by 12)	\$1,668.33	\$1,690
Four-weekly pay period (Threshold divided by 13)	\$1,540	\$1,560
Fortnightly pay period (Threshold divided by 26)	\$770	\$780
Weekly pay period (Threshold divided by 52)	\$385	\$390

## ESCT Thresholds

This release updates the ESCT thresholds for the 2021–2022 financial year, adding a new top rate of 39%. The thresholds are now:

Threshold amount	Tax rate
\$1 - \$16,800	10.5%
\$16,801 - \$57,600	17.5%
\$57,601 - \$84,000	30%
\$84,001 - \$216,000	33%
\$216,001 upwards	39%

The new 39% rate is available for selection when setting an employee's ESCT tax rate:

ESCT Tax Rate

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- For **JONES, Melanie Ruth** you are setting the rate at which employer KiwiSaver contributions are taxed.
- The value shown has been dynamically estimated. You can **set it yourself** if preferred.
- Press **F1** for more information on ESCT tax rates.

Selected	Rate	Estimated Annual Earnings
✘	39%	\$216,001 upwards
✘	33%	\$84,001 - \$216,000
✘	30%	\$57,601 - \$84,000
✔	17.5%	\$16,801 - \$57,600
✘	10.5%	Up to \$16,800
✘	Zero	You cannot have a rate of zero

GO

stop

# Payday Filing Updates

This release updates MYOB Ace Payroll to produce files for payday filing in the new v2021 format. This includes the Employment Information (EI) Return file and the Employee Details file.

## KiwiSaver Updates

The Employee Details file now includes information on employees opting in or out of KiwiSaver. The KiwiSaver information included in payday filing has been expanded to include information on employees who opt out of KiwiSaver after the normal opt out period.

**Note:** Because KiwiSaver information is now included in the ED file, you no longer need to produce and send the KiwiSaver Employment Details (KED) file. You can still produce a KED file from MYOB Ace Payroll and send it to the IRD for now, but the KED file will not be accepted from 1 April 2021.

Employees can opt out of KiwiSaver between the ends of the second and eighth weeks of their employment (i.e. between days 14 and 56)—see [“Opting out of KiwiSaver” on the IRD website](#) for more information. To opt out after the end of this period, the employee must send their KS10 to the IRD or apply online. The IRD will let you know if they’ve approved the late opt out reason and when to stop deductions and contributions.

New features have been added to capture additional KiwiSaver information for employees.

The Employee KiwiSaver Membership Status window now includes an option to specify that the employee is an existing KiwiSaver member:

Employee KiwiSaver Membership Status

**Employee KiwiSaver Membership Status** myob | a.CE PAYROLL

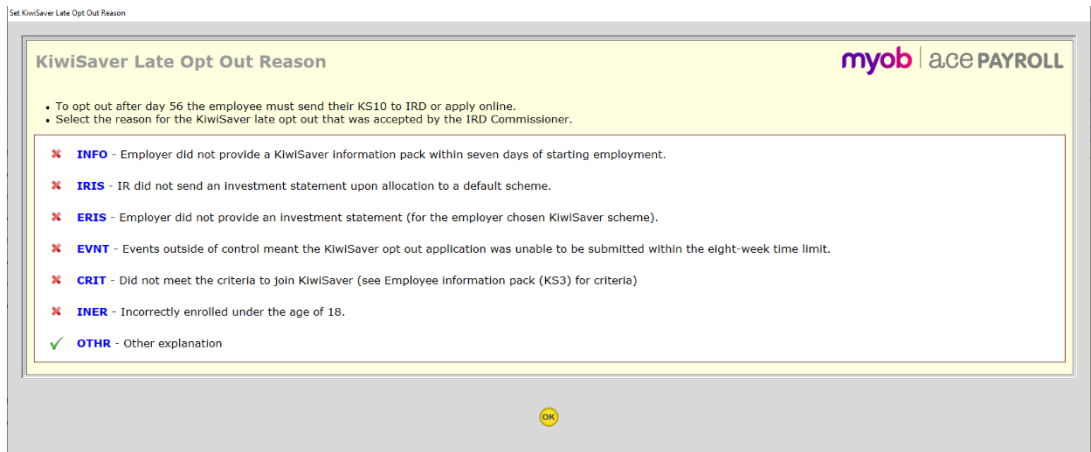
• You are setting the KiwiSaver membership status of **JONES, Melanie Ruth** who started on **29/01/2001**.

- ✘ **Automatically Enrol** - This employee is eligible to be automatically enrolled. For more information visit [KiwiSaver - Automatic enrolment](#).
- ✘ **Definitely Exempt** - Employees that are casual, those under 18 or over 65, employees that have no tax deducted, and various other employees could be exempt from KiwiSaver membership. For more information visit [KiwiSaver - Definitely Exempt](#).
- ✘ **Opted Out** - This employee can opt out of KiwiSaver only if they were automatically enrolled, and has given you a KS10 New employee Opt Out form. For more information visit [KiwiSaver - Opting Out](#).
- ✔ **Opted In** - This employee has asked to join the scheme, and has given you a KS2 KiwiSaver Deductions form. Once opted in, an employee can never opt out. For more information visit [KiwiSaver - Opting in](#).
- ✘ **Existing KiwiSaver Member** - This employee is an existing KiwiSaver member.

go stop

(Open this window from the KiwiSaver tab of the Modify Employee Details window.)

Clicking **Opted Out** after the employee's 56<sup>th</sup> day of employment opens the KiwiSaver Late Opt Out Reason window:



This window contains a list of possible reason codes:

- INFO – Employer didn't provide a KiwiSaver information pack within seven days of starting employment
- IRIS – Inland Revenue didn't send an investment statement upon allocation to a default scheme
- ERIS – Employer didn't send an investment statement for the employer's chosen scheme
- EVNT – Events outside of control meant that the opt-out application was unable to be submitted within the eight week time limit.
- CRIT – Employee did not meet the criteria to join KiwiSaver
- INER – Employee was incorrectly enrolled under the age of 18
- OTHR – Other explanation

Select the reason and click **OK**. If you selected the **OTHR** reason, a window prompts you to enter the reason:



**Note:** If you enter no text, the reason will default to "Other Reason".

The Employee KiwiSaver Opt Out Details window now displays additional information about the employee's opt out:

Employee KiwiSaver Opt Out Details

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- Employees can only opt out of KiwiSaver if they were automatically enrolled. If they opted in voluntarily then they cannot opt out.
- To opt out, an employee must give a KiwiSaver opt out request form (KS10) to you or to Inland Revenue.
- Employees can opt out of KiwiSaver between the ends of the second and eighth weeks of their employment (on or after day 14, and on or before day 56).
- To opt out after day 56 the employee must send their KS10 to IRD or apply online. IRD will let you know if they have approved the KiwiSaver late opt out reason and when to stop deductions and contributions.

Start Date 29/01/2001	This is the employee start date.
Earliest Opt Out Date 11/02/2001	This is the earliest date an automatically enrolled member can opt out (day 14 of their employment).
Latest Opt Out Date 26/03/2001	This is the last date an automatically enrolled member can opt out (day 56 of their employment).
Last Pay Date 03/02/2019	This is the employee last pay date, which is the most logical opt out date, if it falls between the earliest and latest dates above.
<b>Selected Date 02/11/2020</b>	Click <b>Selected Date</b> to enter the employee KiwiSaver opt out date, taking into account the date on the KS10 opt out request form and the dates shown above.
<b>Late Opt Out Reason</b>	<b>OTHR</b> - Other explanation
<b>Other Late Opt Out Reason</b>	Other Reason

OK

When any changes are made to an employee's KiwiSaver details (including opting them out of KiwiSaver), the KiwiSaver tab of the Modify Employee Details window displays a note indicating that the changes to the employee's KiwiSaver details will be included in the next Employee Details file:

Modify Employee Details

All [ID: MJ] [Name: JONES, Melanie Ruth] OK

Personnel Taxation Allowances Direct Credits Leave **KiwiSaver** Notes HR

**Member: No**

- This employee started on **29/01/2001** and is not a member of KiwiSaver because **you opted them out on 02/11/2020** with a **KiwiSaver Late Opt Out reason**. You can **change** the setting if required.

[View](#) - all KiwiSaver deductions for this employee, or **reverse** any deductions not reported to IRD within Payday Filing- EI Return or paid to IRD. For more information visit **KiwiSaver Reversals and Refunds**.

Produce a **KiwiSaver Opt Out Certificate** for IRD refunds.

**Notes:**

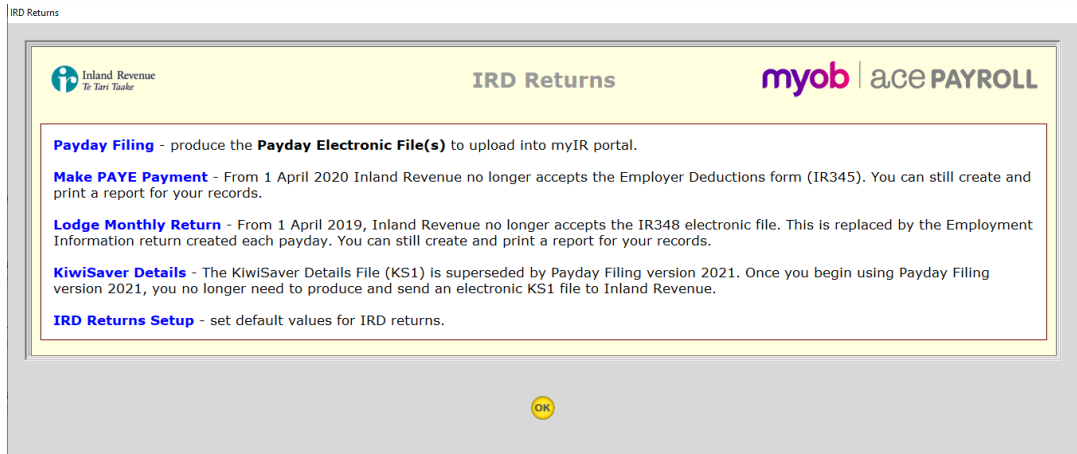
- This employee's details will be included in the Employee Details file the next time files are produced for Payday Filing.



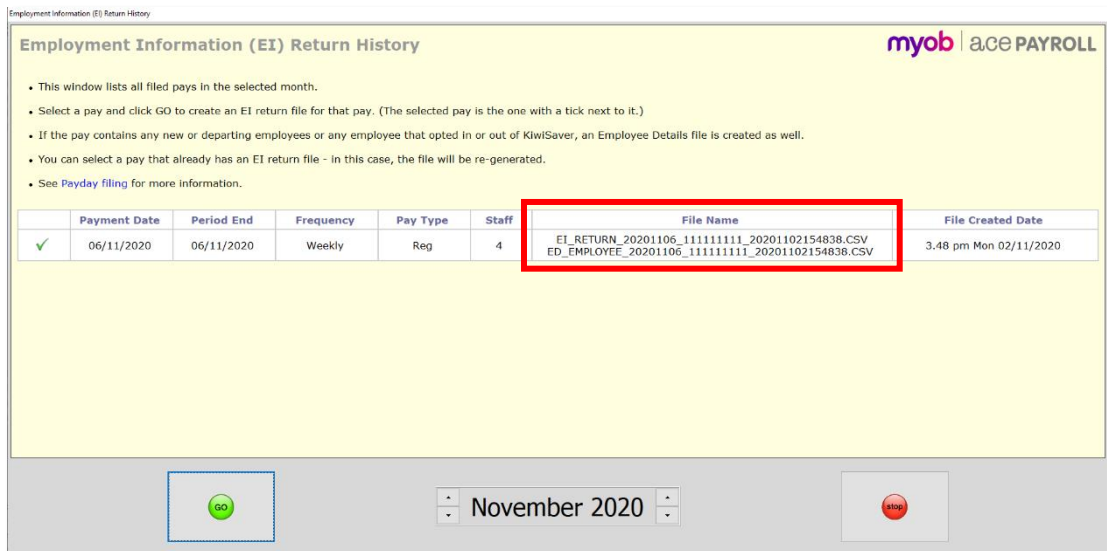
## Producing Files for Payday Filing

The **Exclude From IR348** option on the Modify Employee Details window has been renamed to **Exclude From EI Return**, to make it clear that the IR348 is no longer used.

The wording on the IRD Returns window has also been updated to make it clear that the older IR files are no longer used:



After pay filing files are produced for a pay, the Employment Information Return History window now displays the details of any Employee Details files that were created:



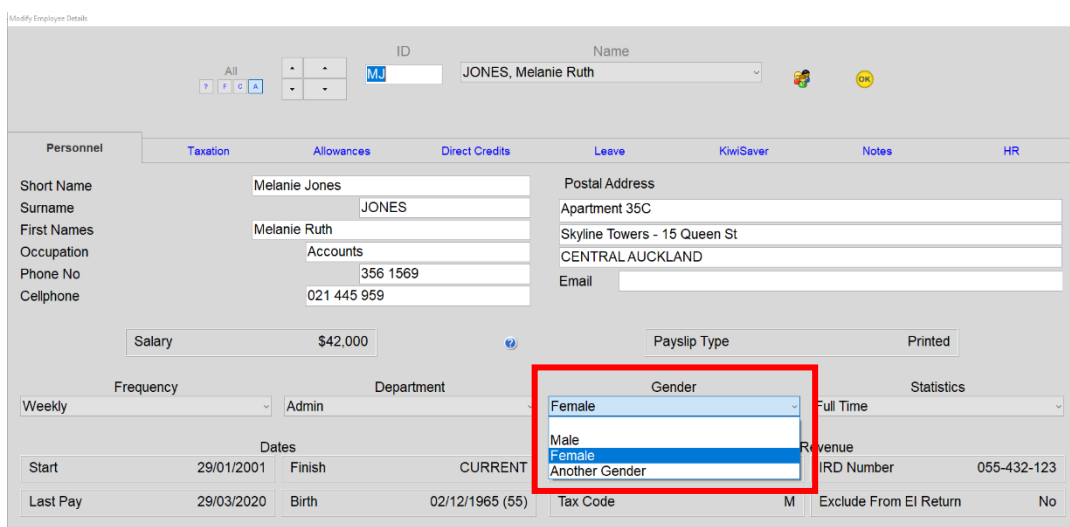
## Security White Paper

A *Security and Disaster Recovery* white paper is available for MYOB Ace Payroll. This document contains information on how to keep Ace Payroll secure in your operating environment. We recommend you review this white paper, which is available from the following link:

[MYOB Ace Payroll Security and Disaster Recovery](#)

## Update to Employee Gender Options

A new gender option has been added to the **Gender** dropdown on the Modify Employee Details window:



The screenshot shows the 'Modify Employee Details' window for Melanie Jones. The 'Gender' dropdown menu is open, showing the following options: Female, Male, Female, and Another Gender. The 'Another Gender' option is highlighted. The window also displays various employee details such as Surname (JONES), First Names (Melanie Ruth), Occupation (Accounts), Phone No (356 1569), Celphone (021 445 959), Salary (\$42,000), Department (Admin), and Birth Date (02/12/1965).

The Quarterly Employment Survey and Business Directory Update Survey statistics reports now display “Another Gender” figures in the breakdown of employee earnings.

## Holiday Pay Enhancements

The 3.48A release of MYOB Ace Payroll included enhancements aligned to the New Zealand Holidays Act, focused on recording and reporting on Average Weekly Earnings (AWE) and/or Ordinary Weekly Pay (OWP) rates for Holiday Pay. If you did not install MYOB Ace Payroll 3.48A, this release will be the first time you see these changes.

Enhancements introduced in the 3.48A release include:

- A new **Gross Earnings for Leave Calculation** field is available on the Add New Allowance and Modify An Allowance windows for Allowances whose **Tax Status** is “Taxable”.
- The Allowance Index now shows whether or not each allowance is included in gross earnings.
- The Taxable Allowances window shows the gross earnings status of the selected allowance.
- When cashing up holiday pay, options to include or exclude the payment from gross earnings are now available.
- When paying Holiday Pay normally, the Gross Earnings window now displays whether the employee’s AWE or OWP is being used to calculate their Holiday Pay.
- When adding an extra pay to an employee’s pay, options to include the amount in gross earnings are now available.

For full details on all of the changes included in the 3.48A release, see the Release Notes document on the [Ace Payroll version history web page](#).

# Resolved Issues

This release addresses the following issue:

- This release corrects a rounding issue in the calculation of PAYE on secondary income (tax codes S, S SL, SH, SH SL, ST, ST SL, SB, SB SL, SA and SA SL).
- This release corrects an issue where the direct credit file total could be out by one cent in certain scenarios when secondary income tax code was used.
- This release corrects an issue where the ESCT rate changed to incorrect percentage after upgrading to 3.49A, for employees who had ESCT configured in a fixed rate (non-dynamic) mode.

**Note:** If you upgraded to Ace 3.49A and corrected employees' ESCT rates due to this issue, you should review ESCT rates again for all employees after upgrading to 3.49B.