

# **Inland Revenue Business Transformation Programme**

## **Payday filing for employers – more detail**

**14 May 2018**

# Why we're transforming tax administration

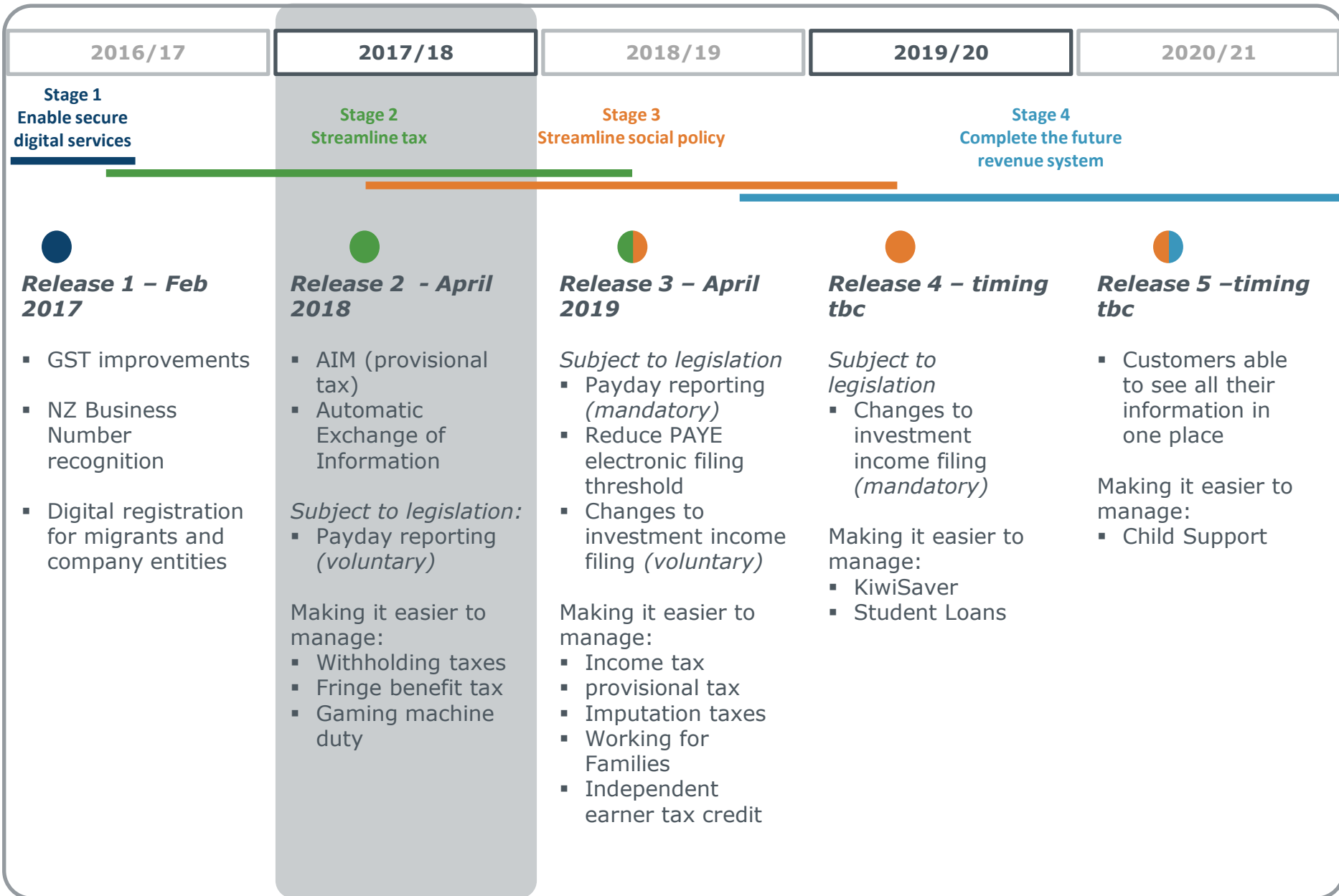
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Grow voluntary compliance by making it easier for people to get it right.

Reduce compliance costs.

Make Government policy changes more quickly and more cost effectively.



# Release 2.0 - effective as of 17 April 2018

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- Changes to navigating myIR.

- Payday reporting

- Voluntary from April 2018

- Mandatory from April 2019.



- Withholding Taxes, Fringe Benefit Tax and Gaming Machine Duty moving to the new tax system.



- Accounting Income Method (new provisional tax option).



- Automatic Exchange of Information – sharing information to combat global tax evasion.

# Introducing myIR: 'My business'

The screenshot shows the myIR 'My business' section. A red circle highlights the 'My business' tab in the top navigation bar. Another red circle highlights the 'i-File (Employer monthly schedule)' link in the 'Tools' sidebar. A blue arrow points from this link to a callout box on the right.

**myIR** You are logged in as Peter Piper on behalf of Pickle d Pepper Makers  
[My profile](#) | [Manage account access](#) | [Logout](#)

Home **My business** My details

You have no new messages. If you are interested in learning more about your tax obligations, go to our [website](#).

**Welcome**

### Welcome to Online Services

Welcome to the new look of your home page for your business Online Services account. Over time we will be updating the look of all areas of online services and adding new services to make it easier for you to manage your tax obligations. Our new features include:

**Check out what's happening**

**Payroll returns**  
You can continue to complete your IR345s and IR348s in i-File. If you want to find out about Payday filing go [here](#).

**What else can you find in the My business section?**  
You can also manage registration details of your business accounts, grant access to others, send messages and manage the following accounts (tax types):

- Approved issuer levy (AIL)
- Gaming machine duty (GMD)
- Goods and services tax (GST)
- Fringe benefit tax (FBT)
- Portfolio investment entity (PIE)
- Withholding taxes (DWT, NRT, RLT, RWT on interest, RWT on dividends)

**Things to do**  
For all non-PAYE business actions, eDocuments & drafts go to **My business**.

**My actions (4)**

- My details (1)**  
[Update home address](#)
- My alerts (1)**  
[Update your alert settings](#)
- My eDocuments (9)**
  - Letters (4)**
  - Notices (2)**
  - Statements (3)**
- My drafts**  
You have no saved drafts.

**Tools**

**Services**

- [Alerts email settings](#)
- [My Documents](#)
- [Secure mail](#)
- [Manage account access](#)
- [Look at account in business](#)
- [i-File \(Employer monthly schedule\)](#)
- [Payday filing](#)
- [Manage tax obligations](#)

**Forms**

- [Instalment arrangement proposal](#)
- [Tax returns](#)

The screenshot shows a detailed view of the myIR 'My business' section. A red circle highlights the 'All accounts (tax types) that you can access from this logon' section. A blue box highlights the links 'Look at account information', 'i-File (Employer monthly schedule)', and 'Payday filing'.

**myIR** Welcome, test | [Settings](#) | [Log Off](#)

### Welcome to My business

Take a look around at this section of online services

**Logon details** **Alerts** **I want to...** [More >](#)

**Logon details**  
test  
nicola.barr@ird.govt.nz  
Last logged on 09-May-2018  
Balance: \$0.00

**Alerts**  
✓ There are no alerts

**I want to...**  
[Apply for new account \(tax type\)](#)  
[Manage payments and returns](#)  
[Request an instalment arrangement](#)  
[Redeem a token](#)

**Accounts** Submitted Correspondence Registration details Logons

☒ **All accounts (tax types) that you can access from this logon** [View accounts >](#)

FBT >	\$0.00	GST >	\$0.00
123-186-044-FBT003		123-186-044-GST002	
Test, Self employed		Test, Self employed	
55 FEATHERSTON STREET, PIPITE...		55 FEATHERSTON STREET, PIPITE...	

[Look at account information](#)  
[i-File \(Employer monthly schedule\)](#)  
[Payday filing](#)

# Payday filing - what is different for an employer?

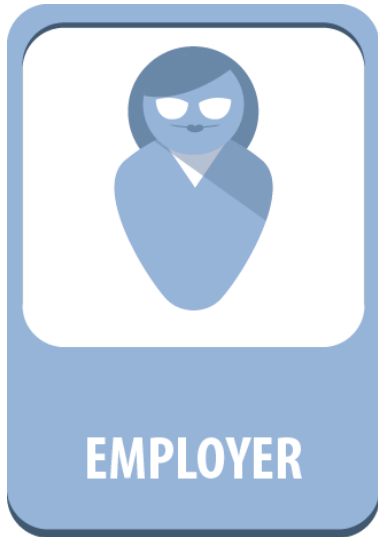
**Payday filing:** integrating Inland Revenue requirements into employers' payroll processes and software.

- No longer an EMS, instead you submit an **Employment Information** (EI) file.
- **Additional information** required:
  - ESCT, pay period start and end dates, pay cycle at employee line level, and payday date in the header.
- Whether you pay your employees weekly, fortnightly or monthly, you will need to send the **Employment Information** within two working days after each payday.
- If you are filing by paper, you will have 10 working days to submit your **Employment Information**.



# Payday filing - what is different for an employer?

In addition to the Employment Information file, you will need to provide **Employee Details**. This captures your new and departing employee information, or changes to employee information.



- The intent of the **Employee Details** is to replace IR330, KS1 and KS10's.
- **Additional information** required includes start and end date and contact details . Also date of birth if available.
- You need to file the **Employee Details** on or before your new employee's first payday.
- For departing employees, you should report when they come off your payroll.



# Payday filing – how will it work?

- **Payment dates** and **methods** remain the same.
- Three ways of filing:
  - direct from software
  - by file upload in myIR, or
  - onscreen in myIR.
- Must file electronically if PAYE/ESCT \$50k or more.
- Remember you will have **2 working days** to file if you file electronically and **10 working days** if by paper.
- **Amendments** or **Adjustments**
  - Ability to amend previously filed Employment Information online.





# Introducing myIR and 'Payroll Returns'

**myIR**  
My business | Welcome, Nic | Settings | Log Off

Welcome to My business  
Take a look around at this section of online services

**Ligon details**  
Nic  
nicola.barr@ird.govt.nz  
Last logged on 11-Apr-2018  
Balance: \$0.00

**Alerts**  
There is 1 unread message

**I want to...**  
Apply for new account (tax type)  
Manage payments and returns  
Request an instalment arrangement  
Redeem a token

**Accounts** | Submitted | Correspondence | Registration details | Logons

☒ All accounts (tax types) that you can access from this logon [View accounts >](#)

FBT >	\$0.00	GST >	\$0.00	Payroll returns >
123-128-893-FBT004 SME Limited 55 FEATHERSTON STREET, PIPITE...		123-128-893-GST002 SME Limited 55 FEATHERSTON STREET, PIPITE...		123-128-893-EMP003 SME Limited 55 FEATHERSTON STREET, PIPITE... Needs Attention

**myIR**  
Payroll returns | Welcome, Nic | Settings | Log Off

[My business](#) > Payroll returns

☒ **Account details**  
SME Limited  
123-128-893  
Payroll returns  
123-128-893-EMP003

**Account alerts**  
File return for 30-Apr-2018


**I want to...**  
File transfer  
Cancel account registration  
File a return  
KiwiSaver actions

**Month of payment** | Employees | Submitted | Correspondence | Registration details | Logons

**Recent Periods** [View Periods](#)

Month of payment	Employees	Submitted	Correspondence	Registration details	Logons
15-Sep-2018	Multiple Returns	File Return			
31-Aug-2018	Multiple Returns	File Return			
15-Aug-2018	Multiple Returns	File Return			
31-Jul-2018	Multiple Returns	File Return			
30-Jun-2018	Multiple Returns	File Return			
31-May-2018	Multiple Returns	File Return			
30-Apr-2018	Multiple Returns	File Return			
28-Feb-2018	Multiple Returns				
31-Jan-2018	Multiple Returns				
31-Dec-2017	Multiple Returns				
30-Nov-2017	Multiple Returns				
31-Oct-2017	Multiple Returns				

# Introducing myIR and 'Payroll Returns'



**Employment information** Welcome, SME Owner [Settings](#) [Log Off](#)

[My business](#) > [SME Limited](#) > [Payroll returns](#) > [Return list](#) > **Employment information**

1 Employment information submission >

## Employment information submission

**SME Limited**


IRD number: 123-128-893 Filing period: 30-Apr-2018

You must upload a file in order to proceed.  
Upload employer information file  [Choose File](#)

**List of uploaded file(s)**

File name	Status
There is no files uploaded in this submission	

[Save Draft](#) [Cancel](#) [Previous](#) [Next](#)



**Payroll returns** Welcome, Nic [Settings](#) [Log Off](#)

[My business](#) > **Payroll returns**

[Account details](#) [Account alerts](#) [I want to...](#) [More >](#)

SME Limited  
123-128-893

Payroll returns  
123-128-893-EMP003

File return for 30-Apr-2018

File transfer  
Cancel account registration  
File a return  
KiwiSaver actions

[Month of payment](#) [Employees](#) [Submitted](#) [Correspondence](#) [Registration details](#) [Logons](#)

Search criteria [New/departing employees](#)

IRD number

Employee name

Need attention only

Tip: Needs to be 9 digits eg. 022-222-222 or 222-222-222 **Format: 999-999-999**

[Search](#)

**List of employee(s)**

Filter: Use this field to filter by keywords, dates, or numbers

Name	IRD number	Start date	End date	Message
Brown John	111-111-111			
Clark Craig	031-032-016	01-Jan-2017	03-Mar-2018	
Clark jim	028-916-574			
Cook Cameron	030-112-016			
Cook james	023-563-207			
Cork Chelsea	140-056-677			
French Carol	075-555-555			
new payday employee	047-525-004	01-May-2018		
Test again	149-397-760	09-Feb-2018		
Test enough	039-691-868	09-Feb-2018		
Test machine	091-312-328	09-Feb-2018		
test new	060-001-804	01-Jan-2017	03-Mar-2018	

# Schedular payments and shadow payrolls

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- No change to the type of occupations that fall under schedular payment obligations.
- You can report either as part of your regular payroll or **twice monthly**.
  - Payments made from **1<sup>st</sup> to 15<sup>th</sup> of month** must be reported within **2 working days** after the 15<sup>th</sup>.
  - Payments made from the **16<sup>th</sup> to end of the month** must be reported within **2 working days** after the end of the month.
- Shadow payrolls have a deferral period of 20 days added to give you more time to calculate obligations and meet reporting requirements.

# Employee share schemes

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- Effective 1 April 2017, employee share scheme (ESS) benefits are required to be reported in the EMS.
- Employers need to include the taxable value of the benefit for each employee who receives a benefit.
- Deduction of PAYE withholding is optional, but must be reported.
- From April 2018, reporting of ESS benefits has been impacted by:
  - **Move to payday reporting** – this will take effect when the employer elects to report on a payday basis before or on 1 April 2019.
  - Reporting under a new 'ESS' tax code on your Employment Monthly Schedule/Employment Information.

# Holiday pay changes

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- Employers have the option to treat holiday pay paid in advance:
  - as a lump sum as if it was paid over the pay periods to which the leave relates, or
  - as an extra pay.
- Reduces risk of employees being overtaxed because of extra pay.
- Works best with payroll software, so not compulsory.

# Payday filing – common questions

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## Filing requirements

- Why does IR need this information more frequently?
- I only employ one other person. Do I need to payday file?
- I pay one-off (ad hoc) pays three times in a week. Does that mean I have to file three times a week as well?
- What happens over Christmas time? Can we file in advance before we go on holiday?
- I have a group of employees who are paid monthly and another paid fortnightly. How will this work under payday filing?

# Payday filing – more common questions

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## Information

- Date of birth
  - What do you mean by 'DOB – if available'?
  - What if we don't collect DOB information?
  - Should we let our employees know about this?
- Do I need to maintain 'contact details' in the IR system?
- Do I need to submit a nil return?
- Can I pay when I file?

# Payday filing – what do you need to do?

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- Not compulsory until April 2019
- Talk to your software provider
- Call us on 0800 377 772 to opt in
- File final EMS
- Set up necessary delegations in myIR





# Follow us or get in touch

- Keep up to date at  
**[www.ird.govt.nz/mybusiness](http://www.ird.govt.nz/mybusiness)**
- Follow us on Twitter, Facebook and LinkedIn
- Ask your Community Compliance or Large Enterprise Contact
- Email your questions to  
**[IRTransformation@ird.govt.nz](mailto:IRTransformation@ird.govt.nz)**
- Watch out for our marketing material
- Free webinars, information/registration at  
**[cchlearning.co.nz](http://cchlearning.co.nz)**
- **Next webinar 28<sup>th</sup> May**

