



**LAW  
MASTER<sup>®</sup>**  
Law Practice Technology

# LawMaster Single Touch Payroll (STP) – Phase 2

User Guide

Version 1.1

Upgrade.

A MASTRIN CREATION

## Document Revisions

Version Number	Owner	Updates
V1.0	LXS	First release
V1.1	KLF	Deferral Date updated

## About this Guide

Single Touch Payroll (STP) is a government initiative that changes the way that employers report payments such as salaries and wages, PAYG withholding and superannuation information to the Australian Tax Office (ATO).

The Government announced during the 2019-2020 Budget that STP would be expanded to include additional information such as the components that make up amounts of an employee's salary (e.g., gross pay, paid leave, allowances, or overtime). This is to reduce the reporting burden for Employers who report information to more than one Government agency (Services Australia).

The Cuba R2 (10.15) release of LawMaster has been confirmed by the ATO as STP Phase 2 (Pay Event 2020) compliant.

This guide is intended for system and payroll administrators to transition to Single Touch Payroll – Phase 2 (Pay Event 2020) within LawMaster.

You should also refer to the Release Notes for the Cuba and Cuba R2 releases.

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## STP Terminology

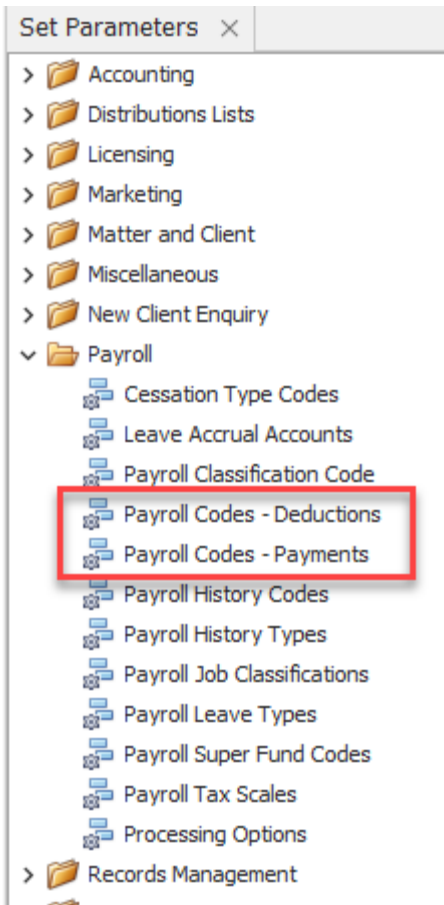
Term	Definition
Pay Event	The STP Report sent with a normal Pay Run includes Activity Statement pre-fill amounts
Update Event	The STP Report sent for an Adjustment entry or as a YTD snapshot of Employee(s).
Finalisation Declaration	Declaration sent to the ATO indicating that all information has been provided for a financial year (replaces the Payment Summary and PSAR).
Sending Service Provider	Transmits data from LawMaster to the ATO. LawMaster uses MessageXchange.
Pay Event 2018	Reporting under STP Phase 1
Pay Event 2020	Reporting under the new STP Phase 2
Disaggregation of Gross	Gross income that was reported under Pay Event 2018 is now split into different components and payment types such as: <ul style="list-style-type: none"> <li>- Gross</li> <li>- Paid Leave</li> <li>- Allowances</li> <li>- Overtime</li> <li>- Bonuses and Commissions</li> <li>- Director's fees</li> <li>- Lump Sum W</li> <li>- Salary Sacrifice</li> </ul>

## Key Changes to STP

- Income Type supported by LawMaster is the Salary and Wages category.
- Tax File Number Declaration no longer needs to be sent to the ATO however, an employee still needs to provide this to the Employer.
- Termination Reason – Employee Separation Certificates no longer need to be provided to an Employee.
- Lump Sum E letters no longer need to be supplied with the Tax Year to employees, this is processed as part of the pay run.
- Lump Sum W Return to Work Payments now reported separately.
- Employment Basis is now reported – Full Time, Part Time, Casual, Non-employee, Death Beneficiary (for definition see below in this document).
- Salary Sacrifice amounts are now reported separately.
- Allowance Types – new allowance types have been added.
- Disaggregation of Gross – Residual Gross is now reported separately.
- Summary of Payments and Deductions of STP Phase 1 (Pay Event 2018) to STP Phase 2 (Pay Event 2020) are located in Appendix A.
- Downwards variations of tax rates are reported to the ATO and set by the Payroll Tax Scale parameter commencing with Fn – Flat rate n%

## Payroll Parameters

The Payroll Payment and Deduction Codes (PC) parameter has been separated into two parameter types, one for payments and one for deductions. Payroll Payment parameters are now recorded as Payroll Codes – Payments (PCP) and Payroll Deduction parameters are recorded as Payroll Codes – Deductions (PCD) under the payroll parameters menu from Set Parameters.



## Payroll Codes – Deductions

Deduction codes for use in payroll processing. Changes have been made to these parameters, and consists of the following fields:

Field	Description
Payroll Code	This identifies the deduction and must commence with the letter <b>D</b> (no change).
Description	Description of the deduction
Amount	Records a fixed amount (if applicable)
After Tax	Select if a Post Tax deduction. Pre-tax deductions must be reported as Salary Sacrifice
Reduce Super Guarantee	Select if the deduction reduces the earnings amount subject to Super Guarantee (previously Exclude from EGS).
Payee ID	Identifier for payment of deductions (no change)
Deduction Code	Select the relevant code for reporting purposes (see below in this document).
Super Fund Manager	Super Fund Entity ID (no change).
Visible	Whether this is an available parameter to use.

**Payroll Codes - Deductions**

Payroll Code: DPROF

Description: PROFESSIONAL FEES

Amount: 0

After Tax:

Reduce Super Guarantee:

Payee Id: [ ] [ ]

Deduction Code: Fees

Super Fund Manager: [ ] [ ]

Visible?:

OK Cancel

## Payroll Codes – Payments

Payment codes for payments based on a dollar amount (allowances) or hours for payroll processing.

Field	Description
Payroll Code	This identifies the payment and must commence with the letter <b>A</b> for allowances and <b>H</b> for payments expressed in hours (no change).
Description	Description of the payment.
Ordinary Times Earnings	Check if the payment is part of Ordinary Times Earnings (OTE) for the calculation of Superannuation Guarantee and Accrual of Leave (previously Normal Pay).
Scale Factor	Scale for these payments to two decimal places when calculated e.g., for leave loading where the payment will be calculated as Hours x Scale Factor x Employee Hourly Rate (no change).
Flat Rate	Used for Allowances to calculate a flat rate per unit (no change).
No PAYGW	Check if payment is not taxable and no PAYG applies (previously After tax).
Reporting Category	Different categories for reporting to the ATO for disaggregation of gross.
Reporting Sub Category	Different sub categories for reporting to the ATO based on what has been selected in the Reporting Category field
Payroll Event 2018 Allowance Code	The allowance code previously reported under Pay Event 2018. Note: The 2018 Allowance Codes have been mapped to an equivalent 2020 Allowance Sub Category on upgrade, however the 2020 Reporting Sub Category should be reviewed prior to switching to the 2020 STP Service.
Bonus Tax Calculation	Select this option if tax should be calculated on this pay code based on Schedule 5 Tax Table method A (new).
Visible	Whether this is an available parameter to use.

Further details are provided below in this document for the setup of your parameters for STP Phase 2 reporting.

## Payroll Classification Code

Payroll classification code parameters need to be updated with the correct Employment Basis Code. Upon upgrade existing Classification Codes that commence with F, P or C will be mapped, however should still be reviewed to ensure they are correct.

Modify Parameter: PF - Payroll Classification Code

Classification Code: TN

Description: Non-Employee for Super Liability purposes on

**Employment Basis Code: Non-employee**

Visible ?

OK Cancel

The definitions from the ATO for Employment Basis Types are listed below:

Employment Basis Type	Definition
Full time (F)	A person who is engaged for the full ordinary hours of work as agreed between the payer and the payee or set by an award (or both), registered agreement or other engagement arrangement. A full-time payee has an expectation of continuity of the employment or engagement on either an ongoing or fixed term basis.
Part time (P)	A person who is engaged for less than the full ordinary hours of work, as agreed between the payer and the payee or set by an award (or both), registered agreement or other engagement arrangement. A part-time payee has an expectation of continuity of the employment or engagement on either an ongoing or fixed term basis.
Casual (C)	A person who does not have a firm commitment in advance from a payer about how long they'll be employed or engaged, or for the days or hours they'll work. A casual payee also doesn't commit to all work a payer may offer. A casual payee has no expectation of continuity of the employment or engagement.
Death beneficiary (D)	The recipient of an employment termination payment (ETP) death beneficiary payment who is either a dependant, non-dependant, or trustee of the estate of the deceased payee.
Non-employee (N)	A contractor who is not in scope of STP for payments but may be included in STP for voluntary reporting of super liabilities only. If you report this employment basis, you must include the ABN of the contractor and you can't report any payments you have made to them.

## Cessation Type Codes

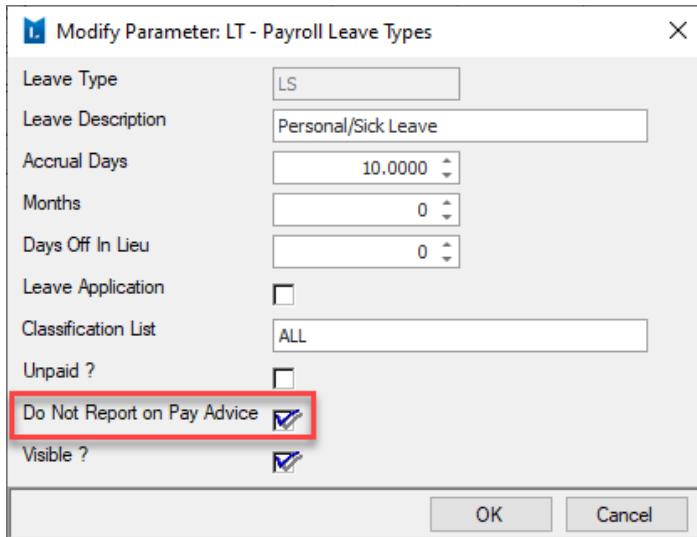
When an employee leaves your employment, you now need to report the Cessation Date and Cessation Reason, in your STP Report. These codes will be created upon upgrade. You will need to go and update any employee records with the relevant code if they have left during the financial year.

The definitions from the ATO of the cessation reason are as follows:

Cessation Reason (Code)	Definition
Contract Cessation (C)	the natural conclusion of a limited employment relationship due to contract/engagement duration or task completion, seasonal work completion, or to cease casuals that are no longer required.
Deceased (D)	the death of an employee.
Dismissal (F)	an employer-initiated termination of employment due to dismissal, inability to perform the required work, misconduct, or inefficiency.
Ill Health (I)	an employee resignation due to a medical condition that prevents the continuation of employment, such as for illness, ill health, medical unfitness, or total permanent disability.
Redundancy (R)	an employer-initiated termination of employment due to a genuine bona-fide redundancy or approved early retirement scheme, or a non-genuine redundancy.
Transfer (T)	the administrative arrangements performed to transfer employees across payroll systems, move them temporarily to another employer (machinery of government for public servants), transfer of business, move them to outsourcing arrangements or other such technical activities.
Voluntary Cessation (V)	an employee resignation, retirement, domestic or pressing necessity or abandonment of employment.

## Payroll Leave Types

A new option 'Do Not Report on Pay Advice' has been added to Payroll Leave Types parameter. If ticked, the associated Leave Transactions recorded against an Employee will not be reported in the WP Form PPA Payroll Earnings Advice or associated Template fields.



The screenshot shows a dialog box titled "Modify Parameter: LT - Payroll Leave Types". The fields are as follows:

Leave Type	LS
Leave Description	Personal/Sick Leave
Accrual Days	10.0000
Months	0
Days Off In Lieu	0
Leave Application	<input type="checkbox"/>
Classification List	ALL
Unpaid ?	<input type="checkbox"/>
Do Not Report on Pay Advice	<input checked="" type="checkbox"/>
Visible ?	<input checked="" type="checkbox"/>

Buttons: OK, Cancel

## Changes to Forms

There have been some changes to the WP Forms used for payroll purposes within the Cuba and Cuba R2 releases. These changes are summarised below.

1. PPR – Print Employee Details:
  - a) Static Field 12 "Dependence Allowance" has been removed
  - b) Static Field 64 "Zone Allowance" has been renamed to "Tax Offset"
2. PPA – Payroll Earnings Advice:
  - a) When using Table 3 – Leave; any leave types that have the field "Do Not Report on Pay Advice" checked will be excluded from this table as well as any leave balances that have a balance of zero hours when printing the pay advice.
3. SYS – System Control Report:
  - a) Table 2 now includes new fields to report on Earnings Gross, Earnings Tax, Earnings Deductions and Earnings Net.

Any updated forms are available from Practice Management Sample Forms collection from the Client Service Centre.

## Transition to STP Phase 2

The transition to STP Phase 2 comprises a number of balances and checks before switching over to Pay Event 2020.

Once you have upgraded you are still able to process your pays using Payroll Event 2018 prior to switching over to Payroll Event 2020. LawMaster has secured a deferral on the compliance date until 30 June 2023 to switch over to STP Phase 2 (Payroll Event 2020).

The steps are outlined below with details provided further in the document.

1. Review STP2 Health Check for any validation and health checks:
  - a) Update Employee records where required.
  - b) Update Payroll Payment parameters where required.
  - c) Update Payroll Deduction parameters where required.
2. Run an End of Day and check the "Payroll" tab to ensure figures are balanced.
3. Run various reports listed below.
4. Check reports balance.
5. Run STP Reconciliation Report as Payroll Event 2018 and check for any validation errors.
6. Run STP Reconciliation Report as Payroll Event 2020 and check for any validation errors.
7. STP Service as Payroll Event 2018 – submit an STP Payroll Update Event for All Employees for each Company. Wait for a successful submission.
8. Switch Payroll Service to Pay Event 2020.
9. Run reports again as detailed below.
10. Check reports balance.
11. STP Service as Payroll Event 2020 – submit an STP Payroll Update Event for All Employees for each Company. Wait for a successful submission.
12. Process your pays as a Payroll Event 2020.

### Step 1 - STP2 Health Check

LawMaster's transition to STP Phase 2 has been broken down into three key areas that can be reviewed under the module STP2 Health Check being Employees, Payments, and Deductions. This is accessed from the Main Menu → Payroll and Personnel → Single Touch Payroll → STP2 Health Check. If you do not have access to this module, contact your System Administrator who can arrange for the module to be made available from the Security Settings.

Each tab has three warning levels:

- Green – indicates there are no validation errors or warnings,
- Amber – indicates there are validation warnings to be attended to or needs to be set to Reviewed
- Red – indicates there are validation errors to be corrected.

All records will need to be set to green prior to switching the STP Service from 2018 to 2020.

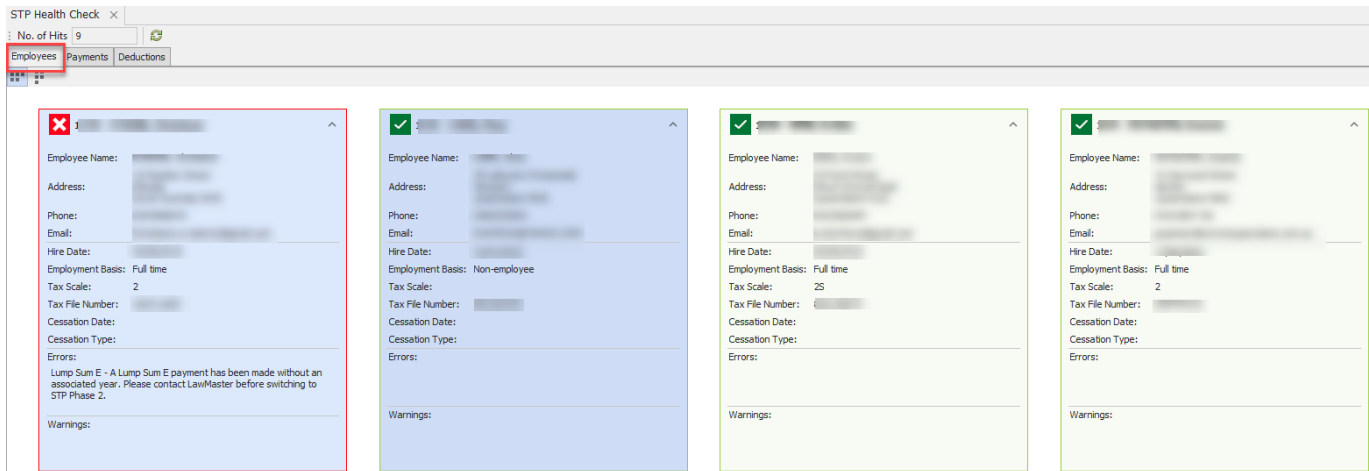
Employee and Parameter records can be accessed for review and updating by double clicking on the record in the Health Check tab. **Once you have reviewed each Payment and Deduction code, tick the Reviewed check box and this will show as Green.**

### Step 1a - Employee Details

1. Review and update Employee Details under the STP2 Health Check – Employees tab, including:
  - a) First Name, Surname
  - b) Address
  - c) Phone Numbers
  - d) Hire Date – if not known use 01/01/1800
  - e) Date of Birth
  - f) Tax File Number – note there has been changes to some of the exemption codes.
  - g) Update Classification where necessary where the Employment Basis Code is set.
  - h) Cessation Date and Cessation Reason
  - i) Pay Details – Tax Scale – ensure a valid selection is made.
2. Non-Employee for Super:
  - a) Update Classification to be TN where the Employment Basis Code is set to N in the Classification Code parameter.
  - b) Associate with LawMaster Entity in the Contractor ID field ensuring that the ABN is completed on the Entity details.
  - c) No employment history can be recorded against employee.
3. Death Beneficiary – can only be used for ETP:
  - a) Employment Basis Code
  - b) Date of Birth 01/01/1800

4. Lump Sum E – Year:

Where a Lump Sum E payment has been made in the current financial year a payroll year will need to be recorded against pay record. Please contact LawMaster if you receive a message on the employee record.



**Step 1b - Payments**

Review and update all visible Payroll Codes for Payments under the STP2 Health Check – Payments tab to ensure the correct ATO Disaggregation of Gross Reporting Code has been applied:

- Gross
- Overtime
- Bonuses and Commissions
- Paid Leave - paid leave needs to be allocated to sub categories. Unpaid leave does not need to be assigned a separate category as there is no payment to be reported.
- Allowances – we have mapped the 2018 categories to an equivalent STP Phase 2 Allowance category, but each parameter should be reviewed to ensure you are happy with the change.
- Lump Sum Payments – new code for Lump Sum W payments.
- Termination Payments - new payment code of HETPS has been created to account for Taxable ETP Payments that include Super.

See ATO website [Employer Reporting guidelines](#); Disaggregation of Gross section.

See [Appendix B](#) below for suggested categories on Payments.

You will need to tick the Reviewed Box to accept the setting.

The screenshot shows the 'Deductions' tab in the STP Health Check interface. It displays four error cards, each with a red 'X' icon and a 'Reviewed' checkbox at the bottom. The cards are:

- AB - BONUS**: Payment Code: AB, Description: BONUS, OTE: Y, Bonus Tax Calculation: N, No PAYGW: N, ATO Category: Gross, ATO Sub Category: 2018 Allowance Code: Errors: Deduction Code - Payroll Code must be reviewed prior to switching to STP 2 service.
- ABNS - BONUS - NO SUPERANNUATION**: Payment Code: ABNS, Description: BONUS - NO SUPERANNUATION, OTE: N, Bonus Tax Calculation: N, No PAYGW: N, ATO Category: Allowances, ATO Sub Category: Other - Other, 2018 Allowance Code: Other, Errors: Deduction Code - Payroll Code must be reviewed prior to switching to STP 2 service.
- ABP - BACK PAY**: Payment Code: ABP, Description: BACK PAY, OTE: Y, Bonus Tax Calculation: No PAYGW: N, ATO Category: Gross, ATO Sub Category: 2018 Allowance Code: Errors: Deduction Code - Payroll Code must be reviewed prior to switching to STP 2 service.
- ALSA - LUMP SUM A - OTHER REASONS**: Payment Code: ALSA, Description: LUMP SUM A - OTHER REASONS, OTE: N, Bonus Tax Calculation: No PAYGW: N, ATO Category: Lump Sum Payment, ATO Sub Category: Lump Sum A Type T, 2018 Allowance Code: Errors: Deduction Code - Payroll Code must be reviewed prior to switching to STP 2 service.

## Step 1c - Deductions

Review and Update Payroll Codes for Deductions under the STP2 Health Check – Deductions tab, including:

- Salary Sacrifice Super
- Salary Sacrifice Other Employee Benefits
- Fees
- Workplace Giving

The screenshot shows the 'Deductions' tab in the STP Health Check interface. It displays four error cards, each with a red 'X' icon and a 'Reviewed' checkbox at the bottom. The cards are:

- DGAR - Garnishee**: Payroll Code: DGAR, Description: Garnishee, After Tax: N, ATO Deduction Code: Do Not Report to ATO, Reduce Super Guarantee: Errors: Deduction Code - Payroll Code must be reviewed prior to switching to STP 2 service.
- DMED - Medicare**: Payroll Code: DMED, Description: Medicare, After Tax: Y, ATO Deduction Code: Do Not Report to ATO, Reduce Super Guarantee: Errors: Deduction Code - Payroll Code must be reviewed prior to switching to STP 2 service.
- DSUP - Employee Funded Superannuation Contrib**: Payroll Code: DSUP, Description: Employee Funded Superannuation Contr, After Tax: Y, ATO Deduction Code: Do Not Report to ATO, Reduce Super Guarantee: N, Errors: Deduction Code - Payroll Code must be reviewed prior to switching to STP 2 service.
- DSUS - SUPERANNUATION SALARY SACRIFICE**: Payroll Code: DSUS, Description: SUPERANNUATION SALARY SACRIFIC, After Tax: N, ATO Deduction Code: Salary Sacrifice - Super (RES), Reduce Super Guarantee: N, Errors: Deduction Code - Payroll Code must be reviewed prior to switching to STP 2 service.

See [Appendix C](#) below for suggested categories on Deductions.

You will need to tick the Reviewed Box to accept the setting.

## Step 2 - End of Day

1. Generate an End of Day run from Menu bar, Periodic Processing tab → End of Day Run.
2. View System Control Report in Grid from Menu bar, Periodic Processing tab → View System Control Report in Grid. Review the “Payroll” tab and check that figures balance.

If these figures balance, you may proceed with transitioning to STP Phase 2. If there is an imbalance, you will need to resolve it before continuing.

## Step 3 – Generate Reports

The reports will need to be generated from 1 July 2022 to date for **all companies** where you process pays in LawMaster. We recommend that you export all reports to Excel and save in case you need to refer to them later.

Report	Path	Options
Print Cumulative Earnings Summary	Payroll and Personnel → Reporting → Print Cumulative Earnings Summary	All work units; Pay Date from 01/07/2022 to [TODAY]
Print Allowance Details	Payroll and Personnel → Reporting → Print Allowance Details	All employees (e.g., 1 to 1zzzzzzz); Date from 01/07/2022 to [TODAY]
Print Deduction Details	Payroll and Personnel → Reporting → Print Deduction Details (and Payments)	All employees (e.g., 1 to 1zzzzzzz); Date from 01/07/2022 to [TODAY]
Print Superannuation Register	Payroll and Personnel → Reporting → Print Superannuation Register	Each company (e.g., 1) Date from 01/07/2022 to [TODAY]
Print Earnings Summary by Company	Payroll and Personnel → Reporting → Print Earnings Summary by Company	Pay Date from 01/07/2022 to [TODAY]
STP Reconciliation	Payroll and Personnel → Single Touch Payroll → STP Reconciliation	Each Company; Year – This Year 01/07/2022 to 30/06/2023; STP Service – Payroll Event 2018.

## Step 4 - Check Reports Balance

Once you have generated the above reports, we recommend that you review the reports to ensure they balance. These are like the checks that you do as part of the end of financial year checks.

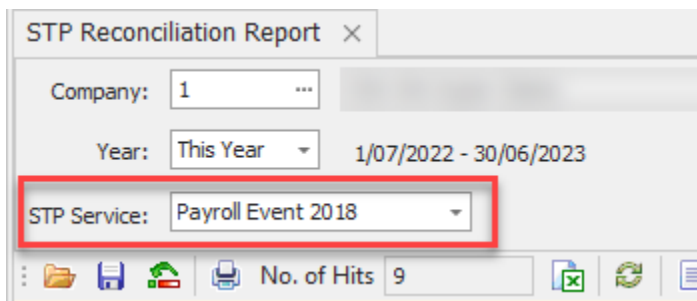
Item	Balance Report
<b>Print Cumulative Earnings Report</b>	
Gross	Balances to Gross Amount on Earnings Summary by Company
Tax	Balances to INB-PAYG on STP Reconciliation Report
Deductions	Balances to Total Deductions on the Deductions Report.
Nett	Balances to STP Reconciliation the sum of (INB-Gross + Allowances + Lump Sum) - (post-tax deductions + INB-PAYG)
<b>Print Allowances Details</b>	
Allowances	Any Reportable allowances will reconcile with the STP Reconciliation Report; Allowances figure. Non-reportable allowances will be included in INB-Gross on the STP Reconciliation Report.
Lump Sum Amounts	Each Lump Sum Allowance should balance to the Lump Sum Amounts on the STP Reconciliation Report.
<b>Print Deduction Details</b>	
Salary Sacrifice Super deduction	Balances to RESC on STP Reconciliation and Deductions on Superannuation Register
Total Deductions	Balances to Total Deductions on Cumulative Earnings Report
<b>Print Superannuation Register</b>	
Ordinary Pay	Balances to STP Reconciliation the sum of INB-Gross + Lump Sum payments + any Allowances where superannuation is applicable i.e., any payments that are considered Ordinary Times Earnings where the Normal field was ticked.
Employer Contribution	Balances to Super Liability on STP Reconciliation Report + RESC amounts that are Employee Influenced on the STP Reconciliation Report
Deductions Total	Balances to RESC amounts that are post-tax deductions on STP Reconciliation Report and any Salary Sacrifice deductions or after-tax superannuation deductions on the Deductions report.
<b>Print Earnings Summary by Company</b>	
Gross	Balances to Gross on Cumulative Earnings Report
Employer Contribution	Balances to Employer Contribution on Superannuation Register and Super Liability on STP Reconciliation Report

Item	Balance Report
<b>STP Reconciliation</b>	
INB – Gross	The sum of any payments on the STP Reconciliation Report should match the totals on the Cumulative Earnings and Earnings Summary by Company reports e.g., INB-Gross + Allowances + Lump Sum payments.
INB – PAYG	Balances to Tax on Cumulative Earnings Report
Allowances	These are the Reportable Allowances which will balance to the relevant allowance figure on Allowances Report
Deductions	These are the Reportable Deductions e.g., Workplace Giving and Fees which will balance to the relevant figure on the Deductions Report.
Lump Sum A	Balances to Lump Sum A allowance on Allowances Report
Lump Sum B	Balances to Lump Sum B allowance on Allowances Report
Lump Sum D	Balances to Lump Sum D allowance on Allowances Report
Lump Sum E	Balances to Lump Sum E allowance on Allowances Report
Super Liability	Balances to Employer Contribution figures on Superannuation Register and Earnings Summary by Company report
RESC	Balances to salary sacrifice deductions on Deductions report
FBT	As per the FBT amount entered on the relevant Employee record → Fringe Benefits tab.

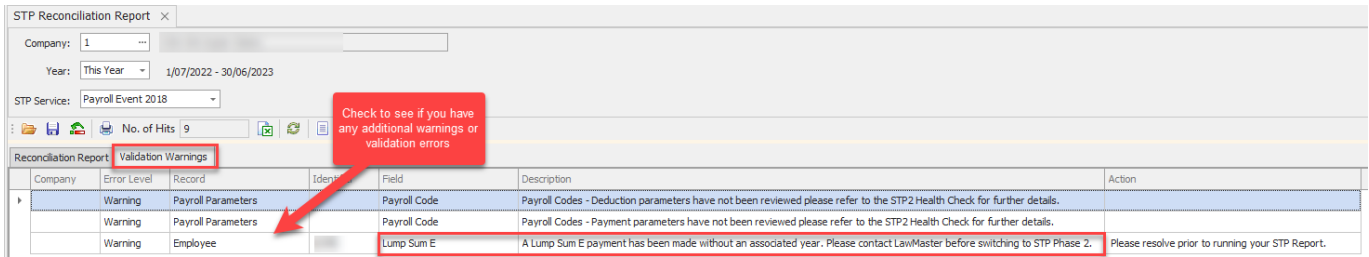
**NOTE: STEPS 5 TO 7 NEED TO BE COMPLETED FOR ALL PAYROLL COMPANIES**

### Step 5 – Run STP Reconciliation Report (Pay Event 2018)

On the STP Reconciliation Report (header) there is a new field for STP Service. This will currently be set to Payroll Event 2018.



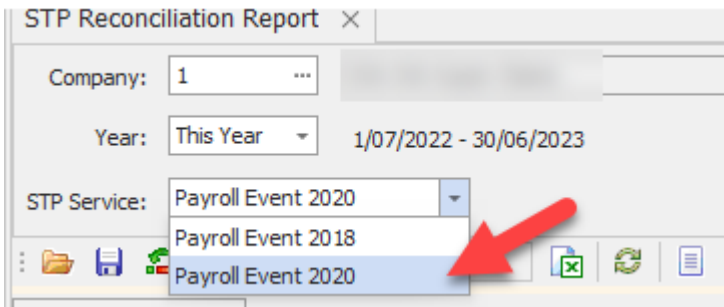
You need to check this report and ensure there are no Validations Warnings.



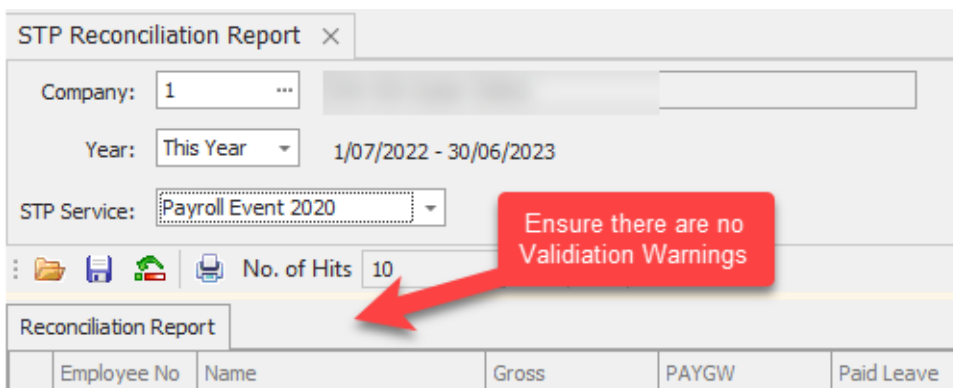
If there are any validations warnings, these will need to be resolved before moving on.

### Step 6 – Run STP Reconciliation Report (Pay Event 2020)

From the dropdown on the STP Service Field change from Payroll Event 2018 to Payroll Event 2020. This is **not** switching to Payroll Event 2020 this is allowing you to see the reporting changes.



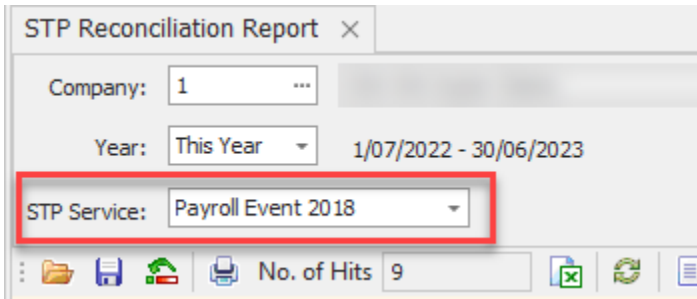
You need to check this report and ensure there are no Validation Warnings.



If there are any validation warnings, these will need to be resolved before moving on.

Export this report to Excel and Save in case this is required for future reference.

Once you have checked there are no Validation Warnings as Payroll Event 2020 change the STP Service back to **Payroll Event 2018**. Ensure that no further Validation Warnings are showing when you switch back.

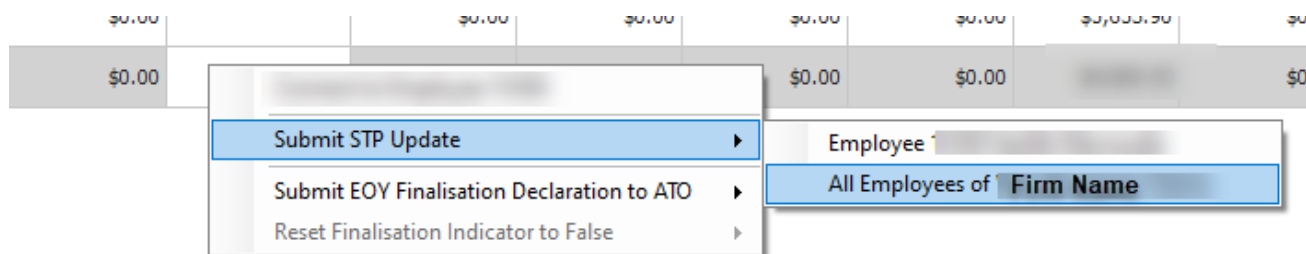


Once you have changed back to **Payroll Event 2018**, export this report to Excel and Save in case this is required for future reference.

### Step 7 – STP Service: Payroll Event 2018

This step is to lodge an STP Update Event to the ATO with YTD figures for all employees for **each company**. Ensure that you are still reporting as Payroll Event 2018.

Main Menu → Payroll and Personnel → Single Touch Payroll → STP Reconciliation. Within the STP Reconciliation report → right click → Submit STP Update. Select All Employee of [this will be your Company Name].



The Submit STP Update screen will be presented for you, select the relevant company, and then check the declaration field → Select OK.

**Submit STP Update**

This module reports YTD amounts to the ATO for the selected employee, or all employees of the nominated company that have payroll transactions in the year.

Company: [Company Name] ...

Year: This Year 1/07/2022 - 30/06/2023

Employee: <ALL> ...

I am notifying the ATO that

- MessageXchange provides my business with lodgement transaction services; and
- My business, for the purposes of its transactions with the ATO via the SBR channel, sends (and receives) those transactions to (and from) the ATO via MessageXchange.

I declare the information transmitted in this payroll report is true and correct and I am authorised to make this declaration.

Tick this box to sign the declaration with the credentials you used to login and to authorise lodgement with MessageXchange's AUSKey.

Declarer: [Name]

**OK** Cancel

This will send an Update Event to the ATO. You can monitor the status via the STP Report Status (Single Touch Payroll → STP Report Status).

Once you have received a successful submission, you may then move onto the next step.

Submission ID	Audit No	STP Type	Report Timestamp (UTC)	Report Status	Status Description	Declared By	Declaration Date	STP Service
Company: 1 - [Company Name]								
		UPDATE	12/01/2023 05:53	Success	Message Accepted			Payroll Event 2018

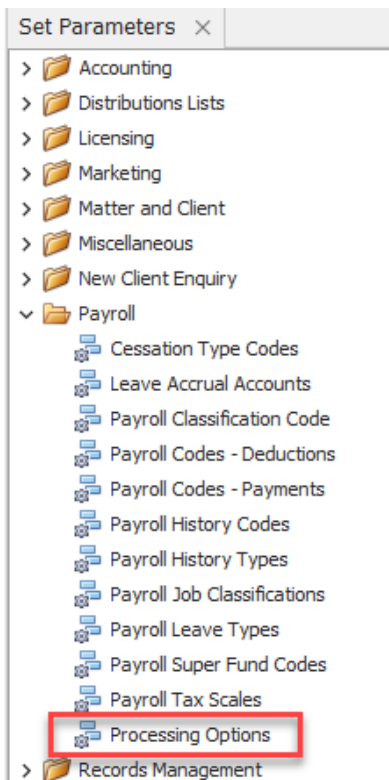


**STOP: Do not proceed with Step 8 until you have completed steps 5 to 7 for all payroll companies.**

## Step 8 – Switch Payroll Service to Pay Event 2020.

**NOTE: ONCE YOU HAVE SWITCHED TO PAY EVENT 2020 YOU CANNOT SWITCH BACK TO PAY EVENT 2018**

When you are ready to switch from Pay Event 2018 to Pay Event 2020 for **all companies**, from the Menu bar, Parameters tab → Set Parameters. Go to Payroll parameters → Processing Options.



Select the STP Settings tab.

The screenshot shows the 'Payroll Processing Options' dialog box. On the left, there are fields for 'URL:', 'Project Key:', 'Datastore Key:', 'Username:', and 'Password:'. On the right, there are input fields for 'Response Overdue Hours:' (72), 'Sending Delayed Hours:' (24), and a dropdown menu for 'STP Service:' currently set to 'Payroll Event 2018'. At the bottom, there is a tabbed interface with four tabs: 'General', 'PAYG Summaries', 'STP Compliance', and 'STP Settings'. The 'STP Settings' tab is highlighted with a red box. At the bottom right, there are three buttons: 'OK', 'Cancel', and 'Apply'.

You will see in this screen, the field STP Service; from the dropdown select → Payroll Event 2020 → Select Apply.

This screenshot shows the same 'Payroll Processing Options' dialog box. The 'STP Service:' dropdown menu is now open, showing three options: 'Payroll Event 2018', 'Payroll Event 2018', and 'Payroll Event 2020'. The 'Payroll Event 2020' option is highlighted with a blue selection bar. A red box highlights the 'STP Service:' label and the dropdown menu. At the bottom right, the 'Apply' button is also highlighted with a red box. The 'STP Settings' tab remains selected.

A final validation check will be completed to ensure that there are no outstanding issues. If no error messages are displayed, select **OK** to close the Payroll Processing Options window.

Congratulations, you have now switched your Payroll Service to Payroll Event 2020.

The STP Reconciliation report will now display the STP Service of Payroll Event 2020.

### Step 9 - Generate Reports

The reports will need to be generated again from 1 July 2022 to date for **all companies**. We recommend that you export these reports to Excel and save in case you need to refer to them later.

Report	Path	Options
Print Cumulative Earnings Summary	Payroll and Personnel → Reporting → Print Cumulative Earnings Summary	All work units; Pay Date from 01/07/2022 to [TODAY]
Print Allowance Details	Payroll and Personnel → Reporting → Print Allowance Details	All employees (e.g., 1 to 1zzzzzz); Date from 01/07/2022 to [TODAY]
Print Deduction Details	Payroll and Personnel → Reporting → Print Deduction Details (and Payments)	All employees (e.g., 1 to 1zzzzzz); Date from 01/07/2022 to [TODAY]
Print Superannuation Register	Payroll and Personnel → Reporting → Print Superannuation Register	Each company (e.g., 1) Date from 01/07/2022 to [TODAY]
Print Earnings Summary by Company	Payroll and Personnel → Reporting → Print Earnings Summary by Company	Pay Date from 01/07/2022 to [TODAY]
Print Earnings Detail by Company <i>[this is a new report so you may need to update your menu options in Security settings]</i>	Payroll and Personnel → Reporting → Print Earnings Detail by Company	Pay Date from 01/07/2022 to [TODAY]  <b>**See note below regarding this report prior to exporting to Excel.</b>

Report	Path	Options
STP Reconciliation  [note the updated changes to column headings for the disaggregation of gross]	Payroll and Personnel → Single Touch Payroll → STP Reconciliation	Each Company; Year – This Year 01/07/2022 to 30/06/2023; STP Service – Payroll Event 2020.

\*\* The **Print Earnings Detail by Company** report is a new report which allows you to see a breakdown of audited pays for each employee. We suggest that you group this report by “Company” and then the “ATO Reporting Code” and “ATO Reporting Sub Code” columns, which will assist you in balancing the totals against the STP Reconciliation Report. You can group or filter by any of the columns to suit your needs e.g., “Company”, “Type”, “ATO Reporting Code” etc.

## Step 10 - Check Reports Balance

Once you have generated the above reports, we recommend that you review the reports to ensure they balance.

Item	Balance Report
<b>Print Cumulative Earnings Report</b>	
Gross*	Balances to Gross Amount on Earnings Summary by Company
Tax	Balances to PAYGW on STP Reconciliation Report
Deductions	Balances to Total Deductions on the Deductions Report.
Nett	Balances to STP Reconciliation the sum of (Gross + Paid Leave + Allowances + Bonuses + Lump Sums) – (post-tax Deductions + PAYGW)
<b>Print Allowances Details</b>	
Allowances	Any Bonus allowances should balance to Bonuses on STP Reconciliation Report.  Any Reportable allowances will reconcile with the STP Reconciliation Report; Allowances figure. Non-reportable allowances will be included in Gross on the STP Reconciliation Report.
Lump Sum Amounts	Total Lump Sum allowances should balance to Lump Sums on the STP Reconciliation Report
<b>Print Deduction Details</b>	
Salary Sacrifice Super deduction	Balances to RESC on STP Reconciliation and Deductions on Superannuation Register
Total Deductions	Balances to Total Deductions on Cumulative Earnings Report
<b>Print Superannuation Register</b>	
Ordinary Pay	Balances to STP Reconciliation Report the sum of Gross + (Paid Leave – Unpaid Leave) + Bonuses (if OTE) + Lump Sums (if OTE)
Employer Contribution	Balances to Super Liability on STP Reconciliation Report + RESC amounts that are Employee Influenced on the STP Reconciliation Report
Deductions Total	Balances to RESC amounts that are post-tax deductions on STP Reconciliation Report and any Salary Sacrifice deductions or after-tax superannuation deductions on the Deductions report.
<b>Print Earnings Summary by Company</b>	
Gross*	Balances to Gross on Cumulative Earnings Report

<b>Balance Report</b>	
Employer Contribution	Balances to Employer Contribution on Superannuation Register and Super Liability on STP Reconciliation Report
<b>Print Earnings Detail by Company</b>	
These Items are examples of what may appear on your report depending on the ATO Reporting Code setting.	
Gross	Balances to Gross on STP Reconciliation Report
Bonuses and Commissions	Balances to Bonuses on STP Reconciliation Report
Overtime e.g., HOT	Balances to Overtime on STP Reconciliation Report
Leave	Balances to Paid Leave on STP Reconciliation Report
Lump Sums	Will be included in the Lump Sums amount on the STP Reconciliation Report
<b>STP Reconciliation</b>	
Gross	The sum of any payments on the STP Reconciliation Report should match the totals on the Cumulative Earnings and Earnings Summary by Company reports e.g., Gross + Paid Leave + Allowances + Overtime + Bonuses + Lump Sum payments.
PAYGW	Balances to Tax on Cumulative Earnings Report
Paid Leave	Balances to the sum of all leave on the Earnings Detail by Company report
Allowances	These are the Reportable Allowances which will balance to the relevant allowance figure on Allowances Report
Deductions	These are the Reportable Deductions e.g., Workplace Giving and Fees which will balance to the relevant figure on the Deductions Report.
Salary Sacrifice	Balances to any other Salary Sacrifice items on Deductions report
Overtime	Balances to any Overtime categories on Earnings Detail by Company report
Bonuses	Balances to any Bonus categories on Earnings Detail by Company report
Lump Sums	Balances to the sum of any Lump Sum payments on the Allowances Report
ETP	Balances to any ETP payments on Earnings Detail by Company report
Super Liability	Balances to Employer Contribution figures on Superannuation Register and Earnings Summary by Company report
RESC	Balances to salary sacrifice deductions on Deductions report

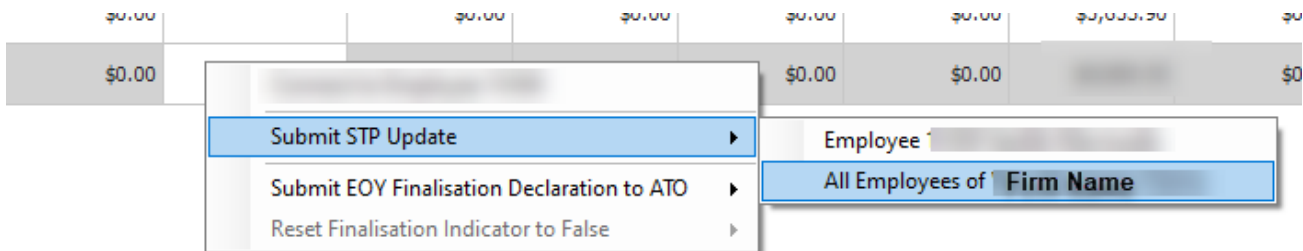
Item	Balance Report
FBT	As per the FBT amount entered on the relevant Employee record → Fringe Benefits tab.
Tax Offset	Balances to Tax Offset fields on Employee record.

\*Gross figures on the Cumulative Earnings and the Earning Summary by Company reports include all payments made to employees.

### Step 11 – STP Service: Payroll Event 2020

This step is to lodge an STP Update Event to the ATO with YTD figures for all employees for **each company**. You should now be reporting as Payroll Service: Payroll Event 2020.

Main Menu → Payroll and Personnel → Single Touch Payroll → STP Reconciliation. Within the STP Reconciliation report → right click → Submit STP Update. Select All Employee of [this will be your Company Name].



The Submit STP Update screen will be presented for you to check the declaration → Select Ok.

**Submit STP Update**

This module reports YTD amounts to the ATO for the selected employee, or all employees of the nominated company that have payroll transactions in the year.

Company: [ ] ... [ ]  
 Year: This Year 1/07/2022 - 30/06/2023  
 Employee: <ALL> ... [ ]

I am notifying the ATO that

- MessageXchange provides my business with lodgement transaction services; and
- My business, for the purposes of its transactions with the ATO via the SBR channel, sends (and receives) those transactions to (and from) the ATO via MessageXchange.

I declare the information transmitted in this payroll report is true and correct and I am authorised to make this declaration.

Tick this box to sign the declaration with the credentials you used to login and to authorise lodgement with MessageXchange's AUSkey.

Declarer: [ ]

OK Cancel

This will send an Update Event to the ATO which you can monitor the status via the STP Report Status (Single Touch Payroll → STP Report Status).

Once you have received a successful submission, you may then move onto the next step.

Submission ID	Audit No	STP Type	Report Timestamp (UTC)	Report Status	Status Description	Full File Replacement	Declared By	Declaration Date	STP Service
Company: 1 - [ ]									
[ ]	[ ]	UPDATE	12/01/2023 23:21	Success	Message Accepted	[ ]	[ ]	[ ]	Payroll Event 2020

## Step 12 – Process Pays

Now that you have switched to Payroll Service: Payroll Event 2020 and have received a successful submission of your Update Event, you may proceed to processing your pays in LawMaster.

## Appendix A

### Reporting Category STP Phase 1 v STP Phase 2 – Payments

STP Phase 1 – 2018 Service	STP Phase 2 2020 Service	Details
Gross	<ul style="list-style-type: none"> <li>➤ Gross</li> <li>➤ Overtime Earnings</li> <li>➤ Bonuses and Commissions</li> <li>➤ Directors Fees (not supported in LM)</li> <li>➤ Salary Sacrifice</li> </ul>	
Gross	<p><b>Leave</b></p> <ul style="list-style-type: none"> <li>➤ Cash out of leave in service</li> <li>➤ Unused leave on termination</li> <li>➤ Paid parental leave</li> <li>➤ Workers' compensation</li> <li>➤ Ancillary and defence leave</li> <li>➤ Other paid leave</li> </ul>	
Allowances	<p><b>Allowances</b></p> <ul style="list-style-type: none"> <li>➤ Award Transport payments</li> <li>➤ Cents per Kilometre</li> <li>➤ Domestic or Overseas Travel Allowances and overseas Accommodation</li> <li>➤ Laundry</li> <li>➤ Overtime Meal Allowances</li> <li>➤ Qualifications / Certificates (previously reported in Gross)</li> <li>➤ Tasks (previously reported in Gross)</li> <li>➤ Tool Allowances (New)</li> <li>➤ Other Allowances</li> <li>➤ Other – General</li> <li>➤ Other – Home Office</li> <li>➤ Other – Non-Deductible</li> <li>➤ Other – Other</li> <li>➤ Other – Private Vehicle</li> <li>➤ Other - Uniform</li> </ul>	Other – Other will report the Allowance Description in the STP Report

<b>Lump Sums</b> <ul style="list-style-type: none"> <li>➤ Lump Sum A Type T</li> <li>➤ Lump Sum A Type R</li> <li>➤ Lump Sum B</li> <li>➤ Lump Sum D</li> </ul>	<b>Lump Sums</b> <ul style="list-style-type: none"> <li>➤ Lump Sum A Type T</li> <li>➤ Lump Sum A Type R</li> <li>➤ Lump Sum B</li> <li>➤ Lump Sum D</li> <li>➤ Lump Sum E – include year.</li> <li>➤ Lump Sum W</li> </ul>	
<b>ETP</b>	<b>ETP</b> <ul style="list-style-type: none"> <li>➤ Life Benefit</li> <li>➤ Death Benefit</li> </ul>	
Exclude on PAYG	Do Not Report to ATO	

## Reporting Category STP Phase 1 v STP Phase 2 – Deductions

STP Phase 1 – 2018 Service	STP Phase 2 2020 Service	Details
Salary Sacrifice	<ul style="list-style-type: none"> <li>➤ Salary Sacrifice – Super (RESC)</li> <li>➤ Salary Sacrifice – Super (No RESC)</li> <li>➤ Salary Sacrifice – Other Employee Benefits</li> </ul>	
Workplace Giving	Workplace Giving	Workplace Giving can only be selected as a Deduction Code if the deduction is After Tax
Fees	Fees	Fees can only be selected as a Deduction Code if the deduction is After Tax
	Do Not Report to ATO	Default option if Salary Sacrifice, Workplace Giving or Fees is not selected.

## Appendix B - Review of Payroll Payment Parameters

See below for examples for the new fields for Reporting Category and Reporting Sub Category that have been added to the Payroll Codes – Payments parameter.

Where you had an Allowance for Payroll Event 2018, these have been updated with the new reporting category and the Payroll Event 2018 Allowance Code has been applied with the code of Car, Transport, Laundry, Meals, Travel or Other as previously defined.

We suggest you contact the ATO or your Accountant to ensure settings are correct.

Menu bar, Parameters tab → Set Parameters → Payroll → Payroll Codes – Payments.

### Gross

Gross is the total of reportable income less the separately itemised components that are now discretely reported. Including ordinary hours, base pay, normal hours, salary or wages, gross includes the pre-sacrifice amount of salary or wage attendances for the ordinary span of hours including flexible working arrangements.

Payroll Code	Description (Example)	Settings
HO	Ordinary Time	Ordinary Time Earnings – ticked. No PAYGW - unticked Reporting Category – Gross Reporting Sub Category - blank Bonus Tax Calculation - unticked

### Overtime

Overtime is the pre-sacrifice amount for work done beyond the ordinary hours of work, outside the agreed number of hours or outside the spread of ordinary hours.

Payroll Code	Description (Example)	Settings
HOT HOT1 HOT2	Overtime	Ordinary Time Earnings – unticked No PAYGW - unticked Reporting Category – Overtime Earnings Reporting Sub Category - blank Bonus Tax Calculation - unticked

## Bonuses and Commissions

Bonuses are the pre-sacrifice lump sum payment to reward for work or services performed in the ordinary span of hours.

Payroll Code (Example)	Description (Example)	Settings
ABON [you may have a different code for your bonus payments]	Bonus	Ordinary Time Earnings – ticked. No PAYGW – unticked Reporting Category – Bonuses and Commissions Reporting Sub Category – blank Bonus Tax Calculation – ticked
ABNS [you may have a different code for your bonus payments]	Bonus – No Superannuation	Ordinary Time Earnings – unticked No PAYGW – unticked Reporting Category – Bonuses and Commissions Reporting Sub Category – blank Payroll Event 2018 Allowance Code - Other Bonus Tax Calculation – ticked

## Paid Leave

Treatment of Paid Leave is dependent on the Payment Type and whether the employment, to which the payment relates, is ongoing or terminated. Valid options include:

- Cash out of leave in service
- Unused leave on termination – Post 17 August 1993 component
- Paid Parental Leave – includes Government Paid Parental Leave and pre-sacrifice amount of paid absence from workplace.
- Workers Compensation
- Ancillary and Defence Leave – Community Service e.g., SES, RSPCA or Jury duty
- Other Paid Leave – includes Annual Leave, Leave Loading, Long Service Leave, Personal Leave, paid RDO, paid TOIL, any other forms of paid leave not identified separately including Compassionate and bereavement leave, Study leave, Family and domestic violence leave.
- Lump sums – see Lump Sums
- Employment Termination Payment – see ETP.

See the ATO website regarding [Paid Leave](#) for more information.

Payroll Code (Example)	Description (Example)	Settings
HLA HLS	Annual Leave Sick Leave	Ordinary Time Earnings – ticked. No PAYGW – unticked

Payroll Code (Example)	Description (Example)	Settings
HLL HLC	Long Service Leave Compassionate Leave	Reporting Category – Leave Reporting Sub Category – Other Paid Leave Bonus Tax Calculation – unticked
HLW	Leave without Pay	Ordinary Time Earnings – unticked No PAYGW – unticked Reporting Category – Gross Reporting Sub Category – blank Bonus Tax Calculation – unticked
HLL HLV	Unused Annual Leave Unused Long Service Leave	Ordinary Time Earnings – unticked No PAYGW – unticked Reporting Category – Leave Reporting Sub Category – Unused Leave on Termination Bonus Tax Calculation – unticked
HLT	Time in Lieu	Ordinary Time Earnings – ticked. No PAYGW – unticked Reporting Category – Leave Reporting Sub Category – Other Paid Leave Bonus Tax Calculation – unticked
HLP	Paid Parental Leave	Ordinary Time Earnings – unticked No PAYGW – unticked Reporting Category – Leave Reporting Sub Category – Paid Parental Leave Bonus Tax Calculation – unticked
HLW	Workers Compensation	Ordinary Time Earnings – unticked No PAYGW – unticked Reporting Category – Leave Reporting Sub Category – Workers Compensation Bonus Tax Calculation – unticked
HLD	Ancillary and Defence Leave	Ordinary Time Earnings – unticked No PAYGW – unticked Reporting Category – Leave Reporting Sub Category – Ancillary and Defence Leave Bonus Tax Calculation – unticked

## Lump Sums

Payments that have concessional tax treatments in recognition of the timing or nature of the lump sum payment.

Payroll Code	Description (Example)	Settings
ALSA	Lump Sum A - Other Reasons	Ordinary Time Earnings - unticked No PAYGW - unticked Reporting Category - Lump Sum Payment Reporting Sub Category - Lump Sum A Type T Payroll Event 2018 Allowance Code - blank Bonus Tax Calculation - unticked
ALSAR	Lump Sum A - Redundancy	Ordinary Time Earnings - unticked No PAYGW - unticked Reporting Category - Lump Sum Payment Reporting Sub Category - Lump Sum A Type R Payroll Event 2018 Allowance Code - blank Bonus Tax Calculation - unticked
ALSB	Lump Sum B	Ordinary Time Earnings - unticked No PAYGW - unticked Reporting Category - Lump Sum Payment Reporting Sub Category - Lump Sum B Payroll Event 2018 Allowance Code - blank Bonus Tax Calculation - unticked
ALSD	Lump Sum D	Ordinary Time Earnings - unticked No PAYGW - ticked. Reporting Category - Lump Sum Payment Reporting Sub Category - Lump Sum D Payroll Event 2018 Allowance Code - blank Bonus Tax Calculation - unticked
ALSE	Lump Sum E	Ordinary Time Earnings - ticked. No PAYGW - unticked Reporting Category - Lump Sum Payment Reporting Sub Category - Lump Sum E Payroll Event 2018 Allowance Code - blank Bonus Tax Calculation - unticked
ALSW	Return to Work Payment Lump Sum W	Ordinary Time Earnings - ticked. No PAYGW - unticked Reporting Category - Lump Sum Payment Reporting Sub Category - Return to Work Payment Payroll Event 2018 Allowance Code - blank Bonus Tax Calculation - unticked

## Allowances

All allowances including those that used to be reported as Gross are now to be separately itemised. Allowances have been classified for PAYGW, superannuation and reporting purposes as follows:

- Deductible Expense up to ATO measure
- Deductible Expense in excess of ATO measure
- Deductible Expense not measured
- Non-deductible Expense
- Services
- Not reportable to the ATO

Examples of how each of the above classifications can be set are provided below.

### Deductible Expenses up to ATO Measure

- No PAYGW
- Super: Exempt Salary or Wages

Payroll Code (Example)	Description (Example)	Settings
AMV	Motor Vehicle – Up to ATO Measure  Rate up to and including the ATO reasonable amount and up to the limit of 5,000 business km	Ordinary Time Earnings - unticked No PAYGW - ticked Reporting Category – Allowances Reporting Sub Category – Cents per kilometre Payroll Event 2018 Allowance Code – Car Bonus Tax Calculation - unticked
ALA	Laundry  Rate up to ATO measure for washing, drying and/or ironing uniforms required for business purposes.	Ordinary Time Earnings - unticked No PAYGW - ticked Reporting Category – Allowances Reporting Sub Category – Laundry Payroll Event 2018 Allowance Code – Laundry Bonus Tax Calculation - unticked

### Deductible Expense in excess of ATO Measure

- PAYG on Excess Only
- Super - Employer Assessment:
  - ❖ Fully Expended – Exempt Salary or Wages
  - ❖ Else either:
    - Outside ordinary span of hours (Salary and Wages)
    - Ordinary span of hours (OTE)

Payroll Code (Example)	Description (Example)	Settings
AMVE	Motor Vehicle – In excess of ATO Measure  Rate in excess of the ATO reasonable amount and in excess of the limit of 5,000 business km	Ordinary Time Earnings – ticked if not fully expended and referable to ordinary span of hours No PAYGW - unticked Reporting Category – Allowances Reporting Sub Category – Cents per kilometre Payroll Event 2018 Allowance Code – Car Bonus Tax Calculation - unticked
ALAE	Laundry – In excess of ATO Measure  Rate in excess of ATO measure for washing, drying and/or ironing uniforms required for business purposes.	Ordinary Time Earnings - ticked if not fully expended and referable to ordinary span of hours No PAYGW - unticked Reporting Category – Allowances Reporting Sub Category – Laundry Payroll Event 2018 Allowance Code – Laundry Bonus Tax Calculation - unticked

### Deductible Expense not measured

- PAYG on full amount
- Super: as for Deductible Expense in excess of ATO Measure

Payroll Code (Example)	Description (Example)	Settings
AQNS	Qualification  Deductible expense allowance paid for maintaining a qualification required to perform the work or services. There is no ATO measure for these types of deductible expenses.	Ordinary Time Earnings – ticked if not fully expended and referable to ordinary span of hours No PAYGW – unticked. Reporting Category – Allowances Reporting Sub Category – Qualification Allowance Payroll Event 2018 Allowance Code – blank Bonus Tax Calculation – unticked

### Non-deductible Expense

- PAYG on full amount
- Super - Employer Assessment as either:
  - ❖ Outside ordinary span of hours (Salary and Wages)
  - ❖ Ordinary span of hours (OTE)

Payroll Code (Example)	Description (Example)	Settings
ACKP	<p>Cents per Kilometre Private Purposes</p> <p>Non-Deductible expense allowance where the PAYG is as per salary and wages.</p>	<p>Ordinary Time Earnings – ticked if referable to ordinary span of hours</p> <p>No PAYGW – unticked.</p> <p>Reporting Category – Allowances</p> <p>Reporting Sub Category – Other – Non-Deductible</p> <p>Payroll Event 2018 Allowance Code – blank</p> <p>Bonus Tax Calculation – unticked</p>

### Services

- As for Non-deductible Expense

Payroll Code (Example)	Description (Example)	Settings
ATFA	<p>Task – First Aid</p> <p>Services allowance paid to compensate employee for specific tasks or activities performed. These allowances were formerly reported in Gross.</p>	<p>Ordinary Time Earnings – ticked if referable to ordinary span of hours</p> <p>No PAYGW – unticked.</p> <p>Reporting Category – Allowances</p> <p>Reporting Sub Category – Task Allowance</p> <p>Payroll Event 2018 Allowance Code – blank</p> <p>Bonus Tax Calculation – unticked</p>

### Not Reportable to the ATO

Payroll Code (Example)	Description (Example)	Settings
AMNR	<p>Meal Allowance – Non-Reportable</p> <p>Award overtime meal allowance up to ATO reasonable amount are not to be reported as income.</p>	<p>Ordinary Time Earnings – unticked</p> <p>No PAYGW – ticked.</p> <p>Reporting Category – Do Not Report to ATO</p> <p>Reporting Sub Category – blank</p> <p>Payroll Event 2018 Allowance Code – blank</p> <p>Bonus Tax Calculation – unticked</p>

Payroll Code (Example)	Description (Example)	Settings
ATNR	<p>Travel Allowance – Non-Reportable</p> <p>Travel and accommodation allowance up to ATO reasonable amount are not to be reported as income.</p>	<p>Ordinary Time Earnings – unticked</p> <p>No PAYGW – ticked.</p> <p>Reporting Category – Do Not Report to ATO</p> <p>Reporting Sub Category – blank</p> <p>Payroll Event 2018 Allowance Code – blank</p> <p>Bonus Tax Calculation – unticked</p>
AMVNR	<p>Reimbursement Motor Vehicle</p> <p>Reimbursement of expense verifiable by receipts incurred by the payee in course of their duties.</p>	<p>Ordinary Time Earnings – unticked</p> <p>No PAYGW – ticked.</p> <p>Reporting Category – Do Not Report to ATO</p> <p>Reporting Sub Category – blank</p> <p>Payroll Event 2018 Allowance Code – blank</p> <p>Bonus Tax Calculation – unticked</p>

Refer to ATO website for reporting of [Allowances](#).

## Appendix C - Review of Payroll Deduction Parameters

Check Deduction Parameters for correct settings, examples are provided below:

Menu bar, Parameters tab → Set Parameters → Payroll → Payroll Codes – Deductions.

### Type 1 – Separately Reportable Deductions e.g., Union Fees or Workplace Giving

Payroll Code (Example)	Description (Example)	Settings
DUF	Union fees	After Tax – ticked* Deduction Code – Fees
DRED	Red Cross	After Tax – ticked* Deduction Code – Workplace Giving

\* LawMaster does not support Before Tax deductions for Fees and Workplace Giving. Employees should recover any tax deduction on their Tax Return.

### Type 2 – Non-Reported Deductions e.g., Garnishee

Payroll Code (Example)	Description (Example)	Settings
DGAR	Garnishee	After Tax – ticked* Deduction Code – Do Not Report to ATO

### Type 3 – Salary Sacrifice (excluding Super) e.g., Salary Sacrifice Motor Vehicle

Payroll Code (Example)	Description (Example)	Settings
DMOV	Salary Sacrifice Motor Vehicle (pre-tax)	After Tax – unticked Deduction Code – Salary Sacrifice – Other Employee Benefits
DECM	Employee Contribution Motor Vehicle (post-tax)	After Tax – ticked. Deduction Code – Do Not Report to ATO

### Type 4 – Salary Sacrifice Super

Payroll Code (Example)	Description (Example)	Settings
DSUS	Superannuation Salary Sacrifice (pre-tax)	After Tax – unticked Deduction Code – Salary Sacrifice – Super (RESC)
DSUP	Employee Funded Superannuation Contribution (post-tax)	After Tax – ticked. Deduction Code – Do Not Report to ATO

**Note:** Any after tax deductions other than Fees and Workplace Giving should be set with the Deduction Code of “Do Not Report to ATO”.