MYOB Greentree

STP Phase 2 Transition – Australian Payroll Only

Last Updated: 28 June 2022

myob

Contents

STP Phase 2

The MYOB Greentree system is being updated for the Single Touch Payroll expansion, also called STP Phase 2, that comes into effect from 1 January 2022. Under STP Phase 2, more information is reported to the ATO; however, the way you submit STP returns has not changed.

For more information, see "Expanding Single Touch Payroll (Phase 2)" on the ATO website.

Document Version

The table below summarises what's changed with each version of this document.

Version	Summary	Publication Date
1	Initial release	November 2021
2	Added information about lump sum E and transaction type changes	June 2022

Before Upgrading

The steps in this section can be done at any time from now until 2021.3.0 is applied.

> **Note:** Ensure that any pay runs and TFN declarations have been submitted successfully to the ATO.

Check the setup of the **Employee Maintenance** > **Tax Config** tab. There may be sites/employee where the payroll has been migrated from another product and the TFN declarations etc. have been completed in the previous payroll system. In these instances, the onboarding section of the Employee Maintenance may not have been completed. Sites need to determine if they will update the onboarding section and then confirm employee setup after the pack has been applied, or if all updates will be made after the pack has been applied.

The following fields will be removed from the form and mapped to new fields on upgrade (see the Mappings for the New Fields section on page 2):

- Foreign Employment Type
- Payment Summary
- Income Type
- Payment Summary has been Amended
- Allow TFN Disclosure
- Entire Onboarding Section

Check the Payment Summary Configuration form (**HR** > **System** > **Payroll** > **Payment Summary Configuration**) Confirm that transaction types are correctly setup for STP Phase I. The user interface will be updated and where possible the fields will be mapped on upgrade.

Enter Journals (HR > Payroll > Other functions > Enter Journals). Because of the reporting changes for STP Phase II, there may be some allowances or pay items that need to be split out to multiple STP Categories/STP Type Codes. New transaction types may need to be setup to cater for this so that, when the site is upgraded to STP phase II, these can be mapped to the new categories and codes. Because the change is occurring mid-financial year, existing pays may contain pay items that will now need to be journaled to have the correct year to date amounts. Enter Journals if required to transfer items from one transaction type to another for future categorisation for STP Phase II purposes.

During the Upgrade

Employee Maintenance – Tax Configuration Tab

Below is the new user interface for Tax Config tab of Employee Maintenance. The selections within these fields have been mapped where possible from the existing fields.

Mappings for the New Fields

Employment Basis: Mapped directly from the existing field for Employment Basis

Income Type: This will be mapped from a combination of the Foreign Employment, Payment Summary and Income Type Field and Payee Tax Status

Original Field	Income Type (New)
Foreign Employment Type – Foreign Employment Income	Foreign Employment Income
Foreign Employment Type – Joint Petroleum Development Area	Joint Petroleum Development Area
Payment Summary – Labour Hire	Labour Hire
Payment Summary – Other Specified Payment	Other Specified Payment
Payment Summary – Voluntary Agreement	Voluntary Agreement
Payment Summary – Do Not Print	Do not Submit
Payment Summary – Individual Non Business/Income Type – Salary and Wages	Salary and Wages
Payment Summary – Individual Non Business/Income Type - Working Holiday Makers	Working Holiday Makers
Payment Summary – Personal Services Attributed Income/ Income Type – Salary and Wages	Salary and Wages
Payment Summary – Personal Services Attributed Income /Income Type - Working Holiday Makers	Working Holiday Makers

Country Code: Only applicable where the Income Type is Foreign Employment, Inbound Assignees to Australia or Working Holiday Makers

Total Tax Offset Amount: Mapped directly from existing field

Category: Mapped based on Income Type (New Field), Tax Code or TFN

Income Type	Tax Code	TFN	Category (New)
No Income Type			Blank
Working Holiday Makers			Working Holiday Makers
Seasonal Workers Programme			Seasonal Workers Program
Voluntary Agreement			Voluntary Agreement
	C01, C02, C05, C06, C101, C102, C105, C106, C108, C109		Regular
	C03, C103		Foreign Resident

C04, C14	000000000 or 111111111	No TFN	
C32, C33, C34	444444444	Seniors and Pensioners	

Option: Mapped based on Category set as per above table, Tax Code, Income Type (New) and existing setting "Do they want to claim the tax-free threshold?"

Category	Claim Tax Free	Tax Code	Option (New)
Regular	true		Tax Free Threshold
Regular		C02, C102	Tax Free Threshold
Regular	false		No Tax Free Threshold
Regular		C01, C101	No Tax Free Threshold
Foreign Resident			Foreign Resident
No TFN		C04	Australian Resident
No TFN		C14	Foreign Resident
Working Holiday Makers		C14	Foreign Resident No TFN Provided
Season Worker Programme			Seasonal Worker Programme
Seniors and Pensioners		C32	Single
Seniors and Pensioners		C33	Illness Separated
Seniors and Pensioners		C34	Member of Couple

Study Training Support Loans: Mapped based on Category/Option (New Fields), tax Code and existing settings "Do they have a Higher Education Loan Program….?" Or "Do they have a Financial Supplement (SFSS) Debt?

- Categories that are Regular (Except Daily Casuals), Seniors and Pensioners or Foreign Residents AND where either HRPerson.TFNDecStudentLoan = true or HRPerson.TFNDecHelp = true then Study Training Support Loan will be set to "Applies"
- Categories that are Regular (Except Daily Casuals), Seniors and Pensioners or Foreign Residents AND where tax code = C101, C102, C103, C105, C103, C108, C109 then Study Training Support Loan will be set to "Applies"

Levy Exemption: Mapped based on Category/Option (New Fields) and Tax Code

- Categories that are Regular/Tax-Free Threshold or Seniors and Pensioners AND Tax Code = C05 or C105 then Levy Exemption = Full
- Categories that are Regular/Tax-Free Threshold or Seniors and Pensioners AND Tax Code = C06 or C106 then Levy Exemption = Half

STP Configuration Form

The Payment Summary Configuration form has been renamed to STP Configuration, and the user interface has been modified to enable the selection of STP Categories and Types for each transaction type.

Each of the tabs for transaction types now use droplists to select STP Categories and STP Type Codes
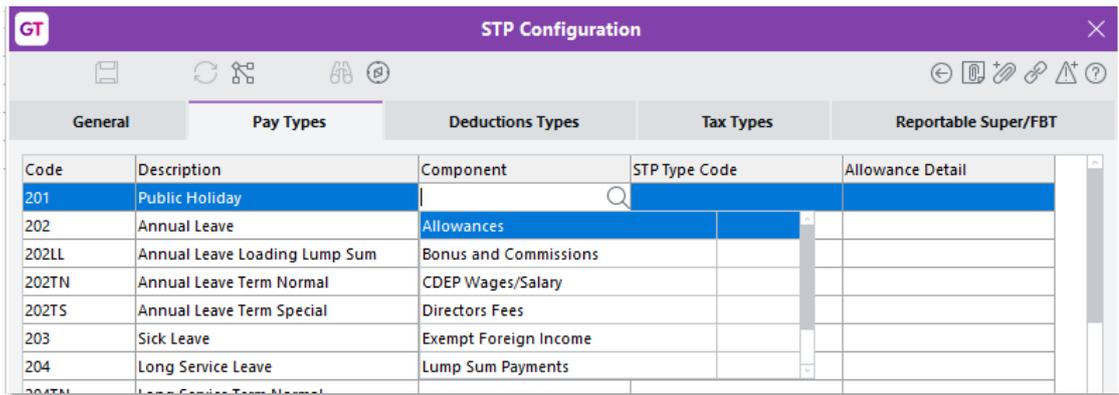
Mappings from the existing Payment Summary Configuration to the new STP Configuration

Pay Transaction Types

Old Type	New Component/STP Type Code
Allowances - Car	Component = Allowances STP Type Code = Cents per km
Allowances - Laundry	Component = Allowances STP Type Code = Laundry
Allowances - Meals	Component = Allowances STP Type Code = Overtime Meal Allowance
Allowances - Transport	Component = Allowances STP Type Code = Award Travel Payments
Allowances - Travel	Component = Allowances STP Type Code = Travel Allowance/Accommodation
CDEP Wages/Salary Tab	Component = CDEP Wages/Salary
Lump Sum Payment/Lump Sum A tab	Component = Lump Sum Payments STP Type Code = Lump Sum A Type R
Lump Sum Payment/Lump Sum B tab	Component = Lump Sum Payments STP Type Code = Lump Sum B
Lump Sum Payment/Lump Sum D tab	Component = Lump Sum Payments STP Type Code = Lump Sum D
Lump Sum Payment/Lump Sum E tab	Component = Lump Sum Payments STP Type Code = Lump Sum E
Exempt Foreign Income tab	Component = Exempt Foreign Income

Job Maker/Job Keeper set as Other Allowances	Any "Other allowance" that starts with JM or JK will be mapped Category = Allowances
	STP Type Code = Other Allowance/Allowance Details = as per the description

Deduction Transaction Types

- When selected on Workplace Giving tab, will be mapped to Component = Deductions/STP Type Code = Workplace Giving
- When selected on Union Fees Tab, will be mapped to Component = Deductions/STP Type Code = Fees.

Tax Transaction Types

- When selected on the Tax Tab, will be mapped to Component = PAYGW
- When selected as Foreign Tab Pad on Foreign Income tab, will be mapped to Component = Foreign Tax Paid

Employer Cost Types

- When selected on the Reportable Super Tab, will be mapped to Component = Super Entitlement/STP Type Code = Reportable Superannuation
- When selected as Reportable Fringe Benefit/Exempt, will be mapped to Component = Fringe Benefit/STP Type Code = Exempt
- When selected as Reportable Fringe Benefit/Taxable, will be mapped to Component = Fringe Benefit/STP Type Code = Taxable

The system will now be using STP Phase 2.

After the Upgrade

Before a site can start the next payroll and submit to the ATO, the following setup steps need to be completed.

Termination Reasons

Map the existing Termination Reasons to ATO Reasons, this is done via HR > System > Utilities > Lookup Maintenance. Recall the Lookup Termination reason and for each reason in the system select an ATO Reason. Users will receive an error when a Termination Reason is used or submitted to the ATO where there is no ATO Reason selected.

Employee Setup

Check the employee via the STP Employee Setup form (HR System Script). This new form has been provided so the Employees can be checked in bulk. This form displays all the new STP fields set on employees. Check the information for each employee. Employees that would not pass the STP validation if submitted via STP will be highlighted in red. When a highlighted employee is selected, the reason for the error is displayed in the Errors pane at the bottom of the screen. Any required changes can be made to employees via drill down and will be automatically updated back to the STP Employee Setup Form.

Export and **Import** buttons have been included on this form. If a site wants to do their setup on a test system, this can then be exported and imported into the live system once the upgrade to the live system has been completed.

STP Configuration

Check the STP Configuration form (HR > System > Payroll > STP Configuration), check all items that were automatically mapped via the upgrade process to ensure they are correct. For items that were not automatically mapped select STP Components and if applicable STP Type Codes for these items.

Pay Types Tab

Pay Types that were previously reported as Gross now need to split out to provide more information to the ATO, this is referred to as the disaggregation of Gross in any ATO documentation. Some Components require a STP Type Code, where an STP Type Code is available this will be mandatory. Droplist contents are as follows:

Component	Applicable STP Type Codes	Applicable Allowance Detail
Allowances		
	Award Transport Payments	
	Cents per km	
	Do Not Report	
	Laundry	
	Other Allowance	
		General
		Home Office

		Non Deductable
		Private Vehicle
		Transport/Fares
		Uniform
		+ any JK or JM Codes already used
	Overtime Meal Allowance	
	Qualifications/Certificates	
	Tasks	
	Tools Allowance	
	Travel Allowance/Accommodation	
Bonus and Commissions		
CDEP Wages/Salary		
Directors Fees		
Exempt Foreign Income		
Lump Sum Payments		
	Lump Sum A Type R	
	Lump Sum A Type T	
	Lump Sum B	
	Lump Sum D	
	Lump Sum E	
	Lump Sum E	
	Return to Work Payments	
Overtime		
Paid Leave		
	Ancillary and Defence Leave	
	Cash out of Leave in service	
	Other Paid Leave	
	Paid Parental Leave	
	Unused leave on termination	
	Workers Compensation	
Gross		

Exclude from Gross

Deduction Types Tab

All Deduction Components require a STP Type Code. Droplist Contents are as follows:

Component	STP Type Code
Deduction	
	Child Support Deduction
	Child Support Garnishee
	Fees
	Workplace Giving
Salary Sacrifice	
	Superannuation
	Other Employee Benefits
Include in Gross	

If a deduction has a Component of Salary Sacrifice set then this will become available on the Employer Costs to also be selected as either Reportable Fringe Benefit or Super Entitlement.

Tax Types Tab

Tax types only require a Component to be selected. Applicable components are "PAYGW" or "Foreign Tax Paid".

Reportable Super/FBT Tab

Component	STP Type Code
Reportable Fringe Benefit	
	Exempt
	Taxable
Super Entitlement	
	Superannuation Liability
	Reportable Superannuation

Transaction Type Maintenance

The STP Component and STP Type Codes can also be set on the STP tab of each Transaction Type Form. The droplists available are as per the tables above.

From version 2022.2.0 onwards, the **Component** field is compulsory for all transaction types, except those that are setup as ETP transaction types on the **HR Module Control** form.

On the **Transaction Type** and **STP Configuration** forms, if a transaction type hasn't been assigned an STP component, then you'll see a warning when saving the form. You'll see the same warning when saving the **STP Configuration** form if a transaction type hasn't been assigned an STP component. These are just warnings, so you won't be stopped from saving the forms.and the user can continue. On submission of STP there is an additional check for transaction types without an STP component this will prevent the submission to the ATO until the transaction types have the correct setup for STP.

> **Note:** To avoid confusion, ETP transaction types are no longer displayed in the STP Configuration. Also, they're not validated when saving the **STP Configuration** or **Transaction Types** forms, or when submitting STP to the ATO.

Version 2022.2.0 also added an **Exclude from STP Submission** droplist option for all transaction types.

Income Types/Country Codes

If an employee's Income Type changes within a financial year, the YTD amounts need to be submitted to the ATO for each of the Income Type/Country Code combinations. To support this, after upgrading and once the Employees setup has been confirmed, there is:

- A new script called Populate Income Type/Country Code.
- The existing Change Pays script, which has been updated.

Populate Income Type/Country Code

This script can be run for all employees, for a single pay group or for a single employee. When running this script, it populates the Income Type and Country Code that is currently set on the Tax Config Tab of the Employee Maintenance Screen to all Pays and HR Journals dated after 01/07/2019.
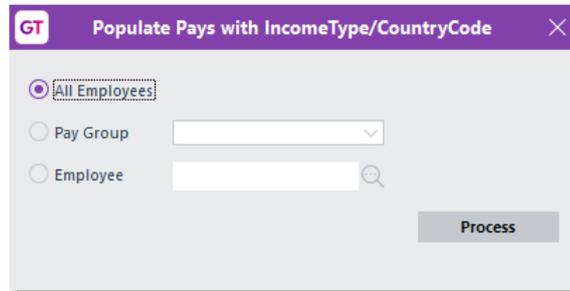
Change Pays

This existing script has been updated to enable a user to select a single employee and individual pays and then update the Income Type and Country Code for the selected pay.

Changes to Process

There are no changes to the process of creating a pay or to the submission process; however, two entry forms have been updated.

Pay Entry

Income Type and Country (where applicable) have been added to the header of the Pay Entry form. This information defaults for the Employee Maintenance form and is read only. To change this information for a pay, delete the pay, update the employee, then create the pay again. Alternatively, a user could also run the Change Pays system script to update if necessary.

HR Journal

The Income Type and Country field (If applicable) has been added to the HR Journal form. This will default from the employee maintenance. However, it can be modified to correct any YTD amounts for different Income Type/Country Code combinations.

Validation

Validation as per the ATO requirements has been added at various points within the system to ensure that users are notified of any issues when they occur rather than when these are submitted.

Validation occurs on save of the employee record; this will not prevent the save of the Employee but will warn the user of any issues. Validation will also occur when pays are imported or processed. This also displays a warning rather than preventing the transaction from being saved. Any warnings will display in the Errors/Warning box at the bottom of the Import or Process Pays form. On submit the file will be validated and any errors displayed, the file cannot be submitted or previewed until any errors are corrected.

Setup Requirements

Because of the changes to the STP Configuration form, there are also minor changes to how you set up some employment types and functions.

Exempt Foreign Income

If an employee receives exempt foreign income, select **Salary and Wages** in the **Income Type** field in the **Tax Config** tab.

> **Note:** Select the other settings as per the employee's TFN declaration.

When entering a pay line for the exempt foreign income, use a transaction type where the **Component** field is set to **Exempt Foreign Income** on the **STP** tab.

Foreign Income

If an employee receives foreign employment income, select **Foreign Employment Income** in the **Income Type** field in the **Tax Config** tab. Then, you need to select a country in the **Country** field.
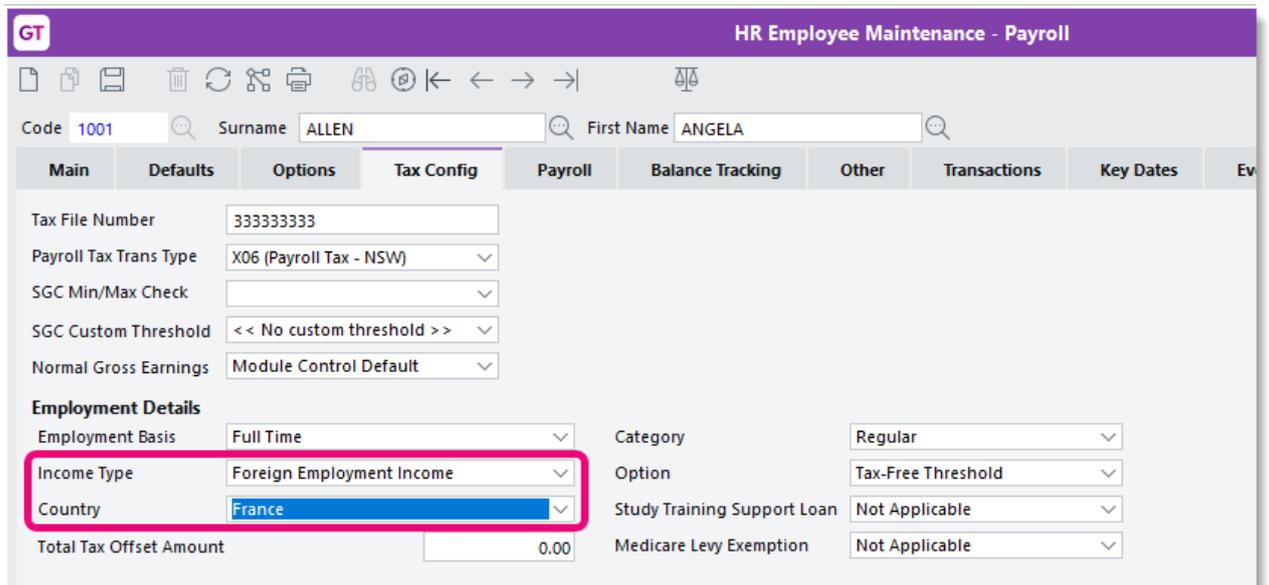
When a foreign income employee is paid, standard pay and deduction types are used.

In the **STP Configuration** form for a foreign income employee, you can use standard STP components, like **Gross**, **Allowances**, **Salary Sacrifice** etc. On the **Pay Entry Tax** tab, you need to enter any foreign tax payable. To do so, use a transaction type where the **Component** field is set to **Foreign Tax Paid** on the **STP** tab.

If PAYG is applicable, you need to use a transaction type where the **Component** field is set to **PAYG** on the **STP** tab.
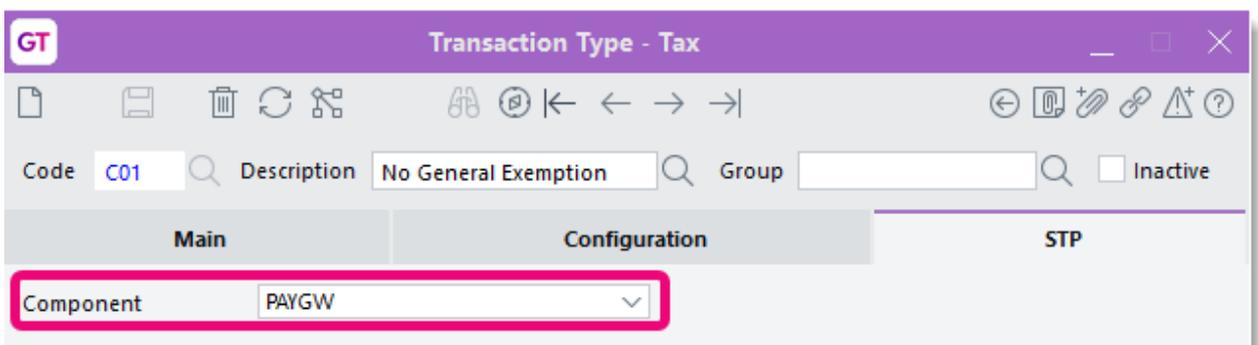
Employee Termination Payments (ETPs)

The following hasn't changed:

- The JSON file still includes ETPs in their own section.
- You still define ETPs in **HR Module Control**.
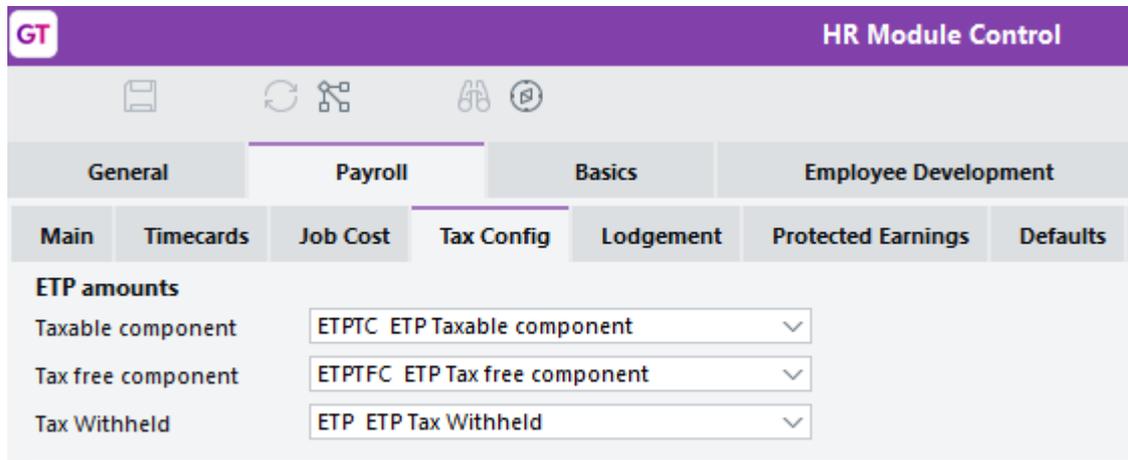
In the **STP Configuration** form for the following transaction types, leave the fields blank on the **STP** tab:

- **ETP Taxable component**
- **ETP Tax free component**
- **ETP Tax Withheld**.
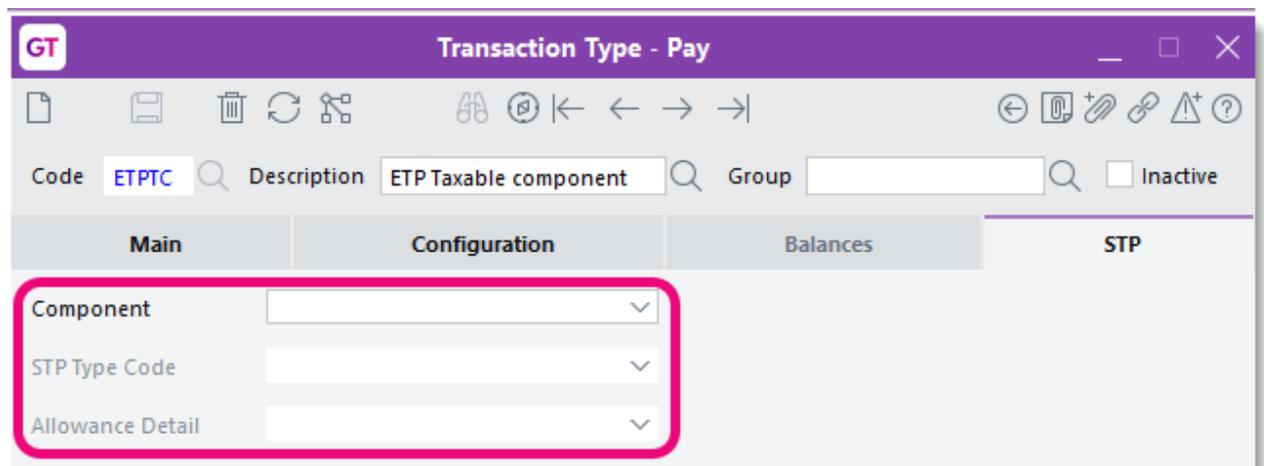
This ensures that the Gross and the ETP information update correctly in the JSON file.

Back Pays

The **Back Pay Configuration** screen lets you set up **Rate**, **Amount** and **Tax** transaction types. However, you need to assign an STP component to them in the **STP Configuration** form, which ensures that the amounts update correctly in the JSON file. This is because back pays don't have their own section in the JSON file.

Lump Sum E Transaction Type

When a payment to an employee has an STP component of **Lump Sum E**, the STP submission needs to include the year the payment is associated with.

For this to be reported correctly, the lump sum E transaction type needs to have the **Date Is Compulsory** checkbox selected.

When entering a pay that includes lump sum E, enter the date that the lump sum payment applies to in the **Date From** field. This will be used in the STP Submission file.