# Year End 2021/22 Payroll Checklist

The end of a financial year is a busy time and it's easy to overlook critical processes. This simple checklist provides some prompts for the tasks that every payroll professional should be doing to remain compliant and ready to face the year ahead.

| No. | Item | Does it apply? | Done |
|---|---|---|---|
| 1 | **Employee income statement (EIS)**<br><br>If you didn't last year, remind employees that they will not be receiving a payment summary this year.<br><br>**For more information:**<br>Fact sheet for employees<br><br>Advise employees to check their personal details are correct and up to date, e.g. Contact phone number, email address. | Yes | ☐ |
| 2 | **Withholding variations**<br><br>Check for PAYG withholding variations that are set to end on 30 June 2022.<br><br>Remind employees with withholding variations that end on 30 June 2022 that they will need to lodge a new one with the ATO.<br><br>**For more information:**<br>Withholding variations | Yes / no | ☐ |
| 3 | **Superannuation concessional contributions**<br><br>Check with your clearing house when contributions need to be received by, in order for them to be included in the 2022 financial year.<br><br>Advise employees about cut off dates for contributions to be included in 2022 caps. The 2022–2023 cap will remain at $27,500 per year.<br><br>**For more information:**<br>Timing of contributions<br>Concessional contribution caps | Yes / no | ☐ |
| 4 | **Terminate unused casual employees (optional)**<br><br>Determine any casual staff who can be terminated in the system.<br><br>**Note:** If you have not used any casual staff in the last 12 months, it is good practice to terminate them in the system. This limits exposure to long service leave (LSL) in the future and will reduce the amount of employee files for the system to go through for finalisation. | Yes / no | ☐ |

<table>
<tr><th>No.</th><th>Item</th><th>Does it apply?</th><th>Done</th></tr>
<tr><td>5</td><td>Working Holiday Makers program (WHM)<br><br>Check WHM status is recorded correctly (use VEVO to see if visa details have changed).<br><br>Note: If a WHM became a resident for tax purposes throughout the year, you will need to amend their STP Phase 1 data, so they will have two income statements (one for WHM and one for resident). Contact your payroll software support team if you need assistance.</td><td>Yes / no</td><td>☐</td></tr>
<tr><td>6</td><td>Allowances<br><br>Check allowances are mapped to correct STP Phase 1 codes.<br><br>
<table>
<tr><th>STP allowance field</th><th>Example of type of allowance</th></tr>
<tr><td>Laundry</td><td>Deductible clothing allowance</td></tr>
<tr><td>Meal</td><td>Award overtime meal allowance</td></tr>
<tr><td>Transport</td><td>Deductible award transport payments</td></tr>
<tr><td>Travel</td><td>Overnight travel</td></tr>
<tr><td>Other</td><td>Tools, uniform, dry cleaning, work-related travel (not overnight)</td></tr>
</table>
<br>ATO allowance criteria:<br>ATO allowances<br><br>ATO car expenses</td><td>Yes</td><td>☐</td></tr>
<tr><td>7</td><td>JobMaker<br><br>Check JobMaker markers are reported correctly through STP Phase 1 and reconcile claims.<br><br>For more information:<br>JobMaker hiring credits key dates</td><td>Yes / no</td><td>☐</td></tr>
<tr><td>8</td><td>Reportable fringe benefits tax (RFBT)<br><br>If the RFBT amount is over the threshold and has not been reported throughout the year, report in an “update event”.<br><br>Note: This information is usually provided by the company accountant or finance department.<br><br>For more information:<br>Fringe benefits tax - rates and thresholds</td><td>Yes / no</td><td>☐</td></tr>
</table>

| No. | Item | Does it apply? | Done |
|---|---|---|---|
| 9 | **Reportable employer superannuation contributions (RESC)**<br><br>Check RESC are reporting to the correct area in your STP Phase 1 reports.<br>If RESC has not been STP reported throughout the year, report in an "update event".<br><br>**Note**: RESC are reported for the year they accrued, not the year they were paid.<br><br>**For more information:**<br>Identify reportable employer super contributions | Yes / no | ☐ |
| 10 | **Payroll tax June reporting – COVID-19 concessions available**<br><br>Check the states and territories you work in for concessions introduced due to COVID-19 that may still apply. Get to know how concessions are applied in the reporting process. Format reports to provide the information required by the different governing bodies.<br><br>Website links to each state and territory with payroll tax concessions:<br><br>NSW - Revenue NSW<br><br>VIC - State Revenue Office<br><br>SA - Revenue SA<br><br>WA - Government of WA<br><br>ACT - Revenue Office<br><br>NT - Department of Treasury and Finance<br><br>TAS - State Revenue Office | Yes / no | ☐ |
| 11 | **Set up changes to Indexed Rates from 1 July 2022:** | | |
| | **Superannuation guarantee (SG) contribution**<br><br>Superannuation guarantee (SG) contribution percentage to increase from 10% to 10.5%.<br>Maximum super contribution base to increase from $58,920 to $60,220 per quarter.<br><br>**For more information:**<br><br>Super guarantee percentage rates<br><br>Maximum super contribution base | Yes | ☐ |

| No. | Item | Does it apply? | Done |
|---|---|---|---|
| | **Lump sum D thresholds:**<br>Base limit increases from $11,341 to $11,591, and from $5,672 to $5,797 for each completed year of service.<br><br>**For more information:**<br>Tax-free part of genuine redundancy and early retirement scheme payments | Yes | ☐ |
| | **Employee termination payment (ETP) caps:**<br>The life benefit termination payment ETP cap will increase from $225,000 to $230,000.<br>The death benefit termination payment ETP cap will increase to $230,000.<br>The whole of income cap is unchanged and remains at $180,000 as this is a nonindexed<br>figure.<br><br>**For more information:**<br>ETP cap for life benefit termination payments | Yes | ☐ |
| | **Living-away-from-home-allowance fringe benefits:**<br>Living-away-from-home-allowance (LAFHA) reasonable food and drink rates will increase as follows:<br>(see table below)<br><br>**Note**: A person is considered an adult for this purpose if they were 12 years or older before the beginning of the FBT year. | Yes | ☐ |

| Category | Increase from | To |
|---|---|---|
| 1 adult | $283 | $289 |
| 2 adults | $425 | $434 |
| 3 adults | $567 | $579 |
| 1 adult & 1 child | $354 | $362 |
| 2 adults & 1 child | $497 | $507 |
| 2 adults & 2 children | $567 | $580 |
| 2 adults & 3 children | $638 | $653 |
| 3 adults & 1 child | $638 | $652 |
| 4 adults | $709 | $724 |
| Each additional adult | $142 | $145 |
| Each additional child | $71 | $73 |
| Statutory rate per adult | $42 | No increase |
| Statutory rate per child | $21 | No increase |

| No. | Item | Does it apply? | Done |
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| | **Fringe benefits tax (FBT) benchmark interest rate:**<br><br>Benchmark interest rate remains the same at 4.52%.<br><br>**For more information:**<br><br>Benchmark interest rate and LAFHA rates | Yes | ☐ |
| | **Tax-exempt cents per kilometre:**<br><br>Motor vehicle (other than a car) cents per km rate for FBT year ending 2022/23:<br>• 0–2500cc: 58 cents<br>• Over 2500cc: 69 cents<br>• Motorcycles: 17 cents<br>• Car rate is yet to be advised. Currently the rate is 72 cents per km. | Yes | ☐ |
| | **Tax-exempt allowances:**<br><br>Overtime meal allowance is yet to be advised. Currently at $32.50 per occasion. | Yes | ☐ |
| | **Wages**:<br><br>The National Minimum Wage is yet to be advised by the Fair Work Commission.<br><br>Currently $20.33 per hour or $772.60 per 38 hour week (before tax). | Yes | ☐ |
| | **Australian Government Parental Leave Pay scheme (PLP):**<br><br>The rate for the Government's Parental Leave Pay scheme is yet to be advised. Currently it's $772.55 per week, which is $154.51 a day before tax.<br><br>**For more information:**<br>Services Australia Parental Leave Pay | Yes / no | ☐ |
| | **High income threshold:**<br><br>High income threshold will be adjusted on July 1 2022. Currently $158,500 per year.<br><br>**For more information:**<br>High income threshold | Yes / no | ☐ |
| 12 | **Single Touch Payroll (STP) Phase 2**<br><br>Employers must prepare their payroll systems for STP Phase 2.<br><br>**ELMO customers:** We are publishing help center articles on a weekly basis to assist with the transition. Keep an eye out for these articles to get a head start on your transition requirements.<br><br>**For more information:**<br>Expanding Single Touch Payroll Phase 2 | Yes | ☐ |

| No. | Item | Does it appy? | Done |
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| 13 | **Allowances under STP Phase 2**<br>The ATO has specified a further breakdown of other allowances for STP Phase 2. The STP Phase 2 allowance type will be based on the STP Phase 1 itemised allowance type, except for the three new classifications which are:<br>• TD - tool allowances<br>• KN - tasks<br>• QN - qualifications / certificates<br>When an allowance is categorised under the STP Phase 2 allowance type OD (other allowances), there is an additional STP Phase 2 other allowance type category that is required in the settings and the options are:<br>• G1 - general<br>• H1 - home office<br>• ND - non-deductible<br>• T1 - transport / Fares<br>• U1 - uniform<br>• V1 - private vehicle<br>• Not categorised (use pay element description)<br>**For more information:**<br>Single Touch Payroll Phase 2 employer reporting guidelines<br>Disaggregation of gross<br>Allowances | Yes | ☐ |
| 14 | **Deductions**<br>Deductions need to be reported separately for STP Phase 2. There are four STP Phase 2 deduction types you can report on as noted below:<br>• F - fees (union and professional association fees)<br>• W - workplace giving<br>• G - child support garnishee<br>• D - child support deduction<br>**For more information:**<br>Deductions | Yes | ☐ |
| 15 | **Clear your calendar for processing year end** | Yes | ☐ |

**Disclaimer:** *Please note that the information in this checklist is not exhaustive and is intended for general information purposes only. It does not constitute tax or other advice. Always seek professional advice.*

# About ELMO Software

ELMO Software (ASX:ELO) is a cloud-based solution that helps thousands of organisations across Australia, New Zealand and the United Kingdom to effectively manage their people, process and pay. ELMO solutions span the entire employee lifecycle from ‘hire to retire’. They can be used together or stand-alone, and are configurable according to an organisation’s unique processes and workflows. Automate and streamline your operations to reduce costs, increase efficiency and bolster productivity.

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