

Install and Upgrade Guide for Reckon Accounts 2014 Tax Update

Version 1.0

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Reckon Accounts 2014 Tax Update Introduction

The purpose of this document, **Install and Upgrade Guide for Reckon Accounts 2014 Tax Update**, is to provide you with information on all the relevant changes which will occur as a result of you installing this Service Pack. It is important that you read it before installing the Service Pack.

The Reckon Accounts 2014 Tax Update Service Pack addresses the following:

1. PAYG Tax Tables for 2014/15 financial year;
2. Super Guarantee (SGA) rate increase;
3. Update to Reportable Employer Super Contributions (RESC) algorithm;
4. ETP Tax rates;
5. VIC State Payroll Thresholds;

These measures are detailed as below.

PAYG Tax Tables for 2014/15 Financial Year

Although the Federal Budget had no overall major PAYG changes, new PAYG tax tables do apply to Reckon Accounts.

The tax rates for the 2014/15 financial year and effective from 1st of July 2014 are as follows:

Taxable Income	Tax on this income
0 – \$18,200	Nil
\$18,201 – \$37,000	19c for each \$1 over \$18,200
\$37,001 – \$80,000	\$3,572 plus 32.5c for each \$1 over \$37,000
\$80,001 – \$180,000	\$17,547 plus 37c for each \$1 over \$80,000
\$180,001 and over	\$54,547 plus 47c for each \$1 over \$180,000

Installing Service Pack 1 will ensure that the correct taxation is applied to salaries and wages in the new financial year from 1st of July 2014.

For more information on the new tax tables, visit the following ATO link:

<https://www.ato.gov.au/Rates/Tax-tables/>

Super Guarantee (SGA) rate increase

The Superannuation Guarantee Act was introduced to ensure that most employees receive superannuation support from employers. An employer must provide a set minimum amount of superannuation support for employees, with the current minimum amount being 9.5% of the Ordinary Time Earnings.

New Reckon Accounts Company Files

In a new Reckon Accounts company file, Service Pack 1 will automatically update the default rate of all super payroll items of type **Super Guarantee Act (SGA)** from 9.25% to 9.5%.

Existing Reckon Accounts Company Files

There will also be an upgrade process for existing Reckon Accounts company files to assist users with this change. The upgrade process will update the following:

- The default rate of all super payroll items of type **Super Guarantee Act (SA)** will automatically change from 9.25% to 9.5%;
- For every employee in the file, where a super item of type **Super Guarantee Act (SA)** has been added against the Employee's Super Details, there will be an automatic update of the default rate from 9.25% to 9.5%.

More on the upgrade rule applied

The upgrade is going to look at all employees who have a super payroll item of exactly 9.25% and upgrade them to 9.5%. This will apply to all employees who fall in this category as a blanket rule. Those who have super payroll items of other percentages, less than 9.25% or more than 9.25%, won't be considered and they will need to be updated manually. The reason for this is that we assume that special business rules may still apply for these employees.

Please note that super items of other types, such as Salary Sacrifice (SS), Employee Additional (EA) etc. will not be considered in the upgrade process and won't change.

Once the super payroll items of type Super Guarantee Act (SA) have been updated in the Employee's super detail screen, then the paycheques will automatically pick up the new rate.

Reportable Employer Super Contributions

If you have opted for Reckon Accounts to automatically work out your Reportable Employer Super Contributions, then the algorithm has been updated with Reckon Accounts Release 3 so that we are calculating the difference above 9.5% and not 9.25%. This will apply only to the algorithm that looks at super payroll items of type Super Guarantee Act (SA) and no other super payroll items.

Due to the fact that RESC is worked out at every transaction, for users who need to run 13/14 (or earlier) INB Payment Summaries after upgrade, or need to update old (pre July 1st transactions), the figures will be based on Super Guarantee Act (SA) of 9.25%.

ETP Tax rates

Due to the change in the ETP Tax Rates, all 2013/14 Payment Summaries and EMPDUPes should be processed prior to installing this service pack.

If you do not process the EMPDUPE & Payment Summaries prior to upgrading the combined Tax Paid of the INB & ETP Payment Summaries will be correct but the ETP will use the new rate and the PAYG on INB will be reduced.

State Payroll Thresholds

The State Payroll Tax rates have been updated and are correct as of 30/05/2014. They are as follows:

State	Rate
NSW	5.45%
QLD	4.75%
WA	5.50%
VIC	4.85%
NT	5.50%
TAS	6.10%
SA	4.95%
ACT	6.85%

Installation Guide

Reckon Accounts 2014 Tax Table Update is an update for Reckon Accounts 2014 customers. It includes changes as detailed above in this document, as well as tax tables for the 2014/15 Financial Year.

Who needs to install this Update?

This update is for ALL versions of Reckon Accounts 2014. If you currently use Reckon Accounts 2014 Plus, Pro, Premier and Enterprise Payroll Functionality, you **MUST** install this update to be compliant for the 2014/15 Financial Year.

Products Affected

The following Reckon Accounts products are affected:

1. Reckon Accounts Enterprise 2014
2. Reckon Accounts Premier 2014
3. Reckon Accounts Pro 2014
4. Reckon Accounts Plus 2014
5. Reckon Accounts Accounting 2014
6. Reckon Accounts EasyStart 2014

Countries Applicable

Australia

Size / Name of download

10.6MB

Reckon Accounts 2014 TaxUpdate.exe

Installing Reckon Accounts Tax Table Update

WARNING!

This product contains tax tables for 2014/15 Financial Year that take effect from 1st July 2014.

You must process employee pays for the 2013/14 Financial Year prior to installing this update. Otherwise your 2013/14 pay calculations will not be correct.

After upgrading users should avoid editing prior year pays due to:

- 1) **PAYG will be recalculated using the new scales**
- 2) **Any RESC on the pay will be recalculated using 9.5%**
- 3) **Any changes could cause Leave Accruals to be incorrect.**

Once you have installed this update, Reckon Accounts will use the 2014/15 tax tables to calculate pays.

1. Process all pays for the 2013/14 financial year;
2. Rebuild your Reckon Accounts 2014 Company file(s);
3. Create a backup of your Reckon Accounts 2014 company file(s);
4. Exit from Reckon Accounts 2014;
5. Download the **Reckon Accounts 2014 TaxUpdate.exe** file and save it to a location on your hard drive (For example, C:\[temp] or the Desktop);
6. You must reboot your PC and ensure that Reckon Accounts remains closed during the update process;
7. After rebooting the PC you may need to stop the following Reckon Accounts services:
 - a) QBCFMonitorService or Database Manager Service &
 - b) QuickBooksDB23;

To do this:

- a) Click on Start then enter services.msc in the search programs... or Run box;
 - b) Find Database Server Manager or QBCF Monitor Service, right-click and select Properties;
 - c) Click on the Stop button.
8. Use Windows Explorer to locate the **Reckon Accounts 2014 TaxUpdate.exe**, the file you just saved, and double-click it to run the setup program.
[Windows 7 and Windows Vista users only] Prior to installing the update ensure that you have UAC turned on and you are logged in as an Administrator;

Note: UAC is User Account Control. Go to the Control Panel, click User Accounts.

For all Windows Server installations, the installation must be started via the Add/Remove feature with the Control Panels Add or Remove programs.

9. Follow the on-screen instructions to install Reckon Accounts 2014 Tax Table Update. After installing the update successfully, you can delete the **Reckon Accounts 2014 TaxUpdate.exe** file. Alternatively, save it to a safe location in case you need to re-install Reckon Accounts and this update at a later date;

10. To check that Reckon Accounts 2014 Tax Table Update has been installed correctly, press Ctrl+1 on your keyboard. Your Reckon Accounts product information should be **Reckon Accounts 2014 Release R3P**. Reckon Accounts 2014 Plus, Pro, Premier and Enterprise customers can also verify by checking the tax table version. To do this, go to the Employees Menu and select Tax Table Information. If your tax table version matches **1415233**, it indicates that you have installed the update successfully;

11. **Note:** If you are using Reckon Accounts 2014 in a multi-user environment, you need to install this update on all workstations accessing your company file. You cannot use a company file in a multi-user environment unless all installations are updated to the same version. Please note that in network environments where you are using the Database Manager on a standalone server, the database manager DOES NOT require this upgrade.