Micropay Professional
Payroll Year End 2011
User Guide

Page 2 of 34

This guide covers the Payroll Year End 2011 process.

You can read it onscreen or print it out.

For additional PYE advice, select the 'Year End – Tax – Year End Process Help' menu option.

News Feeds

Use the News Feeds feature to stay up to date.

As soon as the Budget 2012 **Update is available, you'll receive a New**s Feed message about it.

To enable News Feeds:

1. Click the **News Feeds** button on your Micropay Professional tool bar.

2. The News Feeds page opens. Click the **Configure Feed** button.

3. The Feed Configuration window opens. Select the **Enabled** checkbox.

4. Click **OK** to save your settings.

Video Tutorials

The Sage web site provides a set of video tutorials that go through the steps involved in the Payroll Year End 2011 process.

To access these tutorials, go to:

http://www.sage.ie/pye

Payroll Year End 2011 Checklist

(This checklist is also available as a separate printable document. Select the **Year End – Tax – View Checklist** menu option.)

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* Steps marked with an asterisk can be deferred, but must be completed before the Revenue Commissioners' submission deadline of Feb 15th 2012.

Part 1: Installing the Payroll Year End 2011 Update

CARRY OUT THESE STEPS IMMEDIATELY

Part 1 involves the following steps:

- Step 1: Register with ROS (Revenue Online Service)

- Step 2: Take a Full System Backup

- Step 3: Download and Install the Payroll Year End 2011 Update

  (Do this as soon as the update is available. **You don't need to wait until** the final pay period of 2011.)

Step 1: Register with ROS (Revenue Online Service)

If you have not already done so, register with the Revenue Online Service (ROS) immediately at:

http://www.ros.ie

You won't be able to carry out the Submit P35 to ROS step unless you are registered.

Note: It can take a few weeks to register, so allow plenty of time for this.

The ROS Technical Helpdesk phone number is 1890 201106.

For more information, select the **Year End - Tax – Year End Process Help** menu option, and then open the 'P35 to ROS submission' help topic.

Step 2: Take a Full System Backup

Before installing the Payroll Year End Update, take a backup of the system files and payroll data. This helps you to minimise the chance of ever having to re-create information manually.

Retain the backup for six full tax years. This is a Revenue Commissioners requirement.

1. Launch Micropay Professional, logging in with the user name ADMIN.

   The default password for ADMIN is PASS, but this may be different on your system.

2. Select the **Miscellaneous - Backup** menu option.
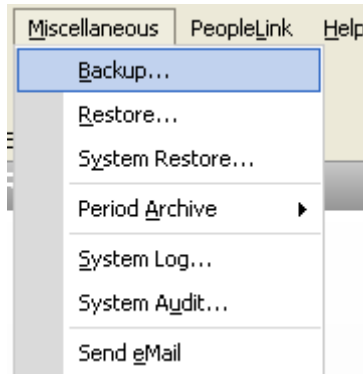
3. In the Backup window, click the **Select All** button.

4. Select the **Backup System Files** checkbox.
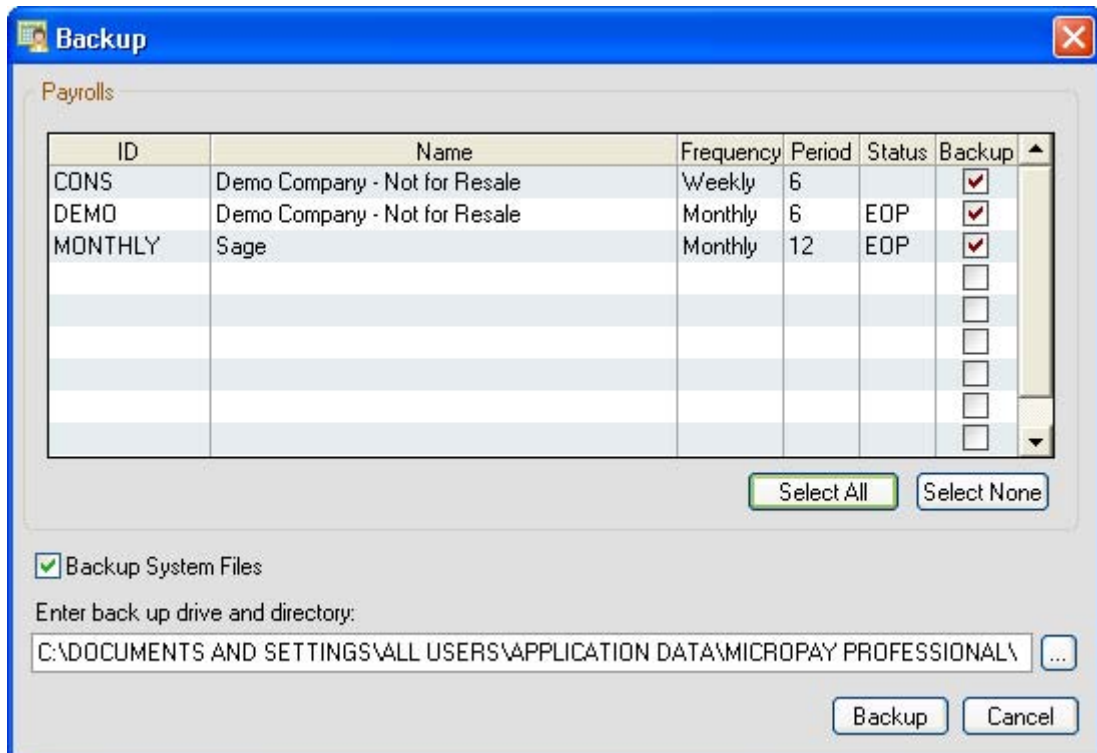
5. Specify the backup storage location in the 'Enter backup drive...' field.

   Create a folder especially for the backup. Name this folder *FULL SYS BACKUP 2011* or something similar.

   Store the backup somewhere reliable, such as on a network drive, secondary disk drive or memory stick. Avoid overwriting previous backups.

   The backup may require 50MB of memory or more.

6. Click **Backup** to proceed.

7. The backup is created at the specified location. Click **OK**.

The backup process is now complete.

Note: Backup files open only <u>within</u> Micropay Professional. You can't open a backup from the folder in which it is saved.

Step 3: Download and Install the Payroll Year End 2011 Update

> **THE PYE 2011 UPDATE IS AVAILABLE <u>AS A DOWNLOAD ONLY</u>.**
>
> **DOWNLOAD AND INSTALL IT AS SOON AS IT IS AVAILABLE. DON'T WAIT UNTIL THE FINAL PAY PERIOD OF 2011.**
>
> **YOU CAN USE:**
>
> - **AUTO-UPDATES (recommended)**
>
>   Make sure you have enabled the <u>Auto-Update feature</u>. This ensures that when you log in, you will receive an automatic notification if the Budget Update file is available for installation.
>
>   (You can also set this feature so that updates are downloaded and installed automatically.)
>
> - **THE SAGE WEBSITE**
>
>   If you want to check for the update manually, go to the web page below and follow the instructions provided there:
>
>   http://www.sage.ie/pye

Enabling Auto-Updates

Make sure the Automatic Software Updates feature is enabled so that as soon as the PYE 2011 update is available, you'll be able to download and install it.

1. Select the **Tools – Internet Options** menu option.
2. In the **Software Updates** tab, select one of the **Automatic** checkboxes.
3. Click **OK**.

You have activated the Automatic Software Updates feature.

Downloading and Installing the Update

> This step does NOT install Budget 2012 changes in your system. That involves a separate step (Part 4, Step 5: Budget Update).

1. Make sure the payroll system has the status 'Start of Period' or 'End of Period'.
2. Your current version of Micropay Professional should be v12.4. Check the left-hand side of the title bar to ensure that this is the case.

   If you have an earlier version, contact your support provider for instructions.
3. You may need administrator rights on your computer to install the update.

   If you are unsure about this, contact your IT person.
4. When the Auto-Updates feature notifies you that the PYE 2011 Update is available to download and install, close all Sage products, and then click **Yes**.
5. Accept the licence agreement by selecting **I Accept...** checkbox.
6. Click **Next**.

7. Select the type of installation you require, paying close attention to the onscreen information about these options:

    - **Standalone**

    - **Client**

    - **Server**

    Note: If you run a client-server installation, carry out the **Server** update before any **Client** updates.

9. Click **Next**.

10. Specify whether you want to use **Typical** settings or **Custom** settings.

    If you choose **Custom**, you can:

    - change the locations of the program and data folders

    - specify a **Start** menu group for the software

11. Click **Next**.

12. Select **Add shortcuts to my desktop**.

13. Click **Install**.

14. When the update process is complete, click **Finish**.

15. You are prompted to install the latest Adobe Acrobat Reader (if it is not already installed).

16. Log into each of your payrolls in turn. Your payroll data will automatically be converted so that it works in the new version of the application.

17. **Micropay Professional 2011 should now be on Version v12.5.** Check the top left-hand corner of the program window to confirm this.

    Note: You'll also have a new shortcut for Micropay Professional 2012, which is version 13.0.

**Click the 'News Feeds' button
to sign up for live alerts.**

Part 2: Completing 2011 Processing

Finish processing payroll in the 2011 tax year, and carry out a number of related tasks:

- [Step 1: Process the final pay period(s) of 2011](#)

- [Step 2: Update Employee Records](#)

- [Step 3: Check the Company Details Window](#)

- [Step 4: Compare Control Summary and P30/CC124](#)

- [Step 5: Generate Earnings, Tax & PRSI report for each employee](#)

Step 1: Process the final pay period(s) of 2011

Process the remaining pay period(s) of 2011 in the usual way.

Extra Pay Periods

Normally, the last pay period is Week 52, Fortnight 26, etc. But in some years there may be an extra pay period, depending on the date of your first pay period.

This year there is an extra pay period for Weekly and Fortnightly payrolls if the company's first pay date was January 1, 2011 (a Saturday).

For more information about extra pay periods, select the **Year End - Tax – Year End Process Help** menu option. Then open to the 'Extra Pay Period' help topic.

Automatic Recalculation of USC and PRD amounts

If an employee has been in continuous employment in the 2011 tax year, the system automatically recalculates the employee's 2011 values for:

- Universal Social Charge (USC)

- Pension-Related Deduction (PRD), if applicable

If the employee took unpaid leave during 2011…

Unpaid leave does not affect the employee's continuous employment status.

So an employee due a recalculation may not reach 52 insurable weeks during the year.

In this case you have to manually mark the employee for a recalculation in the final pay period of the year.

For more information, see the 'USC Recalculation' topic in your payroll software's help file.

Refunds Arising from USC and PRD Recalculations

If the employee is entitled to a refund arising from any of these recalculations, it is added to the employee's final payslip along with an explanatory note.

For more detailed information about the recalculations, select the **Year End – Tax – Year End Process Help** menu option, and then open the 'Levy Recalculations' help topic.

Step 2: Update Employee Records

Ensure that information is complete for all employees who worked for the company during 2011.

1. Select the **Processing - Employee Details** menu option.

2. Check the tabs in each employee details record, making sure all relevant information has been entered.

PPS Number

Every employee record should have a valid PPS Number. In the absence of this, the Date of Birth **and** Address must be specified so that the system can match 'duplicate' employee records correctly you are creating the P35 ROS submission.

Also, the P35 ROS file will be rejected by the Revenue Commissioners unless all employees have either a PPS Number or a Date of Birth and Address.

Finish Period/Date

Every leaver should have a Finish Period **and** a Finish Date.

Step 3: Check the Company Details Window

1. Select the **Company/Payroll – Company/Payroll Details** menu option.

2. Ensure that the company details, such as the Tax Registration Number and the Contact Details, are up to date and correct.

   (Contact details must be included on ROS returns.)

   Make any necessary changes.

Step 4: Compare Control Summary and P30/CC124

You need to print out the Control Summary and the P30/CC2124 so that you can check these against each other.

1. Select the **Reports - Payroll Reports** menu option.

2. The Payroll Reports window opens. Select **Control Summary** in the **Payroll** tab.

3. Click **Print**. The Control Summary prints out.
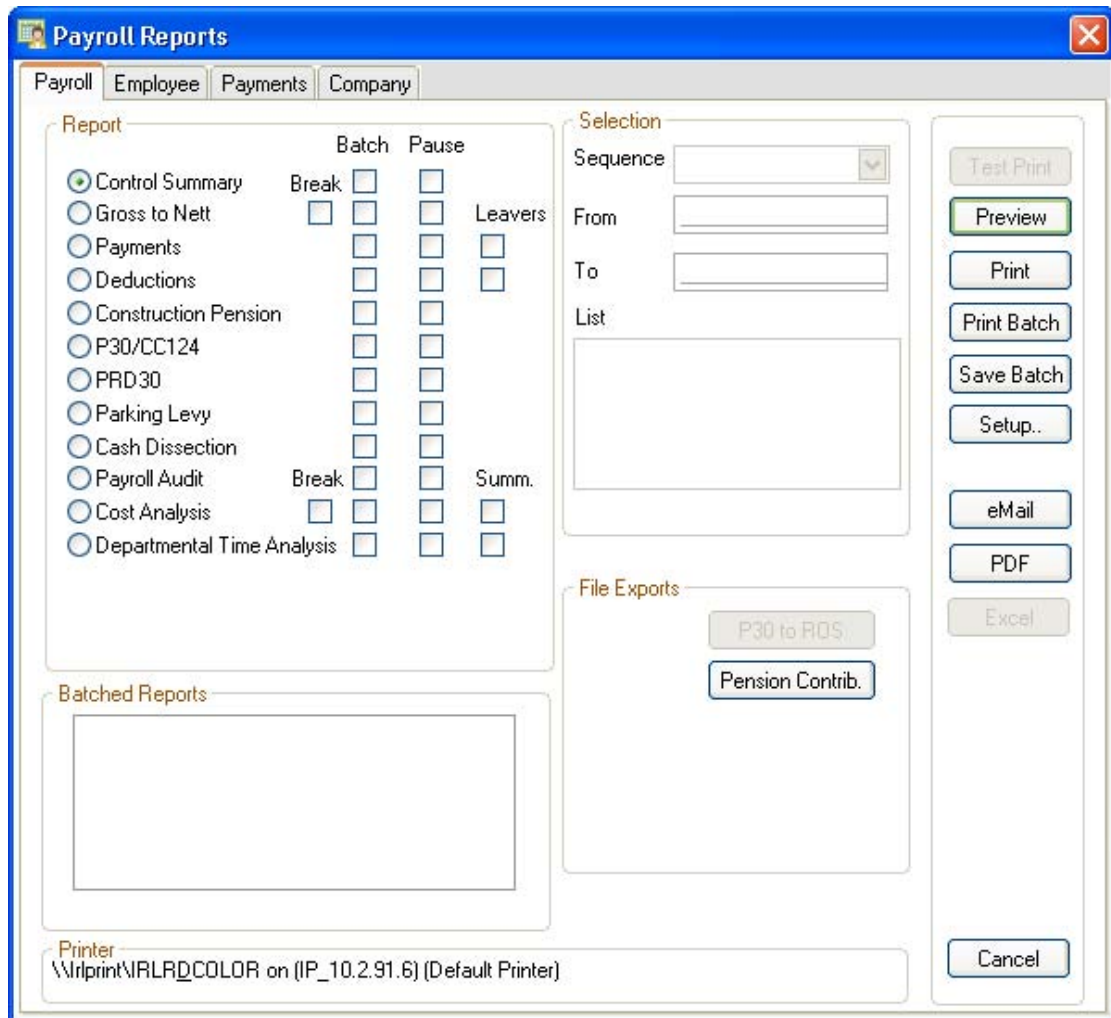
4. Now you are ready to print out the P30/CC124. Select the **P30/CC124** radio button.

5. Click **Print**.

6. Specify whether you want to include quarterly subtotals by clicking **Yes** or **No**. The P30/CC124 prints out.

7. Compare the information on these reports as follows:

Make sure that each Control Summary value matches the corresponding P30/CC124 value.

Control Summary (Cumulative Control Totals)	P30/CC124 Value
Tax This Employment (C/Forward)	PAYE Year
USC (C/Forward)	USC Year
PRSI E'e (C/Fwd) + PRSI E'r (C/Forward)	PRSI Year

(See the example on the next page.)

Control Summary

```
                        Cumulative Control Totals
                  B/Forward  New Starters  This Period  C/Forward

Gross Income         48114.39                  5343.81    53458.20
Gross Pay YTD        48114.39                  5343.81    53458.20
Tax Paid YTD         15733.90                  1827.96    17561.86
Gross Prev. (P45)
Tax Prev. (P45)
Gross This Employment  48114.39                5343.81    53458.20
Tax This Employment  15733.90                  1827.96    17561.86
USC                   2743.32                   317.28     3060.60
PRSI Employee         1682.14                   191.71     1873.85
PRSI Employer         5172.28                   574.46     5746.74
```

*Note: Please check that the B/Forward Values are equal to the
 C/Forward values from the previous pay period

P30/CC124

```
                                                    PEARTREE
Date: 13/10/2011   Time: 11:00
P30/CC124  Run Date:    Pay Period: 12      Frequency: M
```

Month	PAYE	USC	Parking Levy	Total PAYE	PRSI	Total PAYE + PRSI
Jan	930.36	164.03		1094.39	443.25	1537.64
Feb	930.97	164.13		1095.10	443.47	1538.57
Mar	931.15	164.16		1095.31	443.54	1538.85
Total	2792.48	492.32		3284.80	1330.26	4615.06
Apr	1490.77	259.71		1750.48	644.87	2395.35
May	1528.28	266.11		1794.39	658.36	2452.75
Jun	1382.84	241.28		1624.12	606.04	2230.16
Total	4401.89	767.10		5168.99	1909.27	7078.26
Jul	2092.17	362.39		2454.56	861.22	3315.78
Aug	1559.54	271.45		1830.99	669.60	2500.59
Sep	1686.11	293.06		1979.17	715.14	2694.31
Total	5337.82	926.90		6264.72	2245.96	8510.68
Oct	1513.89	263.65		1777.54	653.18	2430.72
Nov	1687.82	293.35		1981.17	715.75	2696.92
Dec	1827.96	317.28		2145.24	766.17	2911.41
Total	5029.67	874.28		5903.95	2135.10	8039.05
Year	17561.86	3060.60		20622.46	7620.59	28243.05

Step 5: Generate the Earnings, Tax & PRSI report for each employee

1. Select the **Reports - Payroll Reports** menu option.

2. Open the **Employee** tab.

3. Use the Selection fields to specify the relevant employees, if necessary. The default setting is 'All Employees'.

4. Select **Earnings Tax & PRSI.**

5. Click **Print**. The reports are printed out for each employee.

    Alternatively, you can save the report in **PDF** or **Excel** format.

6. Confirm that each Earnings, Tax & PRSI report is complete and correct.

    Bear in mind that there may be valid reasons why an entry is missing, such as an employee being on holiday.

    If the Tax Deduction Card is incomplete or incorrect, resolve any outstanding issues before you print P60s or create your P35.

    If you need more information about this, contact your support provider.

7. Keep the Earnings, Tax & PRSI reports in your records.

Part 3: Payroll Year End Procedures

This stage involves printing 2011 statutory reports for the Revenue Commissioners.

The following steps must be carried out for each of your payrolls in **Micropay Professional 2011**:

- [Step 1: Ensure that pensions are set up correctly](#)

- [Step 2: Generate the P35 to ROS File *](#)

- [Step 3: Print the PRC1 Report *](#)

- [Step 4: Print P60s and Other Year End Certs *](#)

* The steps marked with an asterisk can be deferred, but must be completed before the **Revenue Commissioners'** submission deadline of **February 15th, 2012**.

Step 1: Ensure that pensions are set up correctly

The P35 file (to be returned on or before 15th February 2012) must include details of any pension contributions made

- by the company on behalf of its employees

- by employees themselves

Ensure that pensions are set up correctly in your system.

Any deduction relating to a pension, PRSA, RAC and CWPS scheme must be set up with an appropriate 'Pension Link'.

For more information, select the **Year End - Tax – Year End Process Help** menu option. Then open the 'Pensions at Payroll Year End' help topic.

Step 2: Generate the P35 to ROS File

Now you need to generate a P35 file for the Revenue Online Service (ROS) and submit it on the ROS website:

http://www.ros.ie

The full set of official Revenue Commissioners P35 documentation is at this location:

http://www.revenue.ie/en/business/paye/p35-end-year-returns.html

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- **You must be registered as a ROS customer.**

- **The submission deadline is Feb 15th, 2012.**

- **The P35 Disk is no longer accepted by the Revenue Commissioners.**

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1. Select **Year End - Tax - Tax Year End Reports**.

2. Select the P35 Returns **via ROS** radio button.

3. Click **Create**.

4. Read the message onscreen about Tax Registered Companies. If you are happy to proceed, click **Continue**.

Note: If you have more than one payroll with the same Tax Registration Number, you should consolidate these payrolls into a **consolidation company**.

Then in the consolidation company generate a single P35 file for all the payrolls together.

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5. If the system detects any 'duplicate' employee records, the Merge Duplicate Employees window opens, listing the duplicates.

   A duplicate employee record is usually one with the same PPS Number and Gender as another employee record.

   The listed duplicates will be merged automatically on the P35 and reported as a single employee.

   However, records displayed in red cannot be merged automatically. You may need to merge these manually before you generate the P35.

6. Select the **I acknowledge...** checkbox if you are happy to proceed.

7. Click **Merge and Continue**.

8. The P35 Return Type screen appears. There are three P35 Return options available:

   - **Original**: If you have not already submitted a P35 for 2011.

   - **Amended**: If you have already submitted a P35 for 2011, but some employee details have subsequently changed.

   - **Supplementary**: When you want to submit an addition to a P35 return, having omitted employee data from the original P35 return.

9. By default, all employees are included in the P35. However, if you want to exclude certain employees, click **Select Employees**. Then manually select the employees to be excluded.

10. Click **Proceed**.

11. The system checks your data. If any errors are listed, resolve these before you continue.

12. A screen displays the pension amounts that were processed in payroll. If you need to add in amounts contributed outside normal payroll processing, use the +/-Adjustments column.

For more information, select the **Year End - Tax – Year End Process Help** menu option, and then open the 'Pensions at Year End' and 'P35 to ROS submission' help topics.

13. Click **Proceed** to continue.

14. The ROS P35 Save As screen is now displayed. By default, the file is saved in the P35 subfolder in the payroll's ROS folder. You can specify a different location if necessary.

15. Click **Save**.

16. In the P35 ROS – Complete window, click **View Monitor.**

17. Print out the monitor report for your records.

18. Check the overall totals against your last Control Summary using this table:

Control Summary (Cumulative Control Totals)	P35 Monitor Report (Summary section)
Gross This Employment (C/Fwd)	Total Pay
Tax This Employment (C/Fwd)	Total Tax
PRSI E'e (C/Fwd) + PRSI E'r (C/Fwd)	Total PRSI
USC (C/Fwd)	Total USC

(See the example on the next page.)

Control Summary

```
                    Cumulative Control Totals
                 B/Forward  New Starters  This Period   C/Forward

Gross Income          48114.39                  5343.81     53458.20
Gross Pay YTD         48114.39                  5343.81     53458.20
Tax Paid YTD          15733.90                  1827.96     17561.86
Gross Prev. (P45)
Tax Prev. (P45)
Gross This Employment 48114.39                  5343.81     53458.20
Tax This Employment   15733.90                  1827.96     17561.86
USC                    2743.32                   317.28      3060.60
PRSI Employee          1682.14                   191.71      1873.85
PRSI Employer          5172.28                   574.46      5746.74

*Note: Please check that the B/Forward Values are equal to the
 C/Forward values from the previous pay period
```

P35 Monitor Report (Summary section)

```
                        SUMMARY

Total Pay                           53458.20
Total Tax                           17561.86
Total PRSI                           7620.59
Total Employee PRSI                  1873.85
Total USC                            3060.60
Total Taxable Benefits                  0.00
---------------Pension Balances--------------
Tot Employee Pens. Amt.                 0.00
Tot Employer Pens. Amt.                 0.00
No. Employees Pens.                        0
No. Employer Pens.                         0
--------------PRSA Balances----------------
Tot Employee PRSA Amt.                  0.00
Tot Employer PRSA Amt.                  0.00
No. Employees PRSA                         0
No. Employer PRSA                          0
--------------RAC Balances-----------------
Tot Employee RAC Amt.                   0.00
No. Employees RAC                          0
--------------Parking Levy-----------------
Total Parking Levy Employees               0
Total Parking Levy                      0.00
```

When the values above have been verified, you can submit the ROS P35 file on the ROS website: http://www.ros.ie. The file to submit has the extension **.P35**.

Note: Another file with the same name and a **.MON** extension is also created. You should not submit this file.

Step 3: Print the PRC1 Report

The PRC1 report is required if an employee has had three or more PRSI classes in this employment during the tax year.

If the application detects any errors in your payroll data, they will be listed onscreen when you try to create your PRC1 report. You must correct all errors before you can create the report.

1. Select **Year End - Tax - Tax Year End Reports**.

2. Select **PRC1 Report**.

3. Click **Print**.

4. Post the printed report to the following address:

   PO Box 354
   Sarsfield House
   Francis Street
   Limerick

(At present, the Revenue Commissioners do not provide the option of submitting the PRC1 online.)

For more information, select the **Year End - Tax – Year End Process Help** menu option, and then open the 'PRC1 report' help topic.

Step 4: Print P60s and Other Year End Certificates

You must print the following reports for each employee still employed by the company at the end of the 2011:

- P60

- PRD 60 (Required if employees in the payroll are subject to the Public Service 'Pension-Related Deduction'.)

1. Select **Year End - Tax - Tax Year End Reports**.

2. Select one of these options, as appropriate:

   - a **P60** option

   - **PRD 60**

3. By default, all employees will have their reports printed out. However, if you want to specify a particular range of employees instead, use the **Sort & Filter** fields.

In contrast to P35s, P60s should be printed in each individual payroll rather than in a consolidation company.

You can produce P60s in either English or Irish.

If the application detects any errors in your payroll data, they will be listed onscreen when you try to create the P60s. You must correct all errors before you can create the P60s.

For more information, select the **Year End – Tax – Year End Process Help** menu option. Then open the 'How do I generate P60s?' help topic.

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4. Click **Preview** or **Print**.

The relevant P60s or PRD Certs are printed. One copy is printed per employee.

PRD35 Report

The Pension-Related Deduction (PRD), also known as the Pension Levy, is a gross deduction for certain public sector organisations.

You must generate a PRD35 report for the whole payroll, if employees in the payroll are subject to the Pension Levy.

1. Select **Year End - Tax - Tax Year End Reports**.

2. Select **PRD 35**.

3. Click **Print**.

The PRD 35 certificate is generated for this payroll. Submit this to the Accounting Office of the parent Department.

Note: Micropay Professional will generate the PRD60 reports for you automatically.

But if for any reason you need to obtain a blank copy of one of these forms, go to http://www.finance.gov.ie/viewdoc.asp?DocID=6048.

Part 4: Start of Tax Year 2012

Part 4 of the Payroll Year End process involves getting Tax Year 2012 ready for payroll processing.

Carry out all these steps <u>before</u> processing the first pay period of 2012:

- **Step 1**: <u>Create Tax Year 2012</u>

- **Step 2**: <u>Open Tax Year 2012</u>

- **Step 3**: <u>Set up a New Payroll Calendar</u>

- **Step 4**: <u>Budget Update and Period 1 of 2012</u>

- **Step 5**: <u>Tax Credit Import (P2C File)</u>

- **Step 6**: <u>Enabling CSO Reporting</u>

- **Step 7**: <u>Construction Workers Pensions</u>

Step 1: Create Tax Year 2012

<div style="border:1px solid black; text-align:center">

CARRY OUT THIS STEP FOR ALL YOUR PAYROLLS

</div>

1. Log into the relevant payroll in **Micropay Professional 2011**.

2. Select the **Year End - Tax - Set up 2012 Tax Year** menu option.

3. Follow the onscreen instructions.

All payroll data is copied into Micropay Professional 2012, and is stored separately from 2011 data.

- Employee cumulative values for 2011 are cleared.
- Leavers from 2011 are not transferred into the new year.

Tax Year 2012 is now ready for payroll processing.

You can now log into **Micropay Professional 2012**. This is version 13.0.

You don't need to close down Micropay Professional 2011 first.

You can have Micropay Professional 2011 and Micropay Professional 2012 open at the same time.

Step 2: Open Tax Year 2012

1. To open Micropay Professional 2012, double-click the **Micropay Professional 2012** shortcut icon on your desktop.

2. Log into the payroll in the normal way.

You are now logged into the 2012 tax year.

As yet, Budget 2012 changes are not included in the payroll system. You'll install the Budget 2012 Update later, when it becomes available for download.

The payroll's status is currently blank.

You have not yet set Period 1 of 2012.

Step 3: Set up a New Payroll Calendar

Now you need to set up the 2012 payroll calendar for each of the payrolls you operate.

1. Log into a payroll in **Micropay Professional 2012**, and ensure that your Micropay Professional version number is 13.0 (by checking the title bar).

2. Select the **Company/Payroll - Calendar** menu option.
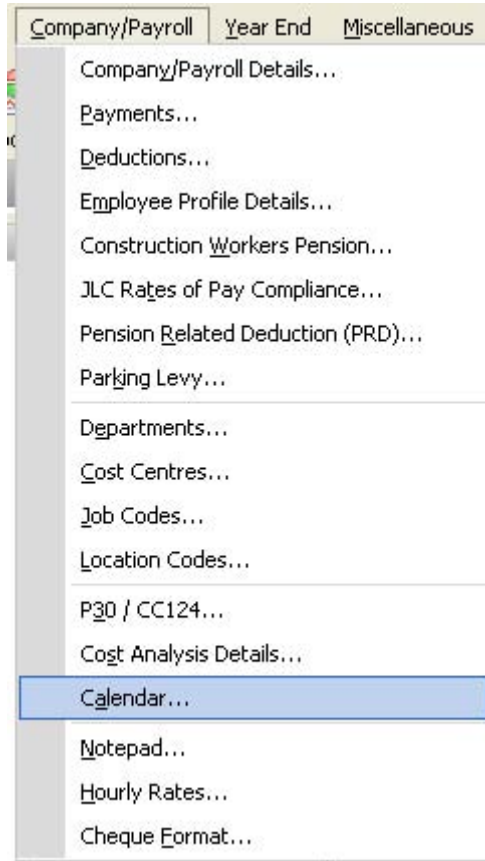
3. In the Calendar window, click the **New Calendar** tab.

4. Enter the calendar details for Period 1 of the new tax year.

5. Click **Update**.

    Note: It's very important to enter the correct PAY DATE for Period 1 of the new tax year. This date determines the subsequent dates of all of 2012's pay periods.

6. In the **Calendar Details** tab, amend the calendar information as required.

7. Click **Save**.

8. Repeat this procedure for each payroll.

Note: The first pay period of 2012 may involve paying the employee for work done at the end of 2011. (Alternatively, you may have paid employees before Christmas for the early days of January.)

Step 4: Budget Update and Period 1 of 2012

COMPLETE THIS STEP BEFORE YOU PROCESS ANY PAY IN 2012.

OTHERWISE STATUTORY DEDUCTION RATES WILL NOT INCLUDE THE CHANGES ANNOUNCED IN BUDGET 2012.

Install the Budget 2012 Update file as soon as the update is available.

You will receive a News Feed message in your payroll software when it is ready for download.

Activate the Auto-Update feature, if you have not done so already. This ensures that when you log in, you will receive an automatic notification if the Budget Update file is available for installation.

(You can also set this feature so that updates are downloaded and installed automatically.)

If you want to check for the update manually, go to the web page below and follow the instructions provided there:

http://www.sage.ie/pye

This step is complete when Micropay Professional 2012 updates to **Version 13.1**.

Check the version number in the title bar.

Set period 1 of 2012

Now that you have installed the Budget 2012 update, set Period 1 of 2012 in the normal way.

Step 5: Tax Credit Import (P2C File)

If you are a ROS (Revenue Online Service) customer, a Tax Credit File (P2C file) will be available for you at the Revenue Commissioners' web site - http://www.ros.ie. This contains the 2012 tax credit details and USC rates and cut-off points for your employees.

> The P2C file may not be available at the beginning of Tax Year 2012. You can process pay using the 2011 information until the 2012 file is available.

To transfer the tax credit information into Micropay Professional, Sage strongly recommends that you follow these instructions:

1. Select the **Miscellaneous - Tax Credit Import - Import Tax Credits** menu option.

2. The Locate Tax Credit Import File window opens.

   Here you specify the location of the P2C file you have received from the Revenue Commissioners. The default location is the application folder, but you can browse to a different location if necessary.

   - Make sure that the P2C file's name is based on the company's Tax Registration Number.

   - Also check that the P2C file's tax year matches that of the payroll.

3. **Make sure that the payroll's pay frequency matches that of the P2C file.**

4. Click **Next** to proceed.

5. The Select Tax Credit Record window displays.

   This window lists all the tax credit records in the P2C file. Records with apparent discrepancies are displayed in red. Other records are displayed in black, and are selected by default.

   Possible types of discrepancy include:

   - Records for employees who have left your payroll.

   - Records for employees who have not yet been added to your payroll.

   - **The employee's** Previous Employment Gross Pay in Micropay Professional exceeds the corresponding value in the Tax Credit Import file.

   - **The employee's Previous E**mployment Tax Paid value in Micropay Professional exceeds the corresponding value in the Tax Credit Import file.

   You can import records that have discrepancies, but doing so risks introducing errors to your payroll system. Investigate the cause of each discrepancy, and consult with Revenue to clarify any relevant issues.

6. When you have selected all the records you want to import, click **Import Now**.

7. The Import Progress window displays a summary of the import process.

   You can generate a more detailed report on the import process by clicking the **Print Tax Credit Import Reports** button.

   You can specify which sections of the report you want to print, and whether you want to generate a detailed or a summary report.

8. Click **Done** to close the window.

9. Spot-check a few Employee Details records to confirm that the tax credit information has been updated correctly.

Manual Tax Credit Import

You can also update each employee's tax credit information manually. However, Sage strongly recommends that you follow the method detailed above.

1. Open each employee's **Tax/PRSI** tab.

2. Enter the period **Tax Credit** value and **Standard Rate Cut-Off**.

3. Ensure that the correct Tax/USC Status is specified for the employee. The Tax Status is specified by the Revenue Commissioners.

4. Click **Save** when you have updated the employee's information.

Step 6: Enabling CSO Reporting

If your company has been selected by the Central Statistics Office (CSO) for surveying purposes, you need to enable the CSO Reporting feature.

Note: If you haven't been selected by the CSO, you can skip this step.

1. Select the **Company/Payroll – Company/Payroll Details** menu option.

2. Open the **CSO** tab.

3. Select the **Use CSO Reporting Feature** checkbox.

4. Enter the company's CBR number. This is provided by the CSO.

5. Click **OK**.

6. Make sure that payments and employee data are properly set up for CSO reporting. Do not begin processing payroll data in 2012 until you're sure of this.

For more information, select the **Help - Help Topics** menu option. In the Payroll Reports chapter, open 'CSO Reporting'.

Step 7: Construction Workers Pensions

If you are running a Construction Workers Pension Scheme (CWPS), you should now clear the scheme's 2011 balances and history, and set up a CWPS calendar for the 2012 tax year.

The 2012 CWPS scheme starts on *Monday, January 2, 2012*.

1. Select the **Year End - New Construction Pension Year** menu option.

2. Confirm that you want to clear the balances and history by clicking **Yes**.

3. To set up a calendar, select the **Company/Payroll - Construction Workers Pension** menu option.

4. Open the **Calendar** tab.

5. Review the default calendar details. If you are satisfied that these meet your requirements, click **OK**.

   Alternatively, to set up your own calendar details, click **Create New Calendar**. Follow the onscreen instructions, and then click **OK**.

For more information about CWPS schemes, select **Help – Help Topics**, and refer to the 'Construction Workers Pensions' section of the 'Company/Payroll Details' chapter.

Part 5: Accounting/Financial Year End

Part 5 is an optional set of tasks that you carry out in **Micropay Professional 2012**.

It involves Accounting/Financial Year End tasks, which can be carried out whenever is appropriate for your company (financial or deduction year end).

Cleardown tasks prevent financial balances from being carried over into the new year.

- Step 1: Clearing Cost Analysis
- Step 2: Clearing Payments
- Step 3: Clearing Deductions
- Step 4: Rolling Forward the Holiday and Absence Year

Note: More detailed information about these steps is available in the Micropay Professional help file's 'Financial Year End' topic.

If your new Financial Year coincides with the new tax year, print the following payroll reports before carrying out the steps listed above:

- Cost Analysis
- Payments (Ensure that the **Leavers** checkbox is selected.)
- Deductions (Ensure that the **Leavers** checkbox is selected.)

Step 1: Clear Cost Analysis

The Cost Analysis feature enables you to associate payments and deductions with departments and cost centres. This enables you to get a breakdown of where in your organisation costs occur.

At the end of the Financial Year, you may wish to clear Cost Analysis totals.

- Select **Year End - Financial - Clear Cost Analysis**.

- Click **OK** to carry out the cleardown.

For more information, click the **Help** button, and then read the 'Cost Analysis Details' help topic.

Step 2: Clear Payments

You can clear selected payment balances that were accumulated during the Financial Year.

For example, you may want to reset a payment used to calculate holiday pay.

1. Select **Year End - Financial - Clear Payments**.

2. A table displays all the payments that can be cleared.

    Select the relevant **Hours** or **Values** checkboxes, or both, to clear the amounts for the selected payments.

    If you select nothing, nothing will be cleared.

3. Click **OK** to carry out the cleardown.

Step 3: Clear Deductions

You can clear selected deduction balances that were accumulated in the Financial Year. For example, you can reset the balance of a subscription deduction.

You can also clear employee pension deduction balances for

- the Financial Year to date

- the entire span of time that pension contributions have been made

1. Select **Year End - Financial - Clear Deductions**.

2. Select each deduction amount to be cleared.

    Each deduction has four amounts:

    - **Std.Amt**: amount deducted in each period

    - **Balance**: deduction total accumulated since the last clearance

    - **All**: a running total of the deduction since the deduction was first introduced

   - **Tax Yr Bal**: tax year balance

    Take particular care when considering clearing the balance on an employee loan repayment.

3. You can also clear the employee pension history by selecting the checkboxes in the **Pensions - Employee File** section. If you select nothing, nothing will be cleared.

4. Click **OK** to carry out the cleardown.

Step 4: Roll Forward Holiday and Absence Year

Normally, if your Company Holiday Year coincides with the Financial Year, the holiday and absence information is rolled forward.

If the Holiday Year finish date is 31/12/2011, the system will automatically provide an option to roll forward the holiday information when you are setting the first period of 2012.
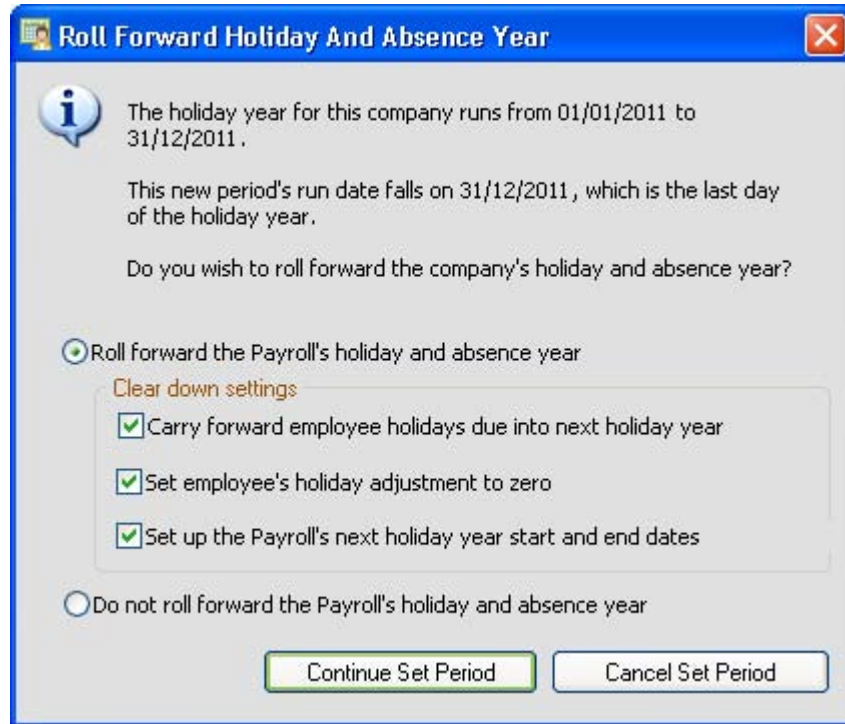
To check the Holiday Year finish date, select the **Company/Payroll – Company/Payroll Details** menu option, and then open the **Holidays** tab.

For more information, click the **Help** button in the toolbar, and then read the 'Holiday Cleardown and Roll Forward' topic in the help file.

THIS COMPLETES THE

2011 PAYROLL YEAR END PROCESS.

For further information, visit our website:

http://www.sage.ie/pye