



Correcting Your Employer Monthly Schedule (EMS) After It Has Been Filed

Being on the wrong side of the IRD will stop a company dead in its tracks. Every employer is required to lodge an EMS (IR348) with the IRD once a month showing details of all tax deductions made.

If you have filed an **EMS (IR348)** and then wish to amend some information on it, including any changes in **ESCT (Employer Superannuation Contribution Tax)** deductions, you will need to complete the **Employer Monthly Schedule Amendment (IR344)**.

How to Make Corrections:

The procedure is the same whether you file electronically or on paper. You can either:

- complete an IR344 form and send it to the IRD, or
- if there are a small number of adjustments, call IRD on 0800 377 772 and the IRD will update them over the phone. You will need your IRD number

Note:

The IRD system can't process more than one IR348 a month from each employer. If you file a second IR348 it will show as a duplicate and not be processed.

How to Complete the Employer Monthly Schedule Amendments form (IR344):

- Enter your business name, IRD number, and the period that you are changing on the top of the IR344

- Write the employee's name and IRD number, the figures you originally sent in, and what these should be changed to

You can amend up to three employees' details per form. Use separate forms if there are more than three.

Example:

After checking your wage records you see that you transposed the PAYE amount for one employee. Enter the employee's full name, IRD number and PAYE amount on the "Original Details Sent" line. Below, in the "Changed To" line, you only need to enter the amended PAYE amount. If an employee's details were missed off your IR348, complete the "Changed To" line only.

ESCT Amendments

If you're required to amend any ESCT, please complete the ESCT amendment field on the IR344. Please add your amendment figures for "Original Details Sent" and "Changed To" under the category that describes the amendment. The amendment could be due to:

- an employee opting out/invalid enrolment, or
- an under/over payment

If you need assistance with this or would like to find out more, give us a call on **0800 72 97 97**. Our payroll experts can provide you with the advice you need.

Overpaid an Employee...What Now?

Every now and again, mistakes happen in payroll. However, overpaying an employee(s) can prove to be costly to an organisation as the law would not necessarily assist the employer to recover the funds.

When an overpayment has occurred, it is possible for the employer to recover the overpaid amount as a large majority of employment agreement contains a "deductions clause"; under which the employee gives consent to the employer to make deductions from future wages.

The Wages Protection Act can also help the employer to recover overpayments in certain circumstances, although in a limited timeframe for recovery. A notice of intention to recover the overpayment needs to be promptly provided and the overpayment itself must be resolved no more than two months after the notice has been served.

However, in cases where these options do not apply, the onus falls on the employer to prove that the payment was made by mistake, under duress, by an illegality or on other similar grounds.

Additionally where an employee doesn't realise that the payment had been made in

error, or realise that the overpaid funds have been received over a period of time; the employee may change their position to rely on those funds which would mean that the employer will have to concede the overpayment.

Section 94B of the Judicature Act 1908 provides that where a payment is made by mistake, if the person receiving the payment has done so in good faith and then altered their position in reliance on the payment, the Court can decide not to grant relief to the claimant.

For example, if/when an employee has been overpaid by mistake and doesn't realise it (they may have received the funds in good faith, then saved up for an overseas holiday or to paint their house), it will be very difficult for the employer to recover them. However, if an employee who has bought a new car with the funds, they may be able to sell it and return the overpayment. These are the sort of factors the Court will consider when deciding whether to make the ruling against the employee.

What's important is that it is vital for employers to advise the employee of the overpayment immediately, and preferably in writing. They should do so before the funds are all spent.

Please note that the content of this article is not legal advice as we are not qualified lawyers. If you want complete peace of mind, please seek professional legal advice.

Case Study:

Northern Auckland Kindergarten Association Inc.

Started in 1954, Northern Auckland Kindergarten Association (NAKA) are a not-for-profit association in the Early Childhood Education (ECE) sector. From their humble beginnings, they now have 13 kindergartens and 2 early learning centres. Making up to over 150 staff members plus a number of relieving teachers that are paid each fortnight.

NAKA's previous payroll system was a partially manual payroll system with poor user friendliness. This meant hours of manual calculations were needed to ensure specific requirements of the collective agreement were met. The payroll regulations for 70% of their staff are set by the Kindergarten Teachers Collective Agreement (KTCA). With salary scales, FTE's, annual leave and sick leave being totally different to the standard rules.

Their legacy payroll system had limitations and was not able to support their growth coupled with additional pressures to have constant specialist payroll support due to its complexity; NAKA sought a solution that has greater functionality, great reporting ability, automatic updates and friendly usability.

NAKA chose to partner up with Datacom because of our ability and openness to adapt and tailor our payroll system to specifically meet their unique requirements specifically with regards to the 'collective agreement' with KTCA. They were also aware that we had the capability to tailor DataPay with other management software for timesheet imports to further improve the payroll process which makes the procedure simpler and more time efficient.

RESULTS:

- A powerful custom report-builder interface using drag-and-drop feature giving the ability to have necessary reports at the click of a button
- A payroll system that automatically updates with the latest IRD / Labour Law requirements
- Centre managers no longer have to sort problems out with IRD
- Expertise and support is a phone call away

"Datacom Payroll has accommodated all our 'special' requirements that are necessary within the kindergarten sector. They have ensured that all our requirements were met and where tweaking was needed, this has happened without any problem or further cost to our Association."

"In the past it was necessary to have a 'payroll administrator' who was always having to be upskilled with the latest payroll requirements whereas now if you have a basic understanding of payroll the system pretty much does the rest and if you don't know something the Help Desk is always a call away".

- Alison Baxter (Finance Manager)

DataPay Learning

In the last issue of The Respondent, we announced our educational series 'DataPay Learning', providing you 3 practical, and interactive workshops to take your DataPay knowledge to the next level:

1. DataPay Foundations
2. DataPay Advanced
3. DataPay Report Writer

Since the announcement, we've received a lot of excitement about these workshops we are offering. Because of the amount of interest generated, we'd like to take this time to let you know about the workshops that are coming up in your region.

The table below will list the dates and region for upcoming workshops:

DataPay Learning - Educational Series	
DataPay Foundations	
Auckland	Thursday, 14 September
Wellington	Thursday, 21 September
Christchurch	Thursday, 12 October
DataPay Advanced	
Auckland	Friday, 15 September
Wellington	Friday, 22 September
Christchurch	Friday, 13 October
DataPay Report Writer	
Auckland	Thursday, 28 October
Wellington	Friday, 6 October
Christchurch	Friday, 20 October

If you are keen to register for any of the workshops or would like further details, please send an email to training@datacom.co.nz.

These are small interactive classes with a **maximum of five people**, so book early to avoid disappointment.

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We'll discuss what will suit your needs - big or small.

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