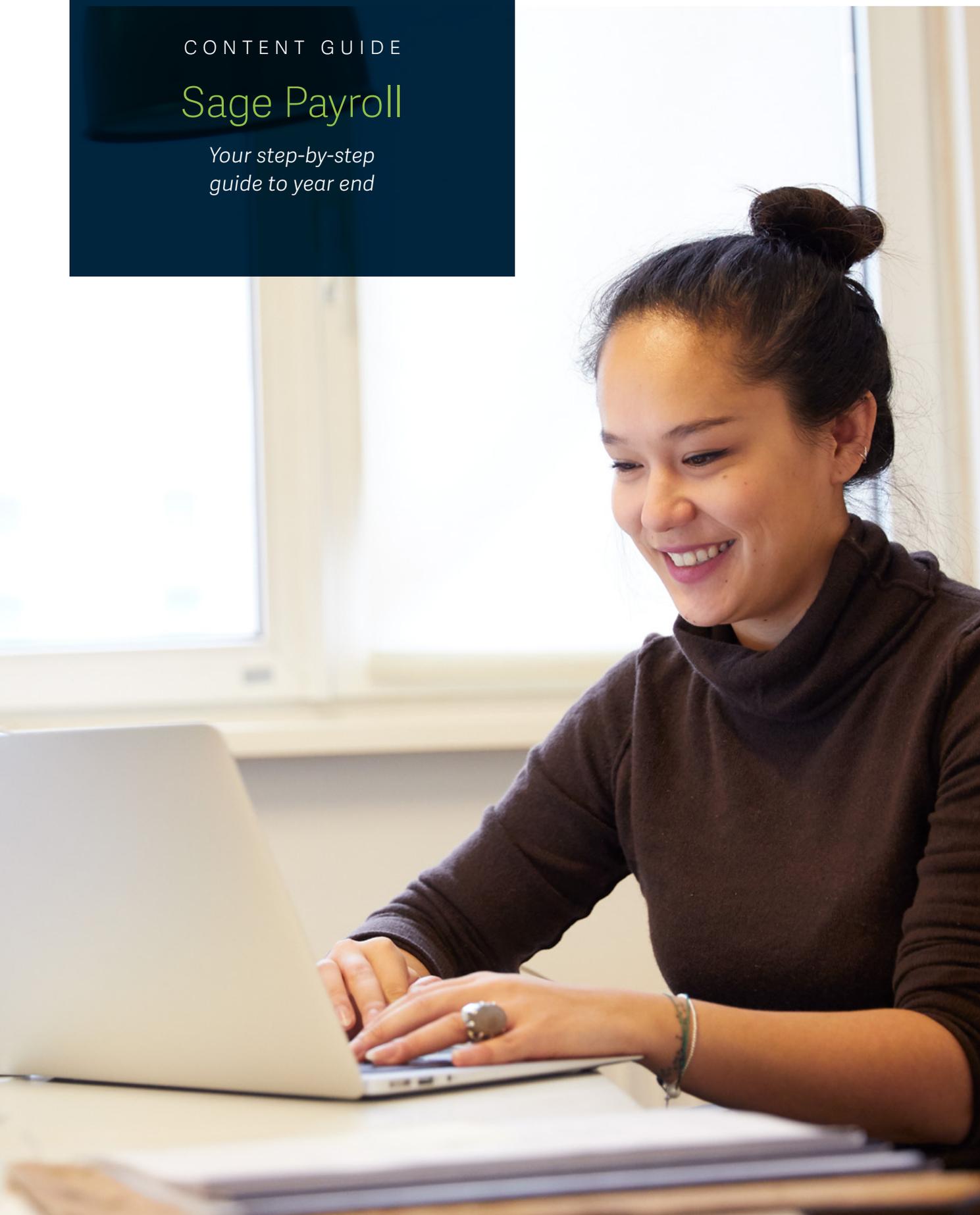


CONTENT GUIDE

Sage Payroll

*Your step-by-step
guide to year end*



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Payroll software for small to medium sized businesses who need complete control and confidence in their payroll process.

You should install the year end update immediately. You don't need to complete your payroll for the 2019 tax year first. For help installing the update, read this guide or visit www.sage.ie/pye

Introduction

Welcome to your guide to payroll year end

This guide takes you through the payroll year end process in four easy to follow sections:

1. Install your year end update.
2. Prepare for year end.
3. Run your year end report (optional).
4. Get ready for the new tax year.



What's changed

Under PAYE modernisation, the process for completing one tax year and starting a new one is much easier.

End of year return

As you've been submitting your payroll information directly to Revenue every time you pay your employees, there's no longer an end of year return.

Year end reporting

The P35 has been replaced by the submissions to Revenue and the P60 has been replaced by the employment detail summary report.

Construction workers pension scheme (CWPS)

If you process a construction workers pension scheme (CWPS) as part of your payroll, as the CWPS calendar started in October 2019, there's no longer a need to clear the balances and history as part of your year end tasks.

PAYE Exclusion Orders

Any Exclusion Orders that have expired are automatically removed from the employee details when you transfer the payroll to the new tax year. Any exclusion orders that have an expiry date within the new tax year are automatically carried over into the 2020 tax year.

Your year end software update

As part of your Sage Cover support contract, you receive the year end update. This update ensures you're ready for the 2019 year end tasks and contains any budget 2020 changes.

How we're supporting you

To help you through the process of completing your first a tax year under PAYE Modernisation, you can find help from the following places:

Your online guide

Did you know you can access your online guide to year end directly from your software? It includes additional interactive features to make processing year end even easier.

To access this from your software, click **Year End**, point to **Tax** then click **View User Guide**.

Live Q&A session

We're offering a new way for you to get quick answers to your questions from our Sage experts without having to call us. We'll be holding live drop in Q&A sessions where you can put your questions to us online. We'll demo some of the most common questions you ask us, but the focus of the sessions will be driven by you and your questions on completing the 2019 tax year and getting started in 2020.

For more information on the live Q&A sessions, visit sage.ie/ask and search for **article 45675**.

Payroll year end checklist

Part 1: Install the year end software update

Completed Yes/No

Take a full system backup of your payroll data.

Download and install the year end update.

Part 2: Prepare for year end

Completed Yes/No

Check if you have an extra pay period.

Process the final pay period of 2019.

Validate your data.

Part 3: Run your year end report (optional)

Completed Yes/No

Run the Employment Detail Summary report.

Part 4: Get ready for the new tax year

Completed Yes/No

Create and open the 2020 tax year.

Set up the new tax year calendar.

Set period one of the new tax year.

Enable Central Statistics Office (CSO) reporting.

Assign Additional Superannuation Contribution settings to your employees, if applicable.

Clear your financial year end balances.

Validate your data.

Part 1:

Install your year end update

To ensure your software is up to date for the new tax year, if you haven't already done so, you must install your update. Before you install the update, it's important that you take a full backup of your payroll data.

1.1 Take a full system backup of your payroll data

1. Open Sage Payroll and log in as the system administrator.

For information about how to do this, visit sage.ie/ask and search for **article 32221**.

2. On the menu bar, click **Miscellaneous** then click **Backup**.
3. For each payroll you want to back up, select the **Backup** check box.
4. To backup all system files, select the **Backup System Files** check box.
5. Click browse then **browse** to where you want to save the backup, then click **OK**.
6. Click **Backup** then click **OK**.

1.2 Download and install your year end update

To make the installation of your year end update as easy as possible, you're automatically prompted to download and install it when it's available. As it contains legislation for both 2019 and 2020, you can install the update straight away.

For information about configuring your software for automatic updates, visit sage.ie/ask and search for **article 32204**.

Check where your Sage Payroll data is held

To guarantee that your year end update installs to the correct location, you need to know where your existing software and data is held.

1. On the menu bar, click **Help** then click **System Information**.
2. Make a note of the **Program Directory** and **Data Directory links**.

If the data directory shows a local drive, for example, C:\Program Data, then your payroll data is held on this computer. If the data directory link shows a mapped network drive or path, then your payroll data is held on a network.

Check your access rights

Before you install the year end update, you need to log on to your computer as an administrator. This is only necessary for the installation of the software; you don't need administrator permissions when using Sage Payroll. You may need to contact your IT support to make any necessary arrangements.

Download and install the year end update

1. On the menu bar, click **Help** then click **Check For Updates**.
2. When you receive the prompt, click **Download Now**.
3. Once the download is complete, click **Install Now**.
4. To accept the terms of the licence agreement, select the check box then click **Next**.
5. When prompted What type of installation do you need?, select one of the following options
 - If you store your payroll data files on this computer, select **This Computer**.
 - If you store your payroll data files on a network, select **Server**.

If you run a server installation, the next time you open Sage Payroll you receive a prompt to run the client install. You must run this on all computers that have an installation of Sage Payroll.

6. Click **Next**, then select one of the following options:
 - **Typical** – To use the default program and data locations, select this option.
 - **Custom** – To change the program and data locations, select this option. Then to enter the folder details, follow the on-screen instructions.
7. Click **Next**.
8. Select the **Add shortcuts to my desktop check box**, then click **Install**.

The installation process is complete and both the 2019 and 2020 options on your desktop.

1.3 Upgrade your data

After you install the year end update, the next time you open your Sage Payroll 2019 software, the data automatically upgrades. How long this takes depends on the size of your data.

Once your data upgrades, check your version number is 22.5 or higher. You can find this in the top left-hand corner of Sage Payroll.

Part 2:

Prepare for year end

To close the tax year, you must complete your final payroll as normal.

2.1 Check if you have an extra pay period

If you're paying your weekly, fortnightly or four weekly paid employees on Tuesday 31 December, you have an extra pay period. You process your payroll as normal on this date. For further information, visit sage.ie/ask and search for **article 32326**.

Monthly employees never have an extra pay period.

2.2 Process the final pay period of 2019

Before you can complete the tax year, you must process the remaining pay periods of 2019 as usual.

Process any holiday pay over year end

There's a new way of processing holidays that overlap the 2019 and 2020 tax years. For full details on this new process, visit sage.ie/ask and search for **article 32277**.

2.3 Validate your data

You can use the data validator utility at any time during the tax year to check your payroll data for errors. It's particularly useful when you're preparing to complete the tax year.

1. On the menu bar, click **Reports** then click **Validate Payroll data**.
2. If any errors appear on the report, you need to resolve them now.
3. Repeat the above steps in each of your payrolls.

Part 3:

Process year end (optional)

In previous tax years, you had to run the P35, P60 and PRC1 tax year end reports - these are no longer required.

From 2019, the P35 has been replaced by the submissions to Revenue produce an end of year statement for all employees, which includes details of all their pay and deductions for all employments in that tax year. Employees can view and print this statement directly from the myAccount portal on the Revenue website.

In Sage Payroll, you can access the Employment Detail Summary report. This report is for reference only and is not an official Revenue document. For more information visit sage.ie/ask and search for **article 43130**.



Part 4:

Get ready for the new year

Before you can start to process in the tax year there are a few things you need to do.

Legislation for 2020

For a full listing of all the 2020 legislation settings visit sage.ie/ask and search for **article 42464**.

Once you install the year end update, all legislation changes update automatically within your 2020 software.

4.1 Create and open the 2020 tax year

1. Open a payroll in your 2019 software.
2. On the menu bar, click **Year End** point to **Tax** then click **Set up 2020 Tax Year**.
3. Follow the on-screen instructions then click **Close**.
4. To close Sage Payroll 2019, click **Login** then click **Exit**.
5. From your desktop, double-click Sage Payroll 2020 and log in to the payroll as usual.

Before you start processing in the new tax year, check your version is 23.0 or higher. You can find this in the top left-hand corner of Sage Payroll.

6. Repeat the steps above for all payroll you want to use in 2020.

4.2 Set up the new tax year calendar

To help organise your company's payment dates for the new tax year, you must create the payroll calendar.

1. On the menu bar, click **Company/Payroll** then click **Calendar**.
2. Within the **New Calendar tab**, enter the relevant details for period one of the new tax year.

It's important to enter the correct pay date for period one as this date determines the subsequent dates of all your pay periods. For further information, visit sage.ie/ask and search for **article 35299**.

4.3 Set period one of the 2020 tax year

Before you can start to process your pay for your employees, you need to set the pay period.

1. On the menu bar, click **Processing** then click **Set period**.
2. In the **New period to process** box, enter **1**.
3. Check the dates and information is correct for the current period. If not, amend as required.
4. Once all information is correct for the new period, click **OK**.

If your holiday year ends on 31/12/2019, you automatically receive an option to roll forward the holiday information when you set the first period of 2019. To check you holiday year dates:

1. On the menu bar, click **Company/Payroll** then click **Company Details**.
2. Click the **Holidays** tab then check your holiday year start and finish dates are correct.

4.4 Enable Central Statistics Office (CSO) reporting

If the CSO has selected your company for surveying and you haven't done so already, you need to enable to CSO reporting option. If the CSO haven't selected you for surveying, you don't need to follow these steps.

1. On the menu bar, click **Company/Payroll** then click **Company Details**.
2. Click the **CSO** tab.
3. Select the Use CSO Reporting Feature check box.
4. Enter your company's CBR number then click **OK**.

You also need to check your payments and employee data are set up for CSO reporting. For further information, visit sage.ie/ask and search for **article 32261**.

4.5 Assign Additional Superannuation Contribution settings to your employees, if applicable

If you have employees that are liable for ASC deductions in 2020, you must assign the appropriate ASC settings within their records. For more information, visit sage.ie/ask and search for **article 43062**.

4.6 Clear your financial year end balances

The tax year runs from 1 January to 31 December, however your company's financial year may not coincide with these dates, for example, 1 August to 31 July. This optional year end task involves clearing any deduction balances that you don't want in your new financial year. You can carry out this clear down whenever it's appropriate for your company payrolls.

Clear the cost analysis

You use the cost analysis feature to associate payments and deductions with departments and cost centres. This helps you break down where in your organisation costs occur.

1. On the menu bar, click **Year End**, point to **Financial** then click **Clear Cost Analysis**.
2. Click **OK** then click **OK**.
3. Repeat the steps above for all payrolls you want to clear the cost analysis for.

Clear the payments

1. On the menu bar, click **Year End**, point to **Financial**, then click **Clear Payments**.
2. To clear every payment's hours and values, select the **Select all** check boxes.

Alternatively, you can clear specific payments values by selecting the relevant **Hours TD and Values TD** check boxes.

3. Click **Clear Selected**, then click **Yes** then **OK**.

Clear the deductions

1. On the menu bar, click **Year End**, point to **Financial**, then click **Clear Deductions**.
2. To clear every deduction's values, select the **Select all** check boxes.

Alternatively, you can clear specific deduction values by selecting one or more of the following check boxes:

- **Std. Amt.** - To clear the standard amount deducted each period, select this option.
 - **Balance** - To clear the total of the deduction accumulated since the last clearance, select this option.
 - **Total** - To clear the running total of the deduction since it was first introduced, select this option.
 - **Tax Yr. Bal.** - To clear the tax year balance of the deduction, select this option.
3. If you want to clear the employee pension history, in the **Non-Tax Deds. (Employee Employer)** box, select one or both of the following check boxes:
 - **Financial Year** - To clear the pension history accumulated since the last clearance, select this option.
 - **From Start** - To clear the pension history since it was first introduced, select this option.
 4. Click **Clear Selected**, then click **Yes** then **OK**.

4.7 Validate your data

1. On the menu bar, click **Reports** then click **Validate Payroll data**.
2. If any errors or warnings appear, you must address them now before you begin to process your employees' pay details in the new tax year.
3. Repeat the previous steps in each of your payrolls.

You've now completed your year end process

Great news! You've prepared your data and can now start to process your payroll in the 2020 tax year.

If you need help with processing your payroll, visit www.sage.ie/payroll



Number One Central Park
Leopardstown
Dublin
Ireland

www.sage.com/en-ie

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