MYOB PayGlobal

New Zealand
Tax Year End Procedures
2026

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Introduction

Welcome to the *MYOB PayGlobal NZ Tax Year-End Procedures* manual.

This manual assumes that you are a supervisor user who can run the entire end-of-year procedure.

It also assumes your database has been upgraded to the 2026/2027 NZ tax release version.

Database Upgrade

For our ONLINE services customers, the database upgrade process is managed for you by our Online Services Team.

For our ONPREMISE customers who have booked a Tax Upgrade package, the database upgrade process is included in the package.

For our ONPREMISE customers, who would like to upgrade their databases themselves, the Upgrade Manual is available from our Customer Support team upon request only. **Please be aware** that if the help you need relates to system configuration, you may be handed over to our Professional Services and/or Account Management teams.

Tax and Payroll Compliance changes for April 2026

Changes impacting payroll and/or PayGlobal for the 2026/2027 tax year are described as follows:

ACC Earners' Levy Thresholds

- ACC levy rate increases to **1.75%** (was *1.67%*) per $100 of liable earnings.
- Maximum liable earnings threshold increases to **$156,641** (was *$152,790*)

No changes – PAYE, SL or ESCT

There are NO CHANGES to the following:

- Income Tax (PAYE)
- Employer Superannuation Contribution Tax (ESCT)
- Student Loan Rates or Thresholds (SL)

PAYE tax table

Rates and thresholds being used for 2026/27

Income range	Tax Rate
$0 - $15,600	10.5%
$15,601 - $53,500	17.5%
$53,501 - $78,100	30%
$78,101 - $180,000	33%
$180,001 and above	39%

ESCT tax table

Rates and thresholds being used for 2026/27.

ESCT Rate Threshold Amount	Tax Rate
$0 - $18,720	10.5%
$18,721 - $64,200	17.5%
$64,201 - $93,720	30%
$93,721 - $216,000	33%
$216,001 upwards	39%

Student Loan Repayment Rates and Threshold

Rates and thresholds being used for 2026/27

Frequency	2024 and subsequent tax years
Annual threshold	$24,128
Weekly pay period (Threshold divided by 52)	$464
Fortnightly pay period (Threshold divided by 26)	$928
Monthly pay period (Threshold divided by 12)	$2,010.67
Four-weekly pay period (Threshold divided by 13)	$1,856

The standard student loan repayment rate also remains at 12%.

Reminder – The repayment threshold only applies to primary income earner. This means anyone with a secondary tax code, i.e. SB SL, S SL, SH SL, ST SL, SA SL has the 12% calculated on the full pay period, not the amount that exceeds the pay period threshold.

Kiwi Saver

The following compliance changes apply from 1 April 2026:

- Increase in **both** employee and employer minimum contribution amounts from 3% to 3.5%
- Reduction in minimum age for compulsory employer contribution (CEC) from 18yrs to 16yrs
    - This **does not** impact how auto-enrolment works – that still applies to 18-65yr olds
    - This is expected to encourage more 16 & 17 olds to voluntarily "Opt-in" to KiwiSaver given employers will now be **required** to contribute to KS too. Prior to 1 Aprl 2026 it was optional for this age group. However, for these minors to join KS they are legally required to do so directly via a Superfund with their parental/guardian's consent. Employers must wait for the "Opt-in-via IRD" letter to arrive before making any super contribution payments
    - PayGlobal will automatically handle the CEC for your existing 16 & 17 old employees already contributing to KiwiSaver funds only.
    - It is still optional for employers to contribute to KS for eligible employees under 16yrs of age.
- Introduction of temporary minimum contribution amount exception.
    - Your <u>employee</u> can request apply to IRD for an exemption to remain on 3% instead of increase.
    - IRD will inform the employer if the exemption was approved.
    - As an employer, you have the choice to match the exemption rate (3%) or continue paying the new minimum rate (3.5%) or whatever rate above that, which had been previously set.

Minimum Pay Rates

Employers must be mindful that there are several different types of 'minimum' pay rates defined in legislation. Which one applies to you/your employees is dependent on certain conditions.

Wage Type	New Rate	Effective from
Minimum Wage – Adults	$23.**95** *(was $23.50)*	1 April 2026
Minimum Wage – Starting Out & Training Wage	$**19.16** (was $18.80)	1 April 2026
Living Wage	$**28.95** (was $27.80)	1 Sept 2025
Median Wage	$33.56* may increase see links below	1 Feb 2024

Sources:

- **Minimum Wage** - https://www.mbie.govt.nz/about/news/minimum-wage-set-for-2026
- **Median Wage**
  - https://www.immigration.govt.nz/live/resident-visas-to-live-in-new-zealand/skilled-residence-pathways-in-new-zealand/skilled-migrant-category-pathway-to-residence/pay-rates-for-the-skilled-migrant-category-resident-visa/
  - https://www.nzimmigrationpartners.com/news/new-skilled-migrant-rules-take-effect-august-2026
  - https://www.workingin-newzealand.com/news/green-list-and-wage-threshold-updates-2026/
- **Living Wage** - https://www.livingwage.org.nz/lw25

IMPORTANT: The Minimum Wages feature in PayGlobal only covers the "Minimum Wage…." Wage types. If you wish to have checks applied for other wage/rate amounts, this is best done via the use of Payroll rule.

Minimum Wage Rate

Paying the Minimum Wage is mandatory. It is the legal minimum that applies to <u>most</u> employees aged 16 and over.

For more details go to MBIE's website: https://www.employment.govt.nz/pay-and-hours/pay-and-wages/minimum-wage

Living Wage Rate

Paying the Living Wage rate is voluntary. Like the minimum wage, the cost of living is a key factor in how it's calculated. It is worked out independently, using the latest data and movement in New Zealand's average hourly earnings. The effective date may not always align with the current Minimum Wage rates.

For more details go to Living Wage Organisation's website: https://www.livingwage.org.nz/

Median Wage Rate

From March 2025, the median wage threshold for all Accredited Employer Visa (AEWV) roles will be removed.
Employers must still advertise roles and offer AEWV employees the market rate based on their position and workplace location. This change does not affect existing employment agreements.

Tax Year-End Checklist

The following table contains a summary of the tax year-end procedures. Print the checklist and tick each checkbox as you complete the step.

Online services customers <u>DO NOT</u> need to complete the steps relating to database upgrade or Payday Filing Certificate installation. The PayGlobal Online Service team does this for you.

Important: When you close the first pay period of the new tax year, all accumulators are reset. When the accumulators are reset, all the previous year's tax information is cleared from the employee record. You should always backup your database before you close the first pay period, so you can report on historical data.

Description	Complete
Finalise the tax year ending 31 March 2026	
• Complete and close all standard and manual pay sequences for the current tax year.	☐
• Run **tax year-end reports** (on page **10**)	☐
Prepare the database for the new tax year starting 1 April 2026 <u>***Before opening/processing the first pay***</u>	
• **Upgrade your database** to the new tax release version (on page 3)	☐
• Check latest **Payday Filing Certificate** is installed (on page 39)	☐
• Implement **KiwiSaver** changes (<u>if applicable</u>) (on page 13) **Reminder** changes for 1 April 2026: ▪ Minimum Employer & employee rate is now 3.5% ▪ Some employees will have applied for the new KS Rate Exemption to remain on 3%. Make sure you have the letters from IRD. ▪ Some 16 & 17 olds may now want to join KS now that employers will be obligated to contribute too.	☐
• Add **Minimum Wages** records (see "Minimum Wage Compliance" on page 26)	☐
• Check for **Tailored Tax Codes** (on page 27)	☐
• Check the **Pay Period Calendar** is fully setup for the year (on page **29**)	☐
• Check all **Public Holidays** for the year are recorded (on page **32**)	☐
• Clear **cost center amounts** (on page 38)	☐
<u>***After opening the first pay***</u>	
• Recalculate **ESCT rates** (on page 23)	☐

Description	Complete
Additional Tasks – These can be but do not need to be done at EOFY	
• Setup future years pay period calendars (on page 29)	☐
• Setup future years public holidays (on page 29)	☐

Tax Year-End Reports

You must run payroll tax year-end reports to reconcile your financial records for the tax year.

Preparation

You must run your end-of-year reports **before** you close any pay periods for the 2026/27 tax year. Closing the first pay period of the new tax year resets all year-to-date accumulators. When the accumulators are reset, all the previous year's tax information is cleared from employee records.

If you need to start working on pays in the new tax year before you finish reconciling your end-of-year reports, then we strongly recommend that you:

- Take a backup of the database that contains your end-of-year balances.
- Restore from this back up to create a new database.
- Use this new database for end-of-year reporting.

You ensure your reports include **all** employees who worked for your organisation during the 2025/26 tax year. Make sure that you deactivate any PayGlobal queries that maybe otherwise prevent the right employees from being included, before you run the reports.

Reports

Run the following reports.

PGPREMPL005 - Employee YTD Summary

This report displays each employee's yearly total of allowances, deductions and tax, which is based on their year-to-date accumulators.

Recommended report settings:

- *Employees* tab | *Employees* sub-tab | *Terminated Employees* = "Include"
- No selections on the other sub-tabs
- *Query* tab = "No Restrictions"
- *Sorting* tab | *Show Detail Band* selected.

Important: This report must be run after closing all pays for the 2025/26 tax year and before closing the first pay for the 2026/27 tax year. Also, if using internal company filtering, the employee will only appear against the company linked to pay period the employee is linked to at the time of running this report.

PGPRPRIM004 - Pay Sequence Detail Report

This report is based on the summarised totals of each pay sequence in the database. As a result, it reports on pay sequences only; you cannot sort it on employees or transactions.

Recommended report settings:

- *Period Type* = "Y.YTD"
- Period Range = "2025-2026 Tax Year"
- *Standard / Manual* = "Both"
- *Query* tab = "No Restrictions".

Limitation: For the PGPREMPL… reports, if an employee has changed pay periods during the tax year and the IRD number on the old pay period is different to the current pay period the entire years earnings will be reported against the current employer.

MyIR Business Account

Each time you have sent the IRD new Employee Information (EI/Return) data, IRD has grouped this data by employer (unique IRD number) and tax year. For each employer locate the "PAYE/Tax Deducted" value.

Tax Year-End Reports - Results

Print the following table to record and reconcile your YTD report results:

Fields	Employee YTD Summary PGPREMPL005	Pay Sequence Detail PGPRPRIM004	MyIR
Allowances Taxable			N/A
Allowances Non-Taxable			N/A
Deductions Taxable			N/A
Deductions Non-Taxable			N/A
PAYE*			
Earner Levy (EL)*			
*PAYE and EL values are combined in the *Pay Sequence Detail* **report** and *MyIRD*.			

Tax Year-End Reports - Troubleshooting

If your reports do not balance, then you need to identify the source of the imbalance.

Compare PAYE Figures

If the combined PAYE and EL values in the *Pay Sequence Detail* report and *MyIRD* are the same, but you cannot balance the *Pay Sequence Detail* with the *Employee YTD Summary* values, then someone may have manually changed employee accumulators.

You need to run the *Rebuild Accumulators* command to reset existing accumulator values and recalculate them based on actual pays. Then run the *Employee YTD Summary* report again. It should now balance with the *Pay Sequence Detail* report.

Run Further Checks

If you run *Rebuild Accumulators* and the reports still do not balance, then check the following:

a. Do you have a query applied to the database or one of the reports? For example, you may have applied a query to view only current employees, which would exclude details of terminated employees.

b. Are all checkboxes deselected on the filter tabs (such as *Departments* and *Locations*) so all employees are reported on? Check the information at the bottom of the last page of the report to confirm that no filtering was applied.

c. Have you used the recommended report settings?

d. Is internal company filtering active on any of the reports?

e. Are you opening the correct report in the destination area, such as the Inbox? If you are unsure, then run the report again and check values when the report appears in the PayGlobal Report Viewer.

f. Are pay sequences associated with the correct YTD records?

If you find any problems, then correct them and run the reports again.

If you complete all these checks, but you are still unable to reconcile the reports, then contact payglobalsupport@myob.com for assistance.

KiwiSaver

Implement KiwiSaver Changes

Quick recap

- <u>Minimum</u> Employer & Employee rate from 1 April 2026 is now 3.5%.
  For any employees linked to "KiwiSaver" funds that need to be changed quickly from 3% - 3.5% you can use the *KiwiSaver Update Tool,* to complete this task.
- Some employees will be <u>starting/ending Savings Suspension periods</u>.
- Some employees will have applied for the <u>new KS Rate Exemption</u> to remain on 3%.
- Some 16 & 17 olds may now want to join KS now that employers will be obligated to contribute too.   You must wait for the "Opt-in-via IR" letter before making any KS contributions in their pays.

Important: Please ensure you check your company superannuation policies and/or employee IEAs before applying any adjustments to Employee Super Fund records because some employees could be exempt and may not require any changes.

Exceptions

You can make **voluntary** employer contributions for the following employees, but you are not required to make **compulsory** employer contributions:

- Employees under 16 years of age
- Employees over 65 (unless they were 64 when they joined and have not been in the fund for at least 5 years).

KiwiSaver Eligibility reminder - if the employee is not a New Zealand citizen or entitled to live in New Zealand indefinitely (i.e. a NZ Permanent Resident) or they are on a student visa, work visa or any other temporary visa then they **<u>are not</u>** eligible to join KiwiSaver regardless of being between the age of 16 and 65.   Please ensure when you run the KiwiSaver update tool, these employees are excluded from your selected queries.

KiwiSaver State records

KiwSaver State records help support IRD processes in respect to how contribution payments are expected to be managed.

- "In" – represents employees actively contributing to KiwiSaver
- "Holiday" – represent employees who have an IRD approved Savings Suspension period that premits employees (and optionally for employers) to completely stop contributing to KiwiSaver for a defined period (max 1year).
- "Exemption" (new from 1 April 2026) represents employees who have an IRD approved Exemption/reduced rate period, i.e. permits employees (and optionally for employers) to set their KiwiSaver contribution rate for a defined period of between 3months and 1yr to 3% per request.
- "Out" – represents employees that aren't eligible for KiwiSaver / were accidently enrolled as an admin error.

In the cases of Savings Suspensions and Exemptions; employees are required to apply for these via IRD.   IRD approve/decline and advise the employer of outcome.   Employers are expected to return employees to normal minimum contributions at the end of these periods unless IRD have provided you with another letter that enables the employee to have back-to-back Saving Suspension/Exemption periods or change from one to the other.

Starting/Ending Savings Suspensions

Starting

Ensure you add a new KiwiSaver State record with State = Holiday and Event = Start Contribution Holiday.

If you know when the period will end and you want PayGlobal to automatically restart calculating contributions it is recommended to also add a related record with State = In and Event = End Contribution Holiday.

If this related record is not included, Process pay will warn when the end date of the contribution nears and then fail the pay once the end date has passed no new records exist.

Ending

You need to check if

1. Has the employee re-applied for another Savings Suspension periods; or
2. Are they expected to return to normal contribution payments; or
3. Are they changing to OR the new KS Exemption rate

- If the Savings Suspension is continuing, you must ensure there is new KiwiSaver record with State = Holiday and Event = On going contribution holiday.
- If the Savings Suspension is really ending AND your setup already includes in record with State = In and Event = End Contribution Holiday, then you won't need to do anything. Otherwise, you will need to add such record.
- If you have received a letter from IRD advising the employee is going from a Savings Suspension to the new Exemption, then:
  - if there is no "In" state with Event = End Contribution Holiday record following the "Holiday record then, add a new record with State = Exempt and Event = Start Exemption.

o If there is an "In" state with Event = End Contribution Holiday record following the "Holiday record then, update this record to be State = Exempt and Event = Start Exemption.

Starting/Ending Exemption

Starting

Ensure you add a new KiwiSaver State record with State = Exempt and Event = Start Exemption.

If you know when the period will end and you want PayGlobal to automatically restart calculating contributions it is recommended to also add a related record with State = In and Event = End Exemption.

If this related record is not included, Process pay will warn when the end date of the contribution nears and then fail the pay once the end date has passed no new records exist.

Ending

You need to check if

1. Has the employee re-applied for another Exemption periods; or
2. Are they expected to return to normal contribution payments; or
3. Are they changing to OR the new KS Saving Suspension

- If the Exemption is continuing, you must ensure there is new KiwiSaver record with State = Exempt and Event = Ongoing Exemption.
- If the Exemption is really ending AND your setup already includes in record with State = In and Event = End Exemption, then you won't need to do anything.   Otherwise, you will need to add such record.
- If you have received a letter from IRD advising the employee is going from an Exemption to a Savings Suspension, then:
    o if there is no "In" state with Event = End Exemption record following the "Exempt" record then, add a new record with State = Holiday and Event = Start Contributions Holiday.
    o If there is an "In" state with Event = End Exemption record following the "Exempt" record then, update this record to be State = Holiday and Event = Start Contribution Holiday.

Run KiwiSaver Update Tool (Optional)

You can use the *KiwiSaver Update Tool* to quickly update *Employee Super Fund* records. However, the tool does not update contribution values in *Superannuation Fund* and *KiwiSaver* records, so you must manually update these values.

The *KiwiSaver Update Tool* automates the process of updating employer and/or employee contributions when your required minimums are not met. It simplifies and speeds up the process of updating KiwiSaver and complying fund Employee Super Funds records to meet both legislative requirements for employer and/or employee contributions and/or minimums defined in your company superannuation policies or employee IEAs. The tool identifies employees who need to have their employer and/or employee contributions updated to meet the required minimums. For each Employee Super Funds record that requires updating, the tool end dates the old record and then models it to create a record with the new contribution values.

Important: The KiwiSaver Update Tool command is displayed only for users who have the Supervisor checkbox ticked in their User Profiles record.

If increases apply from the first pay period, for example, starting on or after 01/04/2026 but this date does not align with your pay period dates then the Application Date could vary according to the employee's pay period. For example, if your first weekly pay in 2026-2027 was 30/03/2026-05/04/2026, the Application Date for weekly employees would be 06/04/2026. For this reason, we recommend that you update employees by pay period.

We strongly recommend that you run the tool using the Run Report Only button until you are satisfied with the results in the audit log; only then should you run the tool using the Update Details button.

Note: For employees aged 16 and under or 64 and over, you should consider running the KiwiSaver Update Tool twice to update employer and employee contributions independently.

Steps

1. In the Payroll | Superannuation folder, double-click KiwiSaver Update Tool.

2. Enter the following types of values in the KiwiSaver Update Tool | Details tab:

| Field	Data	Details
Query	Weekly	Select a query to filter employees or accept the "Default" value to update all employees. We recommend that you apply a query that covers only one pay period (or periods that share the same PTDs) because they may have different *Application Date* values. For example, update all weekly employees, then all monthly employees. We also recommend that the query covers employees aged between the ages of 16 and 64 inclusive.
Employee	Select an employee or leave blank to update all employees.	
Note: You can select current employees only (termination date is blank).		
Update New Min. Employer (%) Contribution	Yes 3.50	New percentage for the employer's contribution for 2026/27.
Include Employer's Salary Sacrifice (%) in calculation	Yes/No field that determines whether salary sacrifice contributions are included in the employer's contributions.	
Update New Min. Employee (%) Contribution	Yes 3.50	New percentage for the employee's contribution for 2026/27.
Include Employee's Salary Sacrifice (%) in calculation	Yes/No field that determines whether salary sacrifice contributions are included in the employee's contributions.	
Application Date	Mandatory field. Any new contribution values apply from the first pay period starting on or after the 1st of April so the *Application Date* could vary according to the employee's pay period. For example, if your first weekly pay was 30/03/2026-05/04/2026, you would enter 06/04/2026. Your first monthly pay would normally start on 01/04/2026 so you would enter this date.	
Important: The *Application Date* must occur after any open or closed pays in the database. You can run the *KiwiSaver Update Tool* for dates in unopened pay sequences only.		

Field	Data	Details
Use only KiwiSaver and Complying Funds in calculation		Yes/No field that determines whether employer contributions to superannuation funds that are neither KiwiSaver nor complying funds are included when calculating contributions.
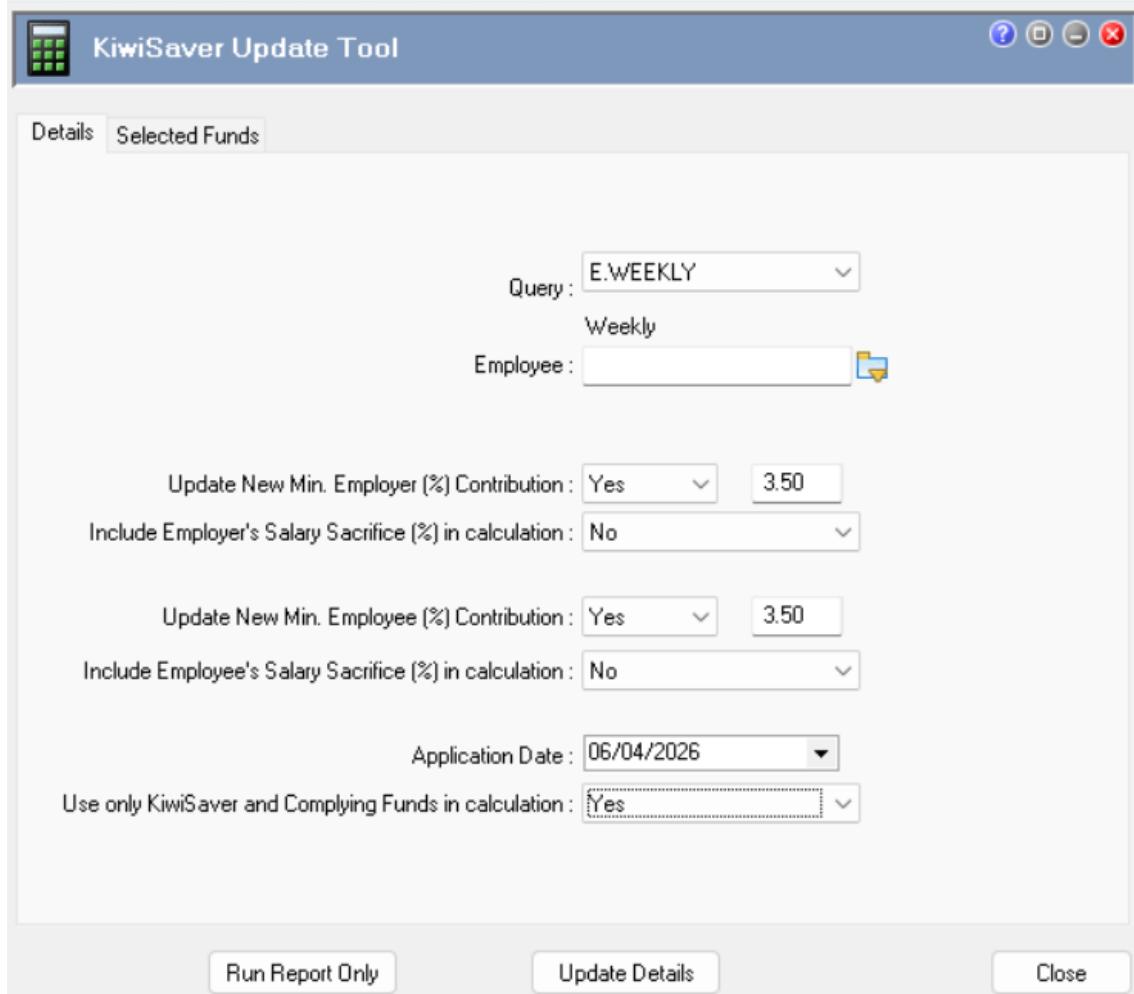
3. On the **Selected Funds** tab, ensure that you select only the superannuation funds you want to update. If you want to update all funds, leave all checkboxes unticked.

Important: If an employee has multiple current KiwiSaver and complying fund Employee Super Funds records, the tool will sum the employer or employee contributions to determine whether an update is required. For example, if Update New Min. Employer (%) Contribution = "3.50", and an employee has a KiwiSaver fund with a 3.00% employer contribution and a complying fund with a 1% employer contribution, and you have selected both funds, the tool will not update that employee because their total employer contribution is already 3.50%.

4. Click the **Run Report Only** button to verify the details on the form.
   If some details are incorrect, then a warning message will appear. You must enter correct details before you can continue.
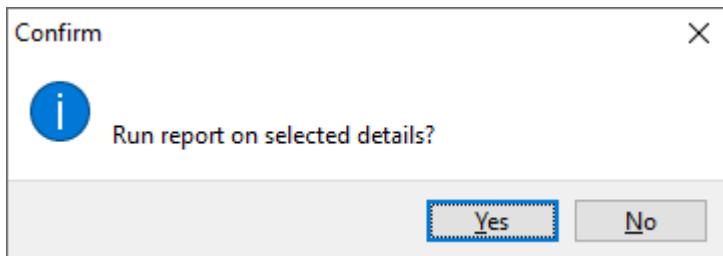
   If all details are correct, then a confirm message appears.

5. Click **Yes** and PayGlobal runs the *KiwiSaver Update Tool* in report-only mode.
   An audit log confirm message appears.
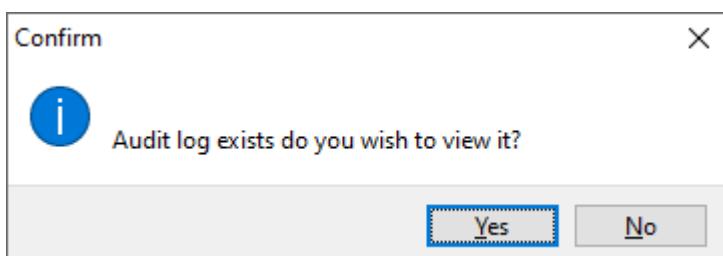
6. Click **Yes** to view the audit log.
   The log contains the following information for the selected superannuation funds:

   Section A - Employees whose *Employee Super Funds* records do not require processing because the employer and employee are already contributing enough.

   Section B - Employees who have one *Employee Super Funds* record that requires updating. If the employee has multiple funds, then the fund that requires updating is marked with an asterisk (*).

   Section C - Employees who have *Employee Super Funds* records that the *KiwiSaver Update Tool* cannot update because it cannot identify which of the employee's funds requires updating for any of the following reasons:

   a) More than one of the employee's funds has insufficient employer and/or employee contributions.

   b) The fund that required updating already contains a future-dated *Employee Super Funds* record.

Note: An employee can be in only one of these sections.

7. Press **Esc** to exit the log.

If any records where listed in Section B, the following type of confirm message appears.
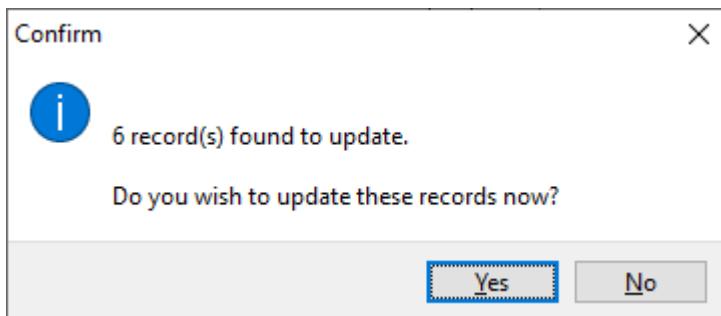
8. Click **Yes** to update these records.

   An audit log confirm message appears.

9. Click **Yes** to view the audit log.

   The log on the next page shows and example of what you might see. On your copy the values on lines 1-21 will show what you selected in the KiwiSaver Update Tool

   If the report only contains Section C employees, you will have to check their *Employee Super Funds* records and manually update them if necessary.

```
                            PayGlobal
                KIWISAVER UPDATE TOOL - REPORT ONLY Audit Log
                    TREETOP LIMITED    User:QA
     Started on Friday, February 13, 2026, at 02:42:51 PM    Ver:4.75.0.0-4
     -------------------------------------------------------------------------

 1
 2   KiwiSaver Update Tool Commenced - Report Only
 3
 4   Update New Min. Employer (%) Contribution : 3.50
 5
 6   Update New Min. Employee (%) Contribution : 3.50
 7
 8   Application Date : 06/04/2026
 9
10   Include Employer's Salary Sacrifice (%) in calculation : No
11
12   Include Employee's Salary Sacrifice (%) in calculation : No
13
14   Use only KiwiSaver and Complying Funds in calculation : Yes
15
16   Selected Superannuation Funds (ALL)
17
18   Selecting active employees where termination date is empty
19   Employee Filter: E.WEEKLY    Weekly
20   Pay Period Code is equal to "W"and Termination date is empty
21
22   Section A - All records in this section do not require processing as the employee and employer already contributes enough
23   =====================================================================================================================
24
25   Employee Details            Superannuation Details          KiwiSaver Status Start Date  End Date   <--Employee %-->  <--Employer %-->
26                                                                                                       Current    New  Current    New
27   ------------------------------------------------------------------------------------------------------------------------------------
28   1003     Hill, Allison Jane      KIWISAVER   KiwiSaver           KiwiSaver scheme 02/04/2010           3.00    3.00    3.00    3.00
29                                    VESTPAC     Westpac Superannuation Complying fund  01/04/2017         4.00    4.00    3.00    3.00
30                                                                                                        ------  ------  ------  ------
31                                                                              Employee Total :  7.00    7.00    6.00    6.00
32                                                                                                        ------  ------  ------  ------
33
34   1202     Gresson, Wayne          AMP         AMP (CF)            Complying fund                        4.00    4.00    9.00    9.00
35
36
37   1207     Anderson, Brent John    AMP         AMP (CF)            Complying fund   01/07/2009           5.00    5.00    3.00    3.00
38                                    KIWISAVER   KiwiSaver           KiwiSaver scheme 02/04/2010           0.00    0.00    3.50    3.50
39                                                                                                        ------  ------  ------  ------
40                                                                              Employee Total :  5.00    5.00    6.50    6.50
41                                                                                                        ------  ------  ------  ------
42
43   1232     over 65                 KIWISAVER   KiwiSaver           KiwiSaver scheme 19/12/2018           8.00    8.00   11.00   11.00
44
45
46   Section B - All records in this section are ready for updating as follows (The fund marked with a '*' indicates the chosen fund to update)
47   =====================================================================================================================
48
49   Employee Details            Superannuation Details          KiwiSaver Status Start Date  End Date   <--Employee %-->  <--Employer %-->
50                                                                                                       Current    New  Current    New
51   ------------------------------------------------------------------------------------------------------------------------------------
52   1005     Street, Craig        * KIWISAVER   KiwiSaver           KiwiSaver scheme 01/01/2019           3.00    3.50    3.00    3.50
53
54
55   1019     Parkinson, Allison   * AMP         AMP (CF)            Complying fund                        0.00    3.50    4.00    4.00
56
57
58   1029     Clyde, Grant Allan   * KIWISAVER   KiwiSaver           KiwiSaver scheme 07/10/2021           3.00    3.50    3.00    3.50
59
60
61   1067     Smith, Michael       * KIWISAVER   KiwiSaver           KiwiSaver scheme 02/04/2010           3.00    3.50    3.00    3.50
62
63
64   1099     James, Lesley Ann    * KIWISAVER   KiwiSaver           KiwiSaver scheme 02/04/2010           3.00    3.50    3.00    3.50
65
66
67   1105     Dawson, Jamie Gareth * KIWISAVER   KiwiSaver           KiwiSaver scheme 02/04/2010           3.00    3.50    3.00    3.50
68
69
70   1212     Thompson, David James * KIWISAVER  KiwiSaver           KiwiSaver scheme 02/04/2010           3.00    3.50    3.00    3.50
71
72
73   1213     Skerret, Guy         * KIWISAVER   KiwiSaver           KiwiSaver scheme 02/04/2010           3.00    3.50    3.00    3.50
74
75
76   1214     Li, Houng So         * KIWISAVER   KiwiSaver           KiwiSaver scheme 02/04/2010           3.00    3.50    3.00    3.50
77
78
79   1220     Jefferson, Patricia Joyce * MERCER Mercer Retirement Trust KiwiSaver scheme 01/04/2022       3.00    3.50    9.00    9.00
80
81
91   Section C - All records in this section cannot be updated by this tool
92   =====================================================================================================================
93
94   Employee Details            Superannuation Details          KiwiSaver Status Start Date  End Date   <--Employee %-->  <--Employer %-->
95                                                                                                       Current    New  Current    New
96   ------------------------------------------------------------------------------------------------------------------------------------
97   1000     Brown, Bryan            KIWISAVER   KiwiSaver           KiwiSaver scheme 02/04/2010           3.00    3.00    3.00    3.00
98                                    VESTPAC     Westpac Superannuation Complying fund                    0.00    0.00    9.00    9.00
99                                                                                                        ------  ------  ------  ------
100  Employee has more than one Selected Fund that is eligible for updating - Unable to choose which one!  Employee Total :  3.00    3.00   12.00   12.00
101                                                                                                       ------  ------  ------  ------
102
103  1192     Green, Brent            KIWISAVER   KiwiSaver           KiwiSaver scheme 02/04/2010           3.00    3.00    3.00    3.00
104                                   VESTPAC     Westpac Superannuation Complying fund                    0.00    0.00    0.00    0.00
105                                                                                                        ------  ------  ------  ------
106  Employee has more than one Selected Fund that is eligible for updating - Unable to choose which one!  Employee Total :  3.00    3.00    3.00    3.00
107                                                                                                       ------  ------  ------  ------
108
109
110  KiwiSaver update tool completed for specified user selection
111
112  Number of employees in section A where employees and employer already contributes enough = 4
113
114  Number of employees in section B - ready for update = 13
115
116  Number of employees in section C which cannot be updated by this tool = 2
117

     -------------------------------------------------------------------------
     Number of lines : 117   Filename : KiwiSaver_Update_Tool__Report_ONLY_QA_C1CF7BD2C46641F893E14D4E55CB988C.TXT
              Completed on Friday, February 13, 2026, at 02:42:52 PM
     -------------------------------------------------------------------------
```

Update KiwiSaver Superannuation Fund Record

In *Superannuation Fund* records, the *Values (%)* fields determine the default values applied when you create new *Employee Super Funds* records (such as when you add new employees). Changing these values will **not** affect existing *Employee Super Funds* records. You must manually edit contribution values to ensure that new *Employee Super Funds* records contain the correct default values.

For KiwiSaver and complying superannuation funds, the minimum employer and employee contribution value is 3.000000. If your company policy provides for a greater amount, then enter your company minimum. If an employee's IEA provides for a greater amount, then enter that amount in the employee's *Employee Super Funds* record.

1. Navigate to **Payroll | Superannuation | Superannuation Fund**.
2. Double-click the **KiwiSaver Fund** record to open it.
3. Click the **Allowances** tab.
4. Click in the **Values (%) | Employer (%)** field.
5. Enter the appropriate value, which must be at least **3.500000**.
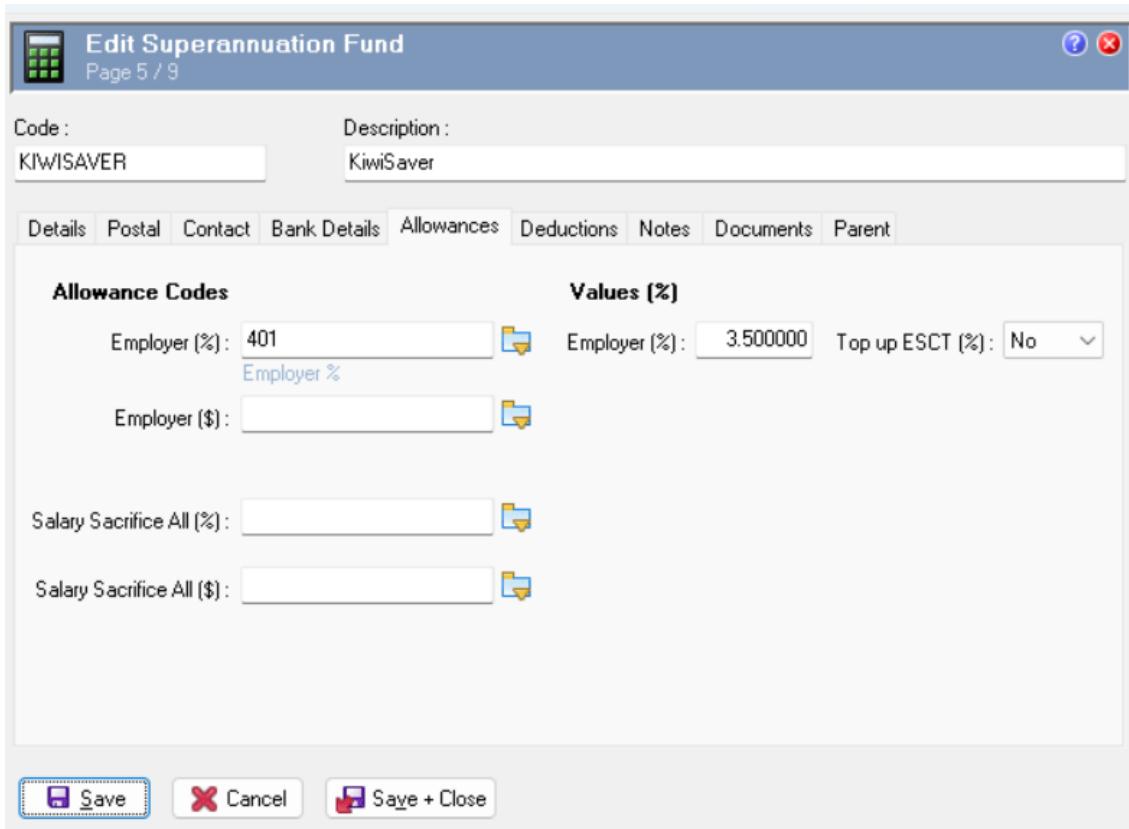
6. Click the **Deductions** tab.
7. Click in the **Values (%) | Employee (%)** field.
8. Enter the appropriate value, which must be at least **3.500000**.

Note: *If you have multiple KiwiSaver* Superannuation Fund *records, use* Model Field *to model the new* Employer (%) *and* Employee (%) *values to those records.*

9. Click **Save + Close**.

Recalculate ESCT Rates

When you open the first standard pay of the new tax year, PayGlobal automatically recalculates employee ESCT rates for all current employees in that pay period. The updated ESCT rates are based on the employees' income in the previous tax.

Limitation: For employees that started in the previous tax year PayGlobal does not calculate the ESCT rate as per IRD specifications/Income Tax Income Tax Act (2007) YA 1 Definitions. You will need to manually check/up the rate PayGlobal has calculated for these employees before closing the first standard pay of the new tax year.

The following describes how the ESCT rates are automatically calculated for existing employees:

1. Close all pays in the previous tax year so employee income information for the previous tax year is complete.

Important: If you open standard pays for the new tax year before you process pays for the previous tax year, then PayGlobal will apply the new ESCT rate to pays for the previous tax year.

2. Navigate to the **Open Standard Pay** command.

3. Open the **first** standard pay in the 2026-2027 tax year.

4. Check the resultant audit log.

PayGlobal automatically recalculates ESCT rates for all current employees in the pay period, based on their earnings in the previous tax year. If no employee ESCT rates have changed, then the audit log will not list any employees. If any employee ESCT rates have changed, the audit log will show whether the new rate is based on a full year or a part year. For example:

```
4 The following Period YTD's were selected for calculating ESCT : TY2021.
5 Employee 1000 Brown, Bryan ESCT rate was recalculated to 33%. Based on a full year.
6 Employee 1011 Jones, Geoffrey ESCT rate was recalculated to 30%. Based on a full year.
```

- For employees that were employed for all of the previous tax year, their ESCT rate is based on:

  GROSS EARNINGS FOR PREVIOUS TAX YEAR + GROSS EMPLOYER'S SUPERANNUATION CONTRIBUTIONS IN PREVIOUS TAX YEAR.

- For employees that started within the last tax year, their ESCT rate is based on:

  (GROSS FOR PREVIOUS TAX YEAR * NUMBER OF PAY PERIODS IN THE TAX YEAR / NUMBER OF PERIODS PAID) + (GROSS EMPLOYER SUPERANNUATION PAID IN THE PREVIOUS TAX YEAR * NUMBER OF PAY PERIODS IN THE YEAR/NUMBER OF PERIODS PAID)

  However, the legislation requires these employees ESCT rates to be based on an estimate of what the employee is expected to be paid in the new tax year. The IR require you to do this by determining what the employee is expected to be paid (i.e. taxable gross income + employer superannuation contributions) within the first 14days of the new tax year, dividing

by 14, then multiplying the total number of days in the tax year (i.e. usually * 365 unless its a leap year then * 366)

- For employees that start within the first pay of the new tax year, PayGlobal will use the ESCT already set on the employee record.

  As per IR requirements it is expected that you have set the employee's ESCT rate based on income from their first pay in the new tax year (i.e. taxable gross + employer superannuation contributions), divide by number of days those earnings relate to, then multiplied by the remaining days in the new tax from the employees employment start date.

Important:

1. *Pay processing will fail if any employees have an ESCT rate set to 0.00*

2. *If you subsequently reset (remove) the first standard pay of the new tax year, PayGlobal does not roll back the ESCT rate changes it made when you opened the pay. You can run the Recalculate ESCT Rates command, but you should only use this tool to update employees who started before the start date of the previous tax year.*

Minimum Wage Compliance

To ensure PayGlobal, correctly manages your minimum wage compliance, your database must contain a date-effective Minimum Wage records; i.e. you need to create a new record each time the Government announces changes to the rate of the "Adult", "Starting-Out" or "Training" wage rates.

Each time you open or process a pay, PayGlobal will review the relevant Minimum Wage record to verify the employee's Standard Default hourly rate is equal to or greater than the rate on this Minimum Wage record. If an employee is found to be paid less than this rate, the employee will be flagged in the Open/Process pay audit log.

The following table shows the minimum wage rates that took effect from 01/04/2024:

Wage rate type	Existing rates from 1 April 2025	Active rates from 1 April 2026
Adult	$23.50	$23.95
Starting-out	$18.80	$19.16
Training	$18.80	$19.16

When creating new records, you must ensure you check the following:

1. The old record has had an end date added.

2. The dates do not overlap for the same Wage rate type.

3. There are no gaps in the dates between records of the same Wage rate type.

4. There is only one current record per Wage rate type at any time.

Check for Tailored Tax Codes

Tailored Tax Rates only have a maximum lifespan of one year.

IRD will usually issue new/replacement IR330 or IR330C or certificates close to the tax year change over.

In some cases, you are permitted to keep the employee on the same tax code/tax rate until you receive a new IR330, IR330C or new certificate.

In other cases, you must place the employee on the "ND" tax code. Please not this will result in their tax being calculated at the highest rate and stopping student loan repayments. Stopping of student loan repayments could also result in further implications for they employee by means of late payment penalties.

For further advice on what tax code/tax rate to use please refer to the IRD's Employer Guide (IR335) document or go to the IRD Website: Employees with tailored tax codes (ird.govt.nz).

How to find effected employees

To identify which employees have Tailored Tax Codes, you can setup an employee query and then generate a grid report.

1. Customise columns in the *Employees* grid to display:
   - **Employee Code**
   - **Name**
   - **Tax Code**
   - **Tax Rate**.

2. Apply a query to the *Employees* grid to display only **current** employees with the following tax codes:
   - **[Blank]**
   - **STC**
   - **STC SLM**
   - **STC SLS**

   You need to use brackets to group the *Tax Code* parameters.
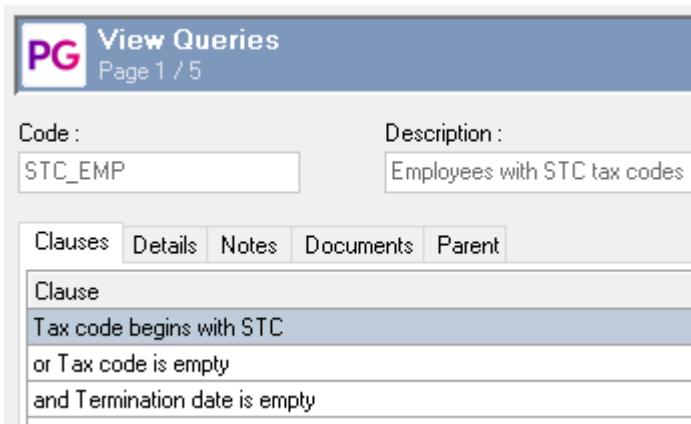
Note: PayGlobal treats [Blank] tax codes as STC.

---

3. Generate a grid report (Ctrl+G) and print it.

4. Identify those employees for whom you have not yet received an updated *Tailored tax code or deduction rate (IR23) certificate*.

5. Remind those employees they need to complete the IR330 and/or IR23BS forms for the 2025-2026 tax year and of obligations/consequences of setting their or their Tax Code to ND (Non-Declaration).

6. Before you process the first pay for the 2026-2027 tax year, update the **Tax Code** field for these employees with the appropriate values.

Pay Period Calendars

PayGlobal provides a Period Calendar Creation Tool.

This tool automates the process of creating all your accumulator records (PTDs, TTD, MTD, YTD, FYTD etc) and removes the necessity to "Roll the calendar".

Using the Period Calendars Creation Tool

In PayGlobal, you can use the *Period Calendars Creation Tool* to quickly and easily set up a complete period calendar for a taxation year. You can run the tool from the PayGlobal Tree by double-clicking the *Period Calendars Creation Tool* command in the *Organisation | General Periods* folder.

1. If you have already used the *Period Calendars Creation Tool*, click the **Find History** button to display the *Period Calendars History* form.

   Important: If you are using the Period Calendars Creation Tool *for the first time, then see the* Period Calendars Creation Tool *manual or the Help file for information on how to create a new period calendar.*

   Note: Alternatively, you could start the *Period Calendars Creation Tool*, select *Period* = W and enter the required values.

   This example shows how to create a weekly *Period Calendar* for 2021-2022.

2. Select the **W - Weekly** history record to populate the *Period Calendars Creation Tool* fields with the values that you set up for 2020-2021.

3. Click the **Roll Calendar** button to update the *Start date of first PTD* value to reflect the 2021-2022 calendar.

For example, for 2020-2021 the Start date of first PTD was 30/03/2020 so the *Period Calendars Creation Tool* shows that the Last period end date was 28/03/2021.

When you click the *Roll Calendar* button, the tool changes *Start date of first PTD* to 30/03/2020 to ensure that no gaps occur between the 2020-2021 and 2021-2022 calendars, and it changes the *Last period end date* to 28/03/2021.

You do not need to update other *Start date* values, such as *Start date of MTD* and *Start date of financial YTD* because the tool calculates them correctly based on the *Start date of first PTD* value. However, if any *Code* fields contained set values instead of wildcards, you would need to update them.

4. Click **Preview Only** and check the resultant audit log.
5. Click **Run Update**.

Further Reading: *For more information, see the* <u>Period Calendars Creation Tool manual</u>.

Maintain Holidays

Employees are entitled to many public and statutory days off each year. Your organisation may also grant certain days off as staff holidays.

You need to set up *Public Holidays* records in PayGlobal to ensure that appropriate payments are made if an employee works on a public holiday, and that payments are also made if the employee is rostered to work but does not work on a public holiday. You can use rules to calculate payments for employees who have worked on a designated holiday. The rules will pay those employees special benefits, such as overtime.

At the beginning of each year, you must create a new holiday list because PayGlobal uses the full date of the holiday in each record. For example, you need to add a new record for Christmas Day each year, so the dates would be 25/12/2015, 25/12/2016, and so on. You can then add these new *Holidays* records into the appropriate *Holiday Groups*, which apply to sets of employees with the same holiday requirements, such as employees in the same state or region.

Create Holidays

When you set up *Holidays* records, we recommend coding holidays in chronological order (YYYYMMDD) to group each year's holiday dates, because certain public holidays, such as Christmas and New Year, usually occur on the same day every year. For example, Christmas and New Year public holidays for 2021 and 2022 could be:

- 20211225 - Christmas Day 2021
- 20211226 - Boxing Day 2021
- 20220101 - New Year's Day 2022
- 20220102 - New Year's Holiday 2022
- 20221225 - Christmas Day 2022
- 20221226 - Boxing Day 2022

Public Holiday Dates

The observed date is when employees get the holiday. Please be mindful of the impact Mondayisation has on employees that work weekends and Mondays – they are only entitled to observe a specific public holiday once.

Anniversary Dates

Each province within New Zealand also celebrates its anniversary – these are treated as Public Holidays too. The observed date is when a public holiday is celebrated, which may or may not be the actual anniversary date.

NZ public holidays list

The complete list and further guidance are published on the Employment New Zealand website https://www.employment.govt.nz/leave-and-holidays/public-holidays/public-holidays-and-anniversary-dates/

How to create holidays

1. Navigate to **Organisation** | **Entitlements** | **Holidays**.

2. Press **Insert**.

    The *Add Holidays* form appears.

3. Enter an appropriate **Code** and **Description**.

4. Complete the following fields on the *Details* tab:

Field	Details
Date	Date of the holiday.
Lieu Day	Yes/No field that indicates whether employees who work on this day are entitled to take another day off in its place. This field setting may be based on legislative requirements.
Statutory	Yes/No field that indicates whether this is a legislated holiday.
Festive	Yes/No field that indicates whether this holiday occurs in a festive period, such as Christmas or Easter.
Operating Day	Yes/No field that indicates whether this holiday is a normal operating day for your organisation.
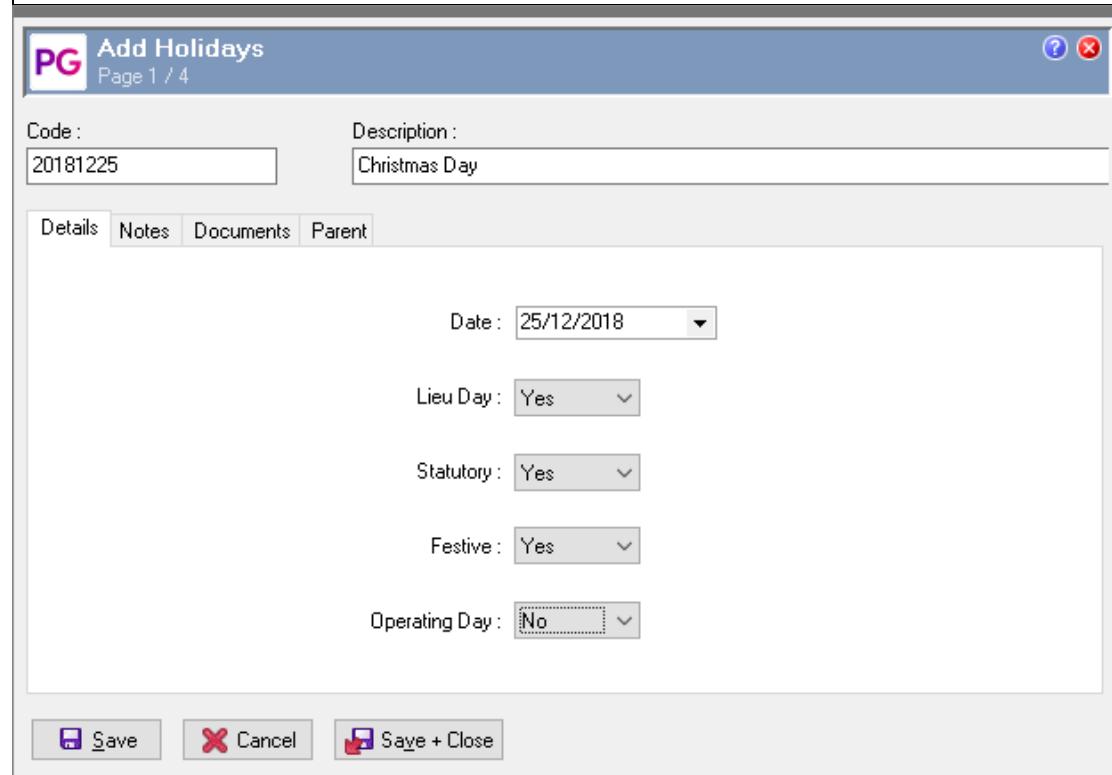
5. Click **Save + Close**.

Note: Alternatively, if you need to add several holidays, click Save*, and then click* Add.

Add Holidays to Holiday Groups

Holiday Groups allow you to organise *Holidays* records into sets that you can apply to employees in specific legislative regions, such as states or provinces. You can attach the appropriate *Holiday Groups* record to an employee to identify when a holiday occurs. The holiday is highlighted in Daily View, and award rules can use this information to generate correct payments to employees.

After you create *Holidays* records for the new year, you must add them to the appropriate *Holiday Groups*.

1. Navigate to **Organisation** | **Entitlements** | **Holiday Groups**.

2. Double-click the first **Holiday Groups** record.

    The *View Holiday Groups* form appears.

3. Click the **Holidays** tab.

4. Click **Edit**.

5. Press **Insert**.

    The *Add Holiday Group Holidays | Details* tab appears.

6. Complete the following fields:

Field	Details
Holiday	Select the *Holidays* record that you want to add to this group.
Reason	Optional field that categorises a holiday group by a value, such as "Public Holiday (not worked)". When you generate non-clocked data, PayGlobal adds this *Reason* code to the timebands of employees who did not clock on or off that day.

7. Click **Save + Close** to add this holiday to the holiday group.

Note: *Alternatively, if you need to add several holidays to this group, click Save, and then click Add.*

8. On the *Holiday Groups* form, click **Save + Close**.

You would repeat this process to add new *Holidays* to all relevant *Holiday Groups*.

Modelling Holidays to other Holiday Groups

1. After you add a *Holidays* record to a holiday group, you can model it to other holiday groups.

2. On the *Holiday Groups* | *Holidays* tab, click *Edit*.

3. Right-click the holiday that you want to model and click *Model Record*.

4. In the *Select Holiday Groups* form, click checkboxes for the *Holiday Groups* that you want to model this *Holidays* record to.

5. Click *OK*.

Transferring Public Holidays

Employers and employees can agree to transfer the observance of public holiday to another working day as either a full or part-day. Thus, you may have to set up new *Holiday* and *Holiday Group* records to facilitate public holiday transfers.

In this example, you agree to Bryan Brown's request to transfer the observance of Queen's Birthday on 01/06/2021 to Rosh Hashanah on 18/09/2021.

1. Create a **Holiday** record for Rosh Hashanah on 18/09/2021.

2. On the **Notes** tab, enter an explanation of the transfer. For example, "Employee requested transfer of Queen's Birthday to Rosh Hashanah".

3. Model an existing public holiday allowance record to create a **public holiday transfer allowance** with a suitable description, such as "PH Transfer".

4. Create a **Reason** record with a suitable description, such as "Public Holiday Transfer".

5. In the **Payroll allowance** field, select the public holiday transfer allowance record (PH Transfer).

6. Model Bryan Brown's current **Holiday Group** record and name it accordingly. For example, "Canterbury Public Hols - Brown".

7. In the new *Holiday Group* record:

8. Delete the **Holiday Group Holiday** record for Queen's Birthday (01/06/2021).

9. Add a **Holiday Group Holiday** record for Rosh Hashanah (18/09/2021) with **Reason** = "Public Holiday Transfer".

10. On Bryan Brown's *Payroll* | *Contract* tab, change his **Holiday Group** to "Canterbury Public Hols - Brown".

Public Holiday Transfer Transactions

You can implement public holidays from ESS, T&A or Payroll, depending on your business process. However, all these options result in a public holiday allowance transaction in Transaction View.

In Transaction View, edit the public holiday transfer allowance transaction and explain the transfer on the Text tab. For example, "Transfer of Queen's Birthday to Rosh Hashanah".

Edit setting for the following reports so you can see public holiday transfer details:

- **PGPRPRIM001 - Pay Period Calculation Listing**
  In report settings, on the *Details* tab, select **Show transaction text**.

- **PGPRPRIM003 - Employee Pay Slip Report**
  In report settings, on the *Details (ii)* tab, select **Transaction text**.

- **PGPRPRIM903 – A4 Designer Payslip** (or any derivative of this report)
  Edit your report definitions to ensure that the *VirtualPayslip* fields *TaxableTrText1* to *TaxableTrText10* are included in your payslip template.

Note: If you customise the Transaction View Drill Down area to show Text *and* Leave Details *columns, and run these reports as suggested, then the reports will display the same details as Transaction View.*

Clear Cost Centre Amounts

If you use the *Cost Centres* | *Costing* tab fields, then you must:

1. Clear the values from the **Total amount** and **Total FTE hours** fields to restart them for the new year.

2. Enter **Budgeted amount** and **Budgeted FTE hours** values for the new year.

Note: You can use Model Field *to 'zero' field values or enter new values in multiple* Cost Centres *records.*

Payday Filing Certificate

To submit data for Payday Filing via the **Gateway solution**, you **must** have the latest certificate installed. This task is typically, (**but not always!**) part of the annual Tax Year End Upgrade procedures.

For our **ON PREMISE customers only** please take note that your existing Payday filing certificates are due to expire in **23 Jan 2027**. New certificates are available as part of the annual tax release.

You must replace your current certificates <u>before</u> they expire to avoid being blocked from using the Payday Gateway Service and then being at risk of late filing penalties with IRD.

Please contact Customer Support to obtain the new certificate if you have not otherwise booked a Tax Upgrade package or are actively engaging with one of our Consultants

IMPORTANT: For our ONLINE customers there is nothing for you do this process is managed for you by our Online Services Team.