



Samoa Payroll Guide

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Welcome to SmoothPay Payroll for Samoa

SmoothPay provides built-in localisation (tax, ACC, superannuation and leave rules) for **Western Samoa** and is available in both desktop/network (Smoothpay Gold) and online editions (gopayroll.net).

Employees in Samoa are provided minimum employment conditions by the *Labour and Employment Act* which provides for basic leave entitlements, rest periods, hours of work etc.

This guide covers some of these issues in the Samoa edition of SmoothPay Payroll, and is intended as a general guide on how to proceed in each of the identified situations.

This guide is not a substitute for correct legal advice. If in any doubt regarding your legal obligations, you should consult a *Labour Officer* or your legal adviser.

SmoothPay is designed to permanently record your pay input entries for subsequent retrieval and reporting. If used correctly, it will provide you with all the requirements for leave recording and reporting, overtime, allowances history, leave accruals, ACC, SNPF superannuation etc.

Extra localisation, such as specialised reporting requirements, or implementation of rules we may not know about, can be requested by contacting the SmoothPay helpdesk.

Annual Leave (Holiday pay)

The minimum prescribed entitlement is 10 days off for each year of service.

Therefore, each employee's annual leave should be established as Annual Days with the annual accrual (e.g. 10 or more) set as required. Any balance owed from their previous annual accruals should be set in *Staff..Leave..History* by adding a transaction containing the bring-on balance).

SmoothPay's default installation for Samoa implements 10 days per year, accruing annually, as the default for all new staff. You may set leave to accrue per pay period, which has the effect of not accruing for periods of absence (a true pro-rated accrual), however you should seek specialist advice before changing methods.

If you choose a different method (e.g. *Percentage each pay, or annual weeks, or annual hours*), then a rate producing a similar result should be used.

Sick Leave

The minimum prescribed entitlement is 10 days per year.

Therefore, each employee's sick leave should be established as Annual Days with the annual accrual set as required. Any balance owed from their previous annual accruals should be set in *Staff..Leave..History* by adding a transaction containing the bring-on balance).

SmoothPay's default installation for Samoa implements 10 days per year, accruing annually, as the default for all new staff. You may set leave to accrue per pay period, which has the effect of not accruing for periods of absence (a true pro-rated accrual), however you should seek specialist advice before changing methods.

Leave balances on payslips

For each type of leave (*Codes..Leave*) you have the option of showing the leave balance on the employee's payslip

Payslips

SmoothPay provides for printing of individual payslips using the *Payslip* tool in the toolbar, or in bulk from *Pay Reports*. Another option available is email payslips - also available in bulk from the *Pay Reports* screen.

These disclose all the required information to the employee.

Leave Records

A series of reports is available from SmoothPay which, when combined, provide full details of leave taken, leave accruals and employee information:

- Employee detail printout, shows all required employee details including next of kin
- Individual leave reports show details of leave accruals, adjustments, leave taken
- Summary and detail reports are also provided that show leave entitlements and balances

Leave comments may also be edited to provide a complete history/reason for leave and adjustments.

Bank Accounts and Direct Credit files

SmoothPay provides support for direct credit files to be produced in **ANZ** and **BSP** formats (*other formats available if specifications are provided*).

Regardless of the type of bank system you have selected, a spreadsheet called WAGES.XLS containing all direct credit information is automatically created in the SmoothPay folder to cater for those banks that have not provided official file specifications (*just copy and paste to appropriate sheets for each bank*).

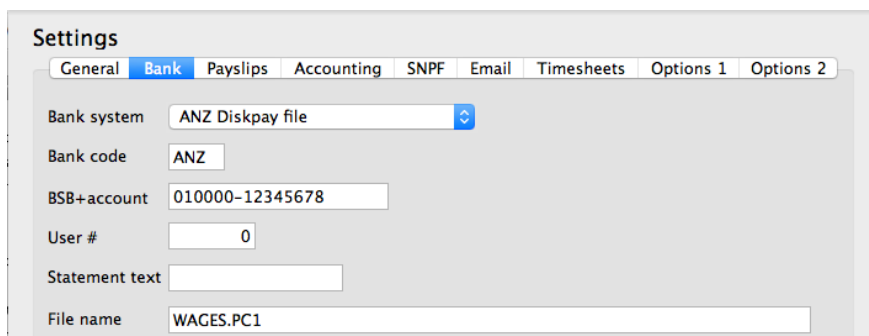
Bank account numbers are made up of:

- 2-digits identifying the bank and 4 digits identifying the branch (we call this the BSB):
 - **BSP users should enter bank (BSB) as follows:**
 - BSP 039001
 - NBS 040000
 - SCB 050000
 - ANZ 090000
 - **ANZ users should enter bank (BSB) as follows:**
 - ANZ 010000
 - BSP 020000
 - NBS 030000
 - SCB 040000
- the BSB is followed by a dash (automatic) and the account number

Remember, the first 2 digits represent the bank, followed by 4 zeros as the branch placeholder, followed by the account number (up to 8 digits). You don't need to precede the account number with any zeros (though if you do it won't matter).

If account numbers are not entered in the correct format then the direct credit file will probably be rejected by the bank or won't work correctly.

The Company bank account is entered in *Configure..Bank*:



The screenshot shows a 'Settings' dialog box with a 'Bank' tab selected. The configuration is as follows:

Field	Value
Bank system	ANZ Diskpay file
Bank code	ANZ
BSB+account	010000-12345678
User #	0
Statement text	
File name	WAGES.PC1

In this example, the employer's bank is 01 (ANZ), 4 zeros as placeholder for the branch, and up to 8 digits for the account number.

The filename **MUST** be up to 8 characters followed by an extension of PC1 (e.g. WAGES.PC1 is a valid filename for ANZ Diskpay).

If a pathname is not specified, then the file will be created in your SmoothPay program folder when the pay is processed (*e.g. during step 3 of the pay process*).

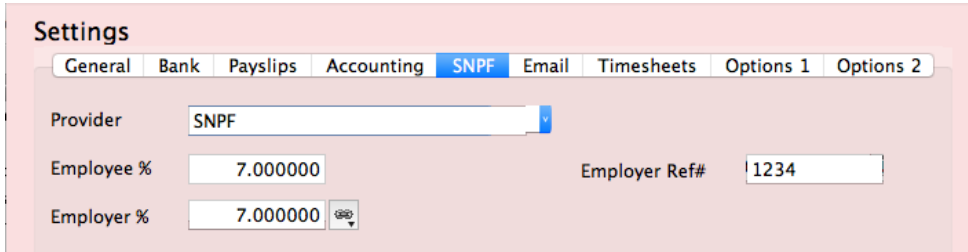
Employee bank account/s are entered in each employee's *Bank* tab (*same formatting rules apply*).

There is **no limit to the number of bank accounts** an employee may have, and each account can be set as an amount per pay, a percentage of pay, balance of net pay etc, providing full flexibility.

Superannuation (SNPF)

SmoothPay provides for automatic calculation of both the employee's and employer's contributions and also generates correctly formatted SNPF schedules for individual pay periods as well as monthly.

Default superannuation percentages are established in *Configure..SNPF*:



Settings

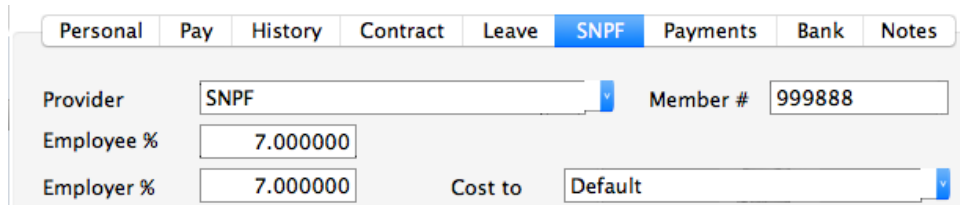
General Bank Payslips Accounting **SNPF** Email Timesheets Options 1 Options 2

Provider: SNPF

Employee %: 7.000000 Employer Ref#: 1234

Employer %: 7.000000

and each employee you add will inherit these as their default values.



Personal Pay History Contract Leave **SNPF** Payments Bank Notes

Provider: SNPF Member #: 999888

Employee %: 7.000000

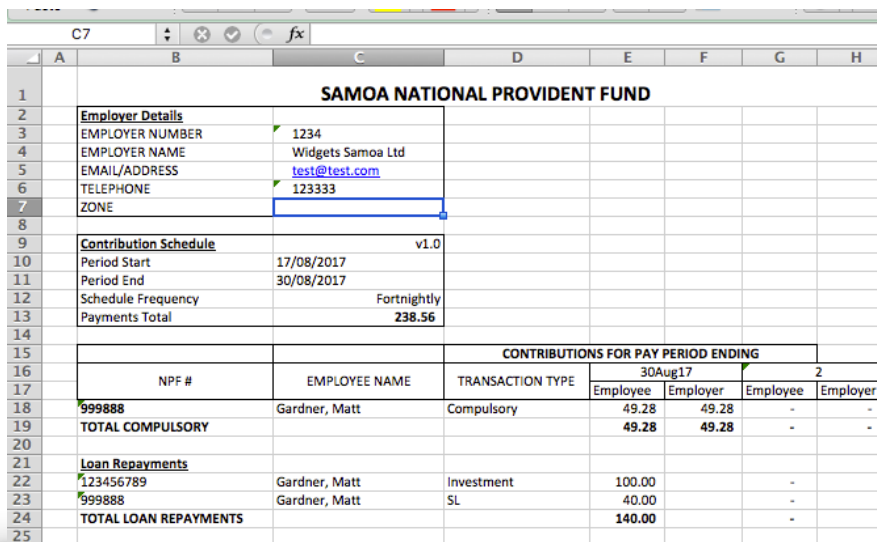
Employer %: 7.000000 Cost to: Default

NOTE: Superannuation in Samoa is usually based on all taxable earnings. There is an option on all time, leave and allowance codes to include for superannuation or not.

SNPF Reporting

SmoothPay automatically generates a file in your SmoothPayGold/spool folder called SNPF_YYYY-MM-DD.XLSX every time you run a Monthly Schedule (*Reports..Tax..Monthly*)

If you prefer to submit your return each pay period then use *Reports..Super..Schedule (batch)* after each payrun.

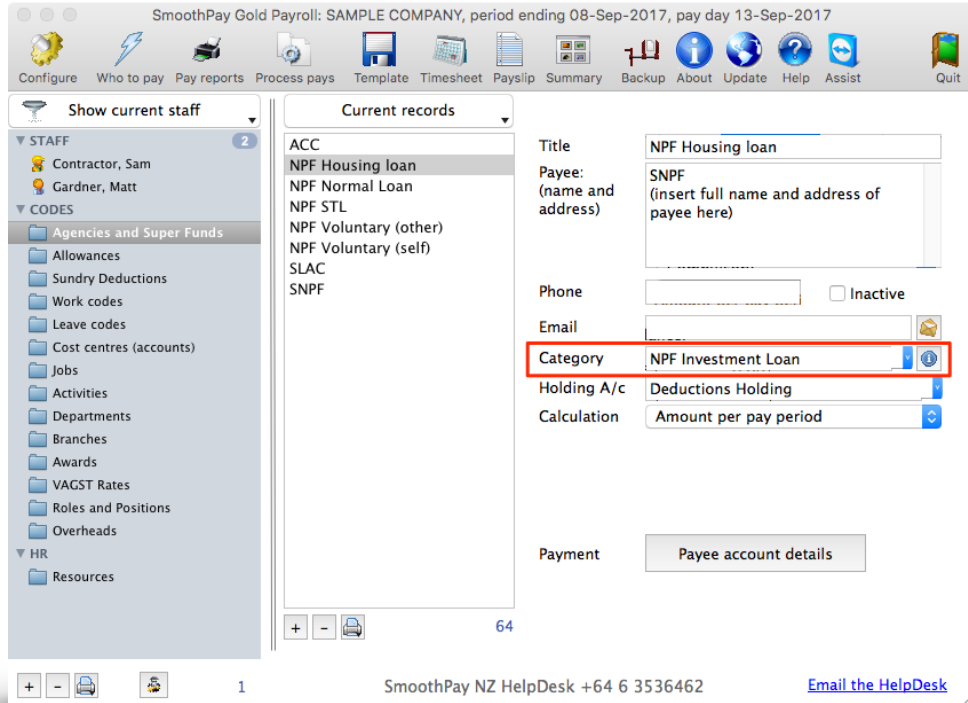


SAMOA NATIONAL PROVIDENT FUND							
Employer Details							
EMPLOYER NUMBER	1234						
EMPLOYER NAME	Widgets Samoa Ltd						
EMAIL/ADDRESS	test@test.com						
TELEPHONE	123333						
ZONE							
Contribution Schedule v1.0							
Period Start	17/08/2017						
Period End	30/08/2017						
Schedule Frequency	Fortnightly						
Payments Total	238.56						
CONTRIBUTIONS FOR PAY PERIOD ENDING							
NPF #	EMPLOYEE NAME	TRANSACTION TYPE	30Aug17				
			Employee	Employer	Employee	Employer	
999888	Gardner, Matt	Compulsory	49.28	49.28	-	-	
TOTAL COMPULSORY			49.28	49.28	-	-	
Loan Repayments							
123456789	Gardner, Matt	Investment	100.00	-	-	-	
999888	Gardner, Matt	SL	40.00	-	-	-	
TOTAL LOAN REPAYMENTS			140.00	-	-	-	

Example SNPF Return

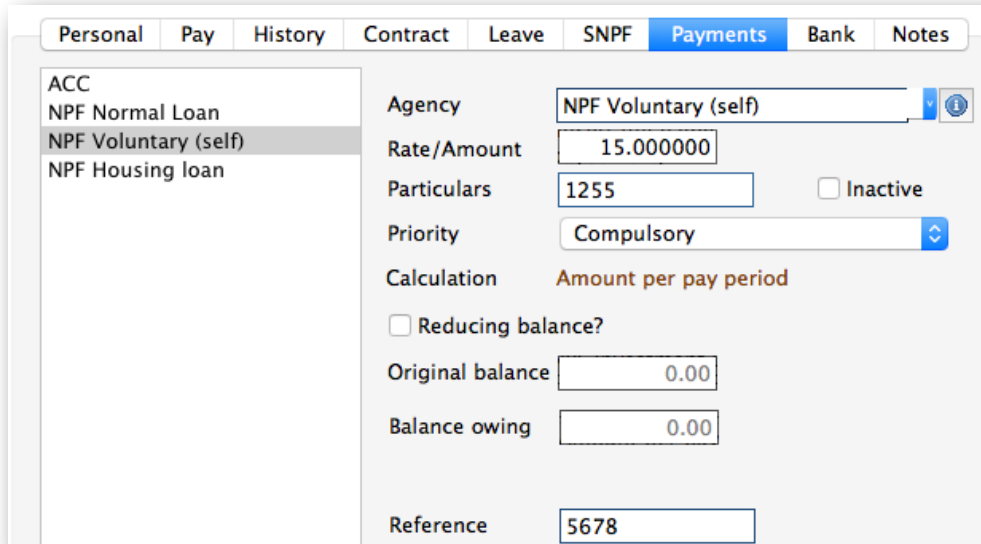
NPF Loans, Short term loans, Voluntary contributions, and Investment loans

These are set up initially in *Codes..Agencies* and the category is set to the appropriate SNPF type (e.g. an education loan must be set as NPF Investment category):



Example of Agencies set up for NPF Loans etc

The agency code is then added to the employee's recurring **Payments** tab:



In the case of an **Investment loan** you must enter the loan code in the Particulars field so that NPF can identify which loan is being paid.

The Reference field is also useful if you're using the automatically produced payments.xls spreadsheet for payment schedules each pay period.

For Voluntary -other, the Particulars must identify the other party in the particulars field (the other party's SNPF number).

Savings and Loans

SmoothPay provides a built-in Savings and Loans module that lets you easily establish and manage:

- loans and a repayment rate,
- savings with an optional target and the ability to borrow against savings or even to overdraw savings
- print statements and balance reports at any time
- show account balances on the employee's payslip

For more information, please refer to the **Savings and Loans Guide** available on our website.

Please note this facility is not available in goPayroll online.

ACC

An ACC levy of 1% is collected from wages (and matched by employers).

The code must be set up as shown below (if you installed from the Samoa localised version it will already exist, unless it has since been changed, deactivated or deleted):

The screenshot shows a software window titled 'Current records'. On the left is a list box containing 'ACC', 'SLAC', and 'SNPF'. The 'ACC' record is selected. The right pane shows the configuration for 'ACC':

- Title: ACC
- Payee: (name and address): Accident Compensation Corporation, Level 5 ACC House, P.O Box 3700, Apia
- Phone: 23100, with an Inactive checkbox.
- Email: (empty field)
- Category: ACC
- Holding A/c: Deductions Holding
- Calculation: Earnings x Rate
- Employer expense? and a 'Fine tune' button.
- Payment: Payee account details button.

At the bottom of the window are '+', '-', and a printer icon, and the number '55'.

NOTE: The **Category** must be **ACC** so that SmoothPay can automatically add the deduction to new staff when they are added and identify ACC for your monthly tax reporting schedules. The **Calculation method** must be *Earnings x Rate*

Fine tune the deduction code so that it operates on all (*usually*) taxable time, leave and allowance codes:

The dialog box is titled 'ACC is calculated on \$...'. It contains a list of items with checkboxes:

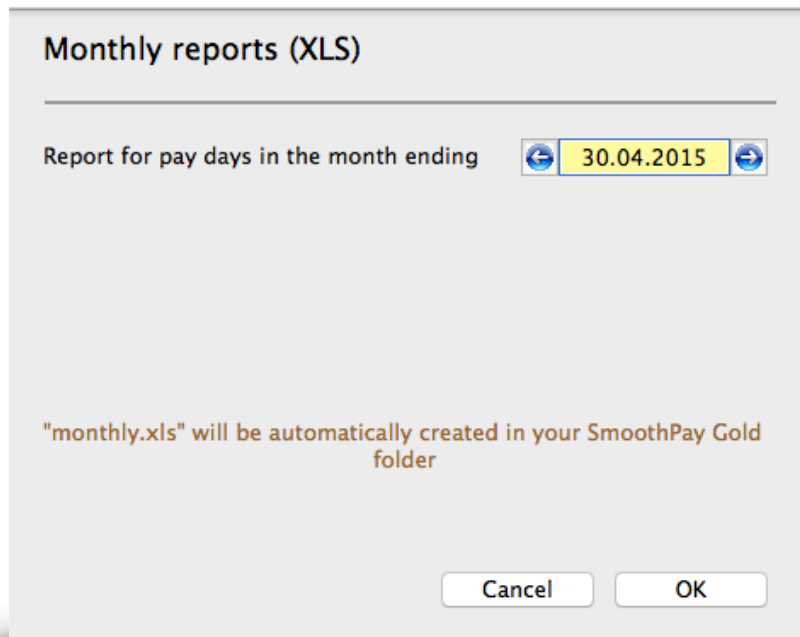
- Back pay
- Bonus
- Call-out Duty
- Contract payment
- Laundry
- Net pay advance
- Retirement
- Stand-by Duty
- Travel
- Double time
- Ordinary time
- Overtime
- Annual Leave
- Bereavement
- Public holiday (not worked)
- Sick Leave
- Time in lieu

On the right side, there are three buttons: 'All', 'None', and 'Toggle'. At the bottom are 'Cancel' and 'OK' buttons.

Tax reporting

SmoothPay provides comprehensive tax, ACC and super reporting for transfer to P4 spreadsheets provided by Inland Revenue.

Use Reports..Tax..Monthly Reports to produce the monthly.xls file:



The data from the spreadsheet output created by SmoothPay is more comprehensive than that required by IRD - just copy and paste the data required into the P4 form.

SmoothPay cannot produce an actual P4 spreadsheet as it contains proprietary images, formulas and macros that we are not privy to - until IRD provide for a properly defined electronic reporting format you will have to copy and paste between the monthly.xls and P4 spreadsheet for reporting (or enter the P4 data manually)

PAYOR / EMPLOYER:		NAME: Widgets Samoa Ltd					PAYMENT FOR THE MONTH					
TAX NUMBER		ADDRESS:					October 2011					
		SALARY & WAGE/SOURCE DEDUCTION PAYMENTS					TAX DEDUCTIONS					
NAMES OF EMPLOYEES		PAY PERIODS OF THE MONTH					PAY PERIODS OF THE MONTH					
		20Oct11	2	3	4	5	TOTAL	20Oct11	2	3	4	5
3 Admin												
7 Contractor, Sam		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
8 Gardner, Matt		640.00	0.00	0.00	0.00	0.00	640.00	24.15	0.00	0.00	0.00	0
9 DEPARTMENT TOTAL		640.00	0.00	0.00	0.00	0.00	640.00	24.15	0.00	0.00	0.00	0
11 REPORT TOTALS		640.00	0.00	0.00	0.00	0.00	640.00	24.15	0.00	0.00	0.00	0

NOTE THE VARIOUS REPORT PAGES HERE

TAX ACC SNPF SLAC NPF LOANS NPF STL

Example monthly.xls showing P4 data

There are a number of factors that we are aware of that can affect tax and correct reporting in Samoa:

1. Samoa has poorly defined tax rules:
 - a) The P4 spreadsheet provides for weekly, fortnightly and monthly calculations, but doesn't show the formula used (*unfortunately - we've had to reverse-engineer these to get the correct results*) - the P4 produces results that are different for different periods (*tax on two weekly pays is different to tax on the same amount paid fortnightly*). IRD require the tax amounts calculated as per the P4.

- b) Weekly thresholds as per the revenue website
- c) Annual tax rules as per the revenue website

2. All 3 methods differ in the tax results obtained (*and the P4 method produces different results for the same amount of earnings*).

If Config is set to use P4 rules, the Issues report (Tools..Issues) will report any staff whose tax cannot be calculated according to those rules, and their tax will revert to the Annual Rules calculation method (*it's usually, but not always the same as the result obtained using P4 rules*).

If anyone has any issues with tax calculations then we need to:

1. have a copy of their data supplied to us
2. what they think this issue is (how they calculated the tax, including any spreadsheets etc they used or material they referred to for the calculation).

SmoothPay implements all known tax rules for Samoa correctly (*depending on the source you wish to use as being the definitive method*), but we're always open to additional methods that might become necessary.

Feedback

We're always keen to do better!

Any and all feedback is appreciated and if you feel we could include better examples, provide more explanation, provide references to additional information, make a process easier to use, or you spot something that isn't working the way it's supposed to - please let us know.

AV/Security settings

It is compulsory for AV/Security settings to specifically exempt the SmoothPay folder and it's processes and database file/s from active scanning by any AV/Security tools (MSE, Kaspersky, Norton etc), as these can cause severe degradation of performance and prevent necessary access to web-services, online backup, etc.

A comprehensive guide to the internet services and ports used by SmoothPay is available from our documentation centre online.

IT support must ensure this is implemented.