BUSINESS SCENARIOS AND GUIDANCE SAMPLE

This document is a sample of the scenarios and business guidance information to be included in the Software Developer Guidelines. The sample covers the data element PE.006 BMS Identifier from the Payroll Event Business Taxonomy v.052.

Business Guidance topics are also included for discussion.

DWG discussion 17/11/2016

(Version 0.1)

Scenario 1 – Employee working in multiple Locations with Multiple BMS.

Overview:

As an STP enabled Employer I use multiple BMS with unique BMS ID's to provide my payroll information to the ATO.

Detail:

Druid's Chemist operates several stores across NSW. Whilst all stores' operate under the same ABN and Branch Number the management of the Pharmacy chain have elected to manage their accounts on a store by store basis and as such provide Payroll Event data to the ATO from each individual store.

- Pharmacy 1: Druid's Chemist Dapto
- Pharmacy 2: Druid's Chemist Miranda
- Employee: Jules McDonalds – Chemist

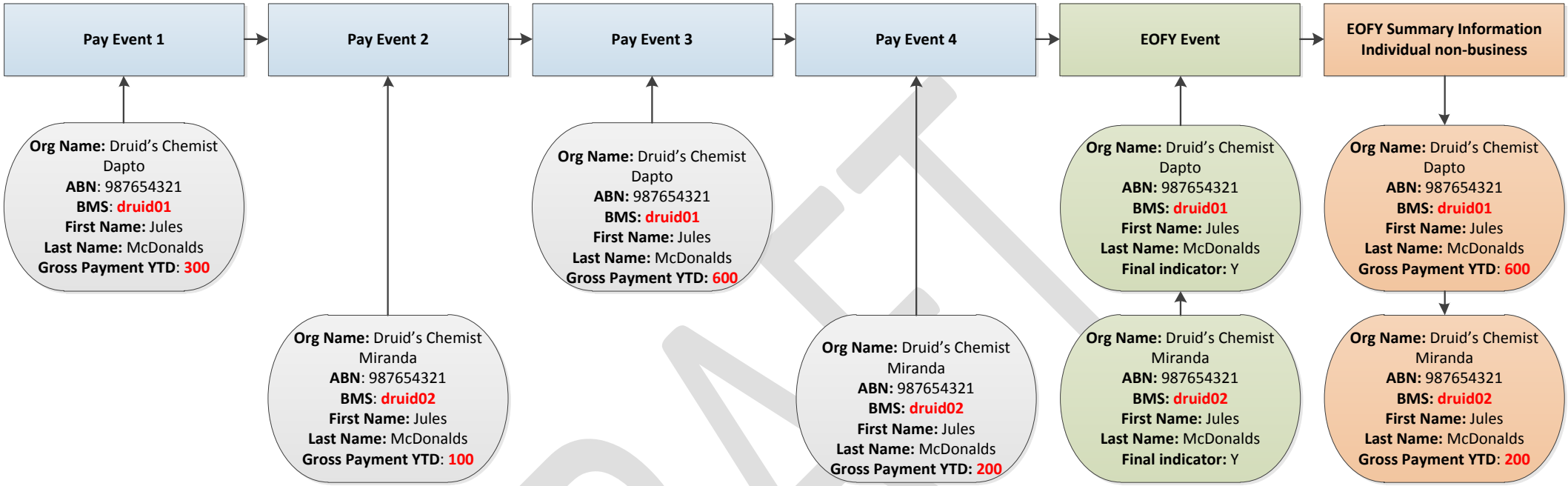
Jules works as a Pharmacist in the Druid's Chemist chain of Chemists. He work alternate weeks at Druid's Chemist Dapto and Druid's Chemist Miranda. He receives $300 every payroll in Druid's Chemist Dapto and $100 every payroll in Druid's Chemist Miranda. The diagrams below show the effects of including a BMS ID in Pay Events.

Business Guidance:

In the STP Payroll Event Business Taxonomy PE.006 BMS Identifier is used to identify payroll reports where a payer utilises two or more business management systems within their business. The following points are relevant to these scenarios:

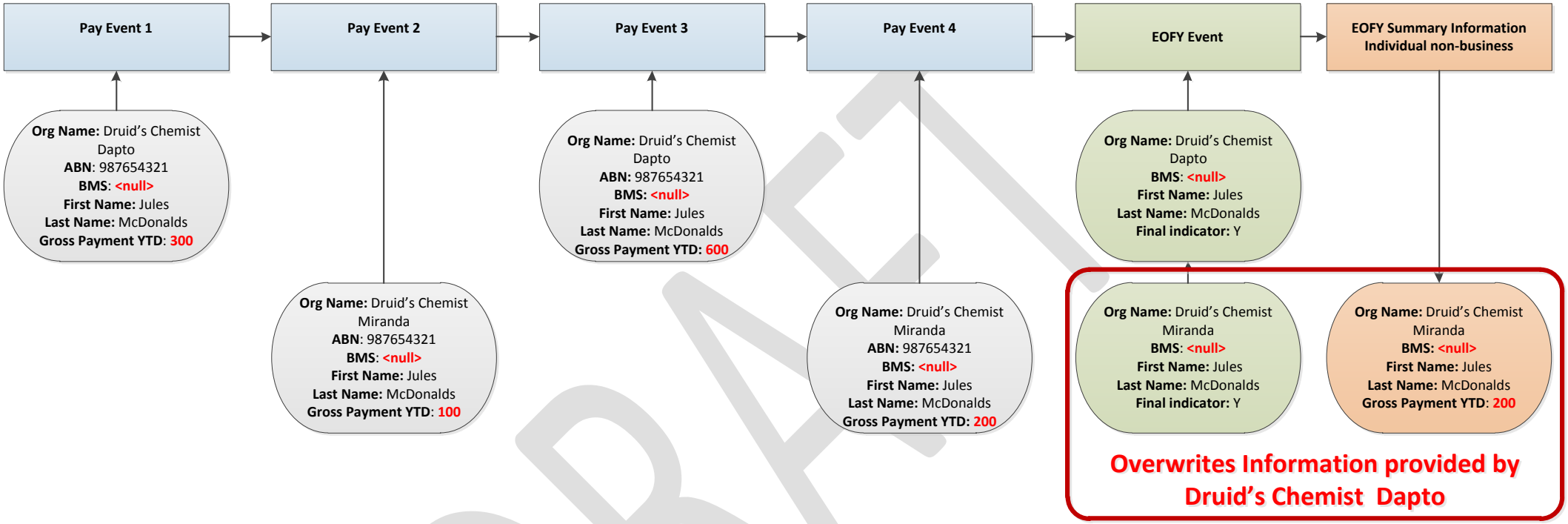
- The ATO can receive YTD payroll information from a Payer/Employer using multiple BMS.
- PE.006 BMS Identifier is an alpha numeric field that should be configured when a Payer/Employer will be providing payroll event reports from more than one BMS.
- Employer YTD totals will be per ABN, Branch ID and BMS ID combination.

Employer uses Multiple BMS which are identified in Payroll events via different BMS ID's.



Pay Event 1	Jules worked pay period 1 at Druid's Chemist – Dapto. He is provided a payslip from Druid's Chemist Dapto and a Payroll Event is provided to the ATO indicating that Payroll event 1 has been provided from the Druid's Chemist – Dapto BMS with a BMS ID of 'druid01'. With a YTD Total of $300 for Jules McDonalds.
Pay Event 2	This Pay Period has been spent working at Druid's Chemist – Miranda; as such Jules receives his Payslip for the Payment Period from Druid's Chemist Miranda. Pay Event 2 is then sent to the ATO from the Druid's Chemist – Miranda BMS with a BMS ID of 'druid02' with a YTD total of $100 for Jules McDonalds.
Pay Events 3 & 4	Pay Events 3 & 4 follow the fortnightly payment cycle as Pay Events 1 & 2.
EOFY Event	At the end of the financial year both Druids' Chemists Stores finalise their Financial Year by providing the ATO with an End of Financial Year indicator.
EOFY Summary Information	The ATO will provide two EOFY Summaries to Jules McDonalds. One for Druid's Chemist – Dapto (druid01) and one for Druid's Chemist – Miranda (druid02)

Employer uses Multiple BMS with no BMS ID's provided in Payroll events.



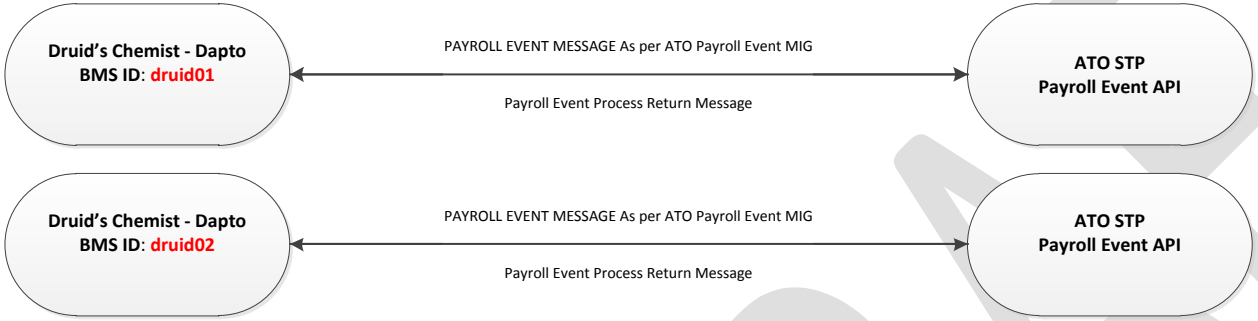
Pay Event 1	Jules worked pay period 1 at Druid's Chemist – Dapto. He is provided a payslip from Druid's Chemist Dapto and a Payroll Event is provided to the ATO indicating that Payroll event 1 has been provided from Druid's Chemist Dapto's BMS With a YTD Total of $300 for Jules McDonalds. Jules Gross payment YTD shows $300 with the ATO.
Pay Event 2	This Pay Period has been spent working at Druid's Chemist – Miranda; as such Jules receives his Payslip for the Payment Period from Druid's Chemist Miranda. Pay Event 2 is then sent to the ATO from the Druid's Chemist – Miranda BMS with a YTD total of $100 for Jules McDonalds. The Gross Payment YTD held by the ATO is over written to $100
Pay Events 3 & 4	Pay Events 3 & 4 follow the fortnightly payment cycle as Pay Events 1 & 2; With the final Payroll Event 4 Gross Payment YTD value of $200 replacing the previous Payroll Event totals.
EOFY Event	At the end of the financial year both Druid's Chemists Stores finalise their Financial Year by providing the ATO with an End of Financial Year indicator.
EOFY Summary Information	The ATO provide a SINGLE EOFY Summaries to Jules McDonalds. This shows the data for Druid's Chemist Miranda only, as this data was the last to be received by the ATO

Business Rules

- BMS ID is an option data element.
- BMS ID is a text based element
- BMS ID must be unique within a ABN, Branch ID and BMS ID combination

Interactions

Payroll Event Transmission



1. Payroll Event sent through SBR to the ATO using the Payroll Event MST.
2. On receipt of a Payroll Event the ATO will send a 'Message Received' return message to the BMS

Scenario 2 – Employee changes BMS during a financial year

Overview

As an STP enabled Employer, I change the BMS I am using during a financial year.

Detail:

Joe is the owner of Murphy's Grill. He has decided after using BMS 1 from the start of the year to migrate from BMS 1 to BMS 2 in October. As part of the migration Joe must decide on the following:

- Scenario 2a - BMS 1 data migrated to BMS 2, reporting exclusively from BMS 2, BMS ID's are used. BMS 1 zeroed out and no longer used. Final Event Indicated from both BMS
- Scenario 2b - BMS 1 data migrated to BMS 2, reporting exclusively from BMS 2. BMS 1 zeroed out and no longer used.
- Scenario 2c - No Data Migration to BMS 2, BMS 2 commences with Zero balances, BMS ID's are used and the Final Event Indicator is provided from both BMS.
- Scenario 2d - No Data Migration to BMS 2, reporting recommences from BMS 2, BMS ID's are not used and the Final Event Indicator is provided from both BMS.

Jo works as a chef at Murphy's and receives 2500 per month Gross Payment.

Business Guidance:

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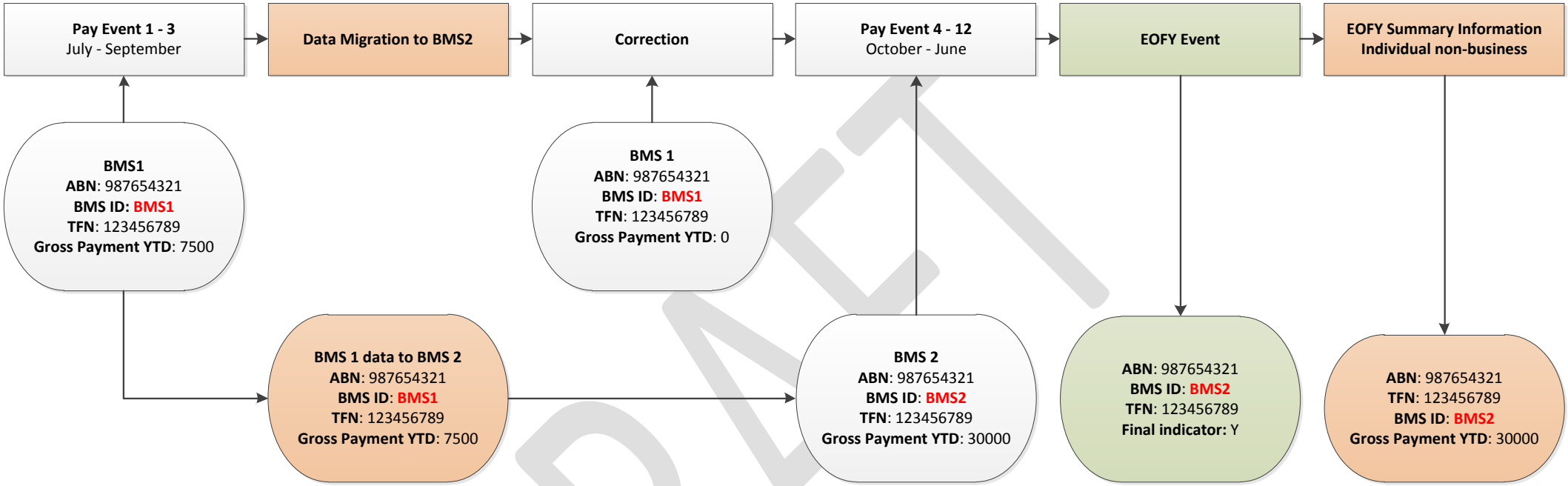
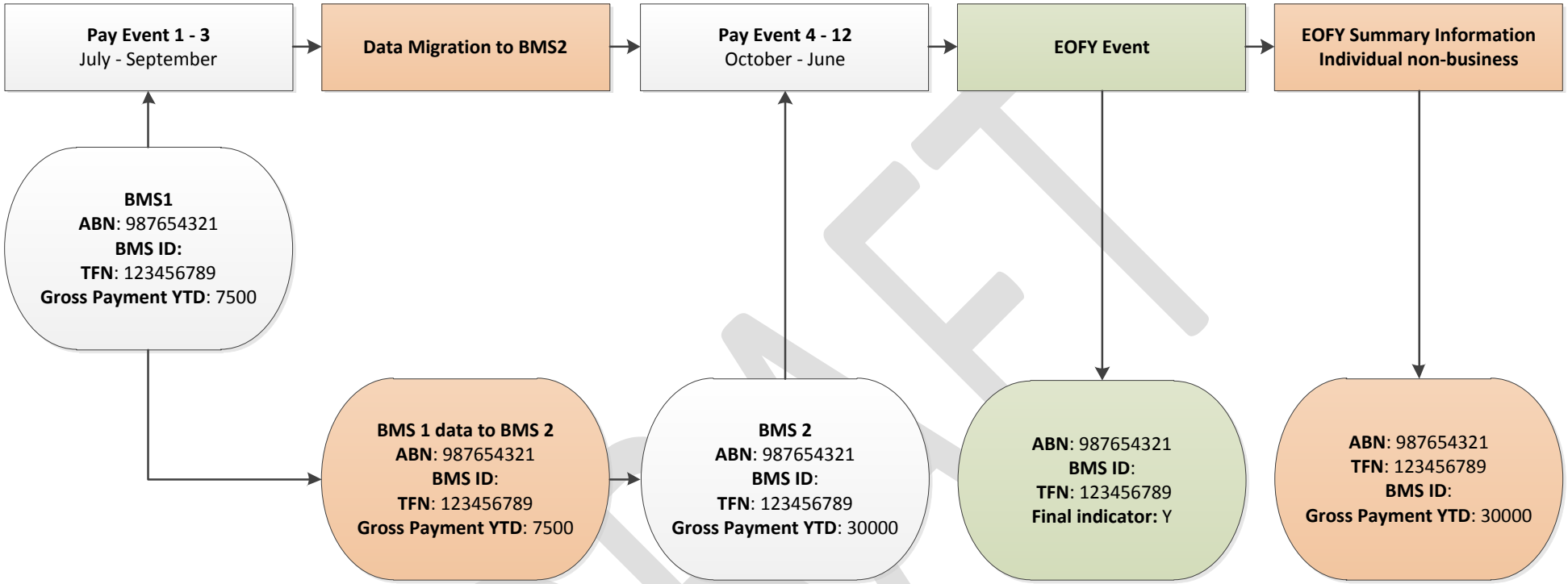
- The ATO can receive YTD payroll information from a Payer/Employer using multiple BMS.
- PE.006 BMS Identifier is an alpha numeric field that should be configured when a Payer/Employer will be providing payroll event reports from more than one BMS.
- Employer YTD totals will be per ABN, Branch ID and BMS ID combination.

Scenario 2a - BMS 1 data migrated to BMS 2, reporting exclusively from BMS 2. BMS 1 zeroed out and no longer used.



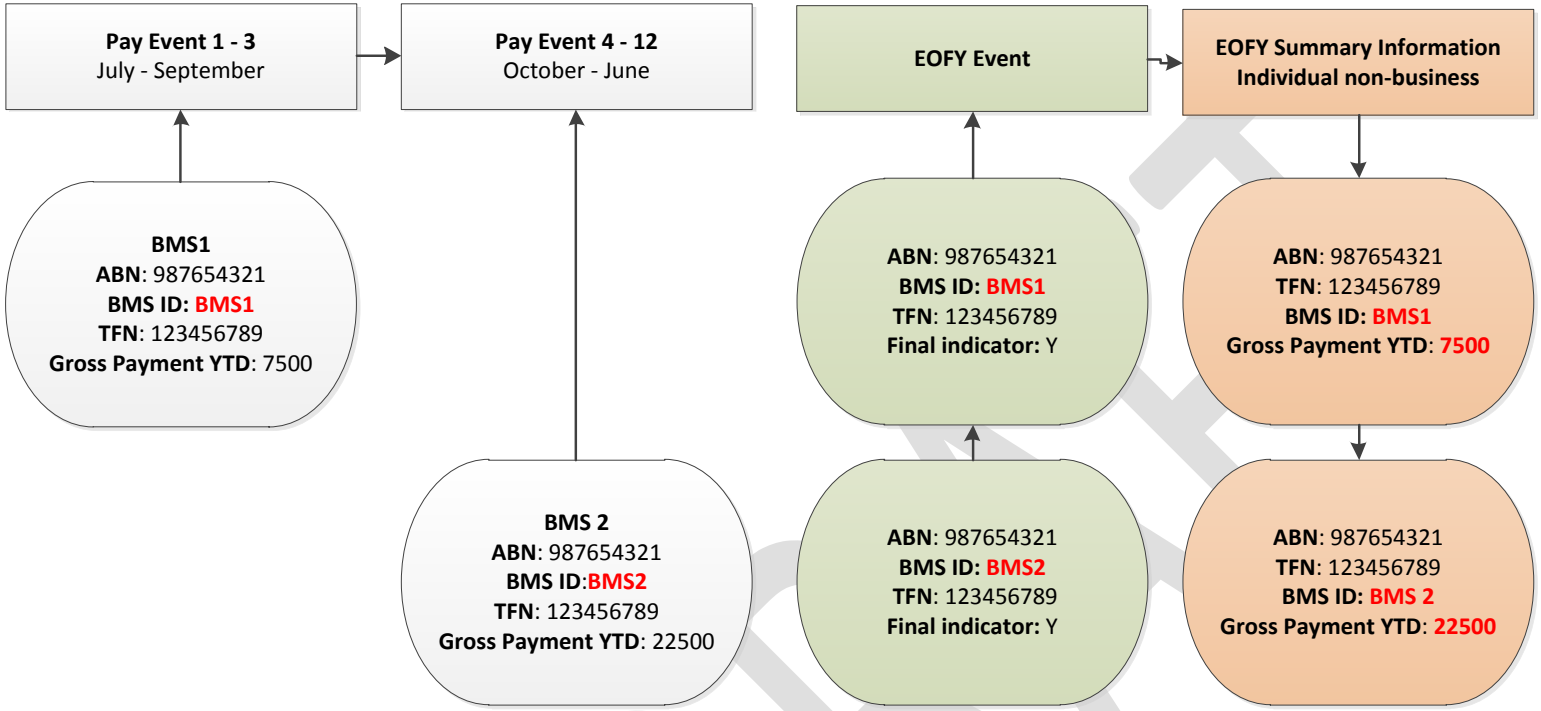
Pay Event 1 – 3	Jo is payed through BMS1 up until the new BMS is in place.
Data Migration to BMS 2	In between payroll events 3 and 4 the payroll data from BMS 1 is migrated to BMS 2.
Correction	Again in between Payroll Events 3 and 4 a correction is sent to the ATO to zero out the YTD balances for BMS 1.
Pay Event 4 - 12	Jo is then paid from Payroll Event 4 onwards through BMS 2 with his starting balances carried over from BMS 1. e.g. Gross Payment YTD (Payroll Event 3) + Gross Payment(Payroll Event 4) = Gross Payment YTD (Payroll Event 4)
EOFY Event	The Final Event Indicator is then sent to the ATO from BMS 2 ONLY.
EOFY Summary Information	Jo retrieves his Payment Summary from ATO Online showing data from only BMS 2

Scenario 2b - BMS 1 data migrated to BMS 2, reporting exclusively from BMS 2. BMS 1 no longer used. NO BMS ID provided.



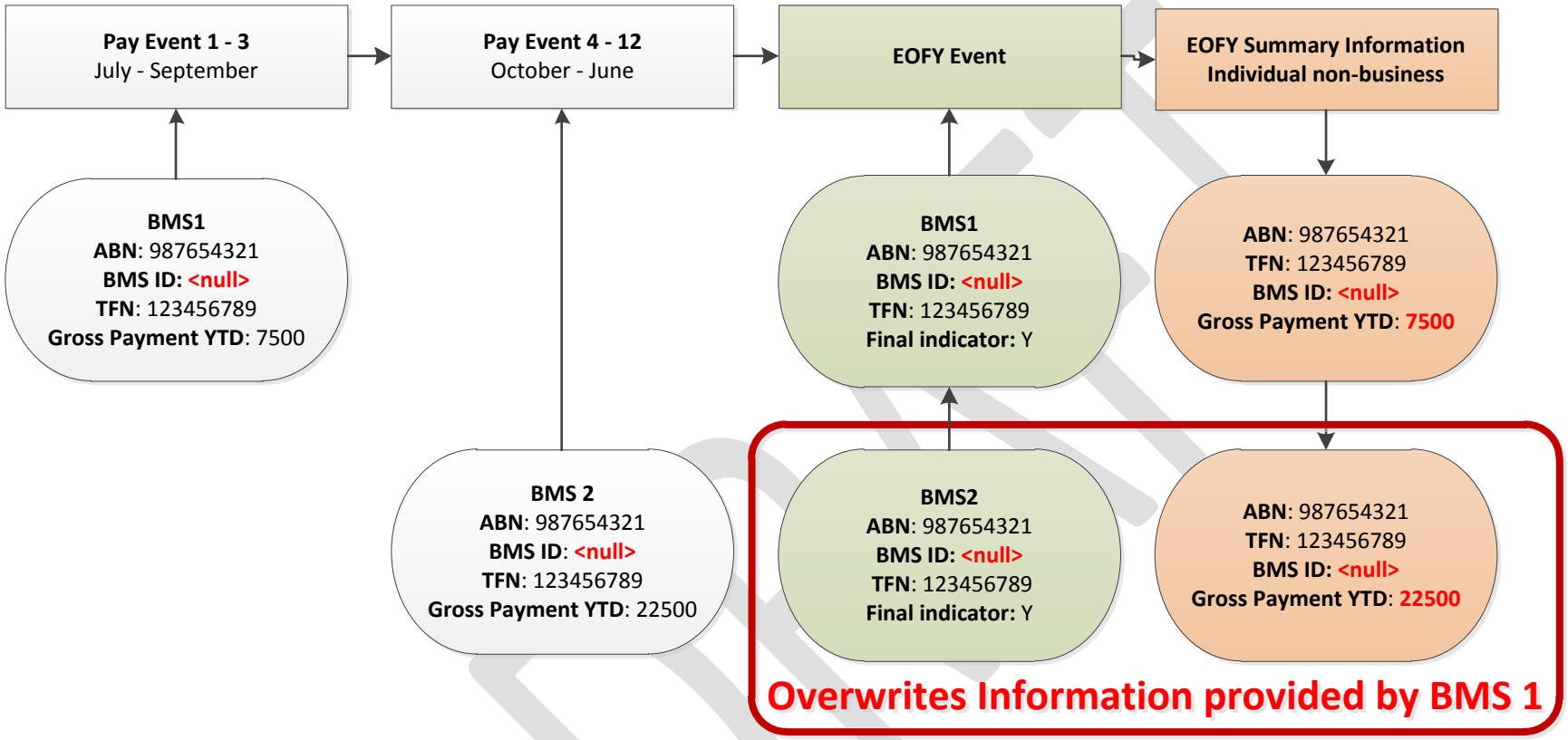
Pay Event 1 – 3	Jo is payed through BMS1 up until the new BMS is in place.
Data Migration to BMS 2	In between payroll events 3 and 4 the payroll data from BMS 1 is migrated to BMS 2. As the Final Event Indicator is never set for BMS 1. The only Payment Summary available for Jo is from BMS 2.
Pay Event 4 - 12	Jo is then paid from Payroll Event 4 onwards through BMS 2 with his starting balances carried over from BMS 1. e.g. Gross Payment YTD (Payroll Event 3) + Gross Payment(Payroll Event 4) = Gross Payment YTD (Payroll Event 4)
EOFY Event	The Final Event Indicator is then sent to the ATO from BMS 2 ONLY.
EOFY Summary Information	As the Final Event Indicator is never set for BMS 1. The only Payment Summary available for Jo is from BMS 2. Jo retrieves his Payment Summary from ATO Online showing data from only BMS 2

Scenario 2c - No Data Migration to BMS 2, BMS 2 commences with Zero balances, BMS ID's are used and the Final Event Indicator is provided from both BMS.



Pay Event 1 – 3	Jo is payed through BMS1 up until the new BMS is in place.
Pay Event 4 - 12	Jo is then paid from Payroll Event 4 onwards through BMS 2. His YTD totals will start from zero from BMS 2. i.e. Jo's first payment event from BKMS 2 will have a YTD total of $2500.
EOFY Event	The Final Event Indicator is then sent to the ATO from BMS 1 and BMS 2.
EOFY Summary Information	Jo retrieves two Payment Summary from ATO Online, one showing data from BMS 1 the other showing data from only BMS 2

Scenario 2d - No Data Migration to BMS 2, reporting recommences from BMS 2, BMS ID's are not used and the Final Event Indicator is provided from both BMS.



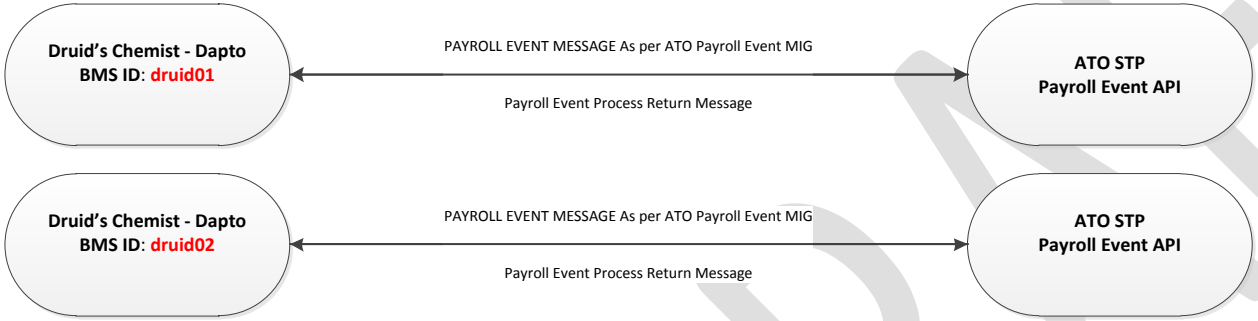
Pay Event 1 – 3	Jo is payed through BMS1 up until the new BMS is in place. BMS 1 has no BMS ID.
Pay Event 4 - 12	Jo is then paid from Payroll Event 4 onwards through BMS 2. BMS 1 has no BMS ID.
EOFY Event	The Final Event Indicator is then sent to the ATO from BMS 1 and BMS 2.
EOFY Summary Information	As there are no BMS ID's provided data from BMS 1 has been overridden by the data from BMS2. As such Jo retrieves only one Payment Summary from ATO Online, only showing data from only BMS 2. This means his Payment summary is incorrect by $7500 due to BMS 1 being overwritten.

Business Rules

- BMS ID is an option data element.
- BMS ID is a text based element
- BMS ID must be unique within a ABN, Branch ID and BMS ID combination

Interactions

Payroll Event Transmission



1. Payroll Event sent through SBR to the ATO using the Payroll Event MST.
2. On receipt of a Payroll Event the ATO will send a 'Message Received' return message to the BMS.

Business Guidance Topics

1. Payroll reporting from multiple payroll systems (BMS Identifier) – current sample
2. Payroll reporting of employees (Employee Payroll Identifier)
3. Payroll reporting of super amounts (Superannuation guarantee, ordinary time earnings and defined benefits)
4. Payroll reporting of corrections (full file replacement, cancellation and adjustments)
5. Payroll run information (Payment Record Transaction Date, Payroll Run Date etc.)
6. Payer/Employer financial data elements (PAYGW, Gross Amount)
7. Payee/Employee financial data elements (includes Lump Sum E, ETP, multiple payment types)
8. Commencement/termination of payee/employees (TFD Declaration and Payroll Event)
9. Declarations (Intermediaries, payers/employers and payees/employees(TFND))
10. Transitioning into STP
11. Payee/employee matching with ATO records
12. End of financial year processing (end of financial year indicator and adjustments)
13. Third party reporting (includes intermediaries/gateways/clearing houses)
14. Superannuation Reporting
15. Payee/Employee accessing payroll/EOFY information through ATO
16. Payer/Employer accessing payroll/EOFY information through ATO