

THE ISSUE

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IPS NEWSLETTER

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UP, UP and AWAY -

NIS Insurable Wage Ceiling Increases

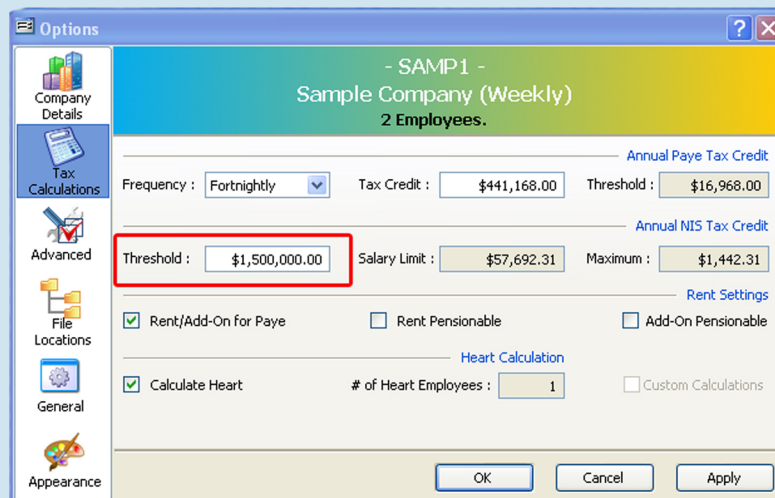
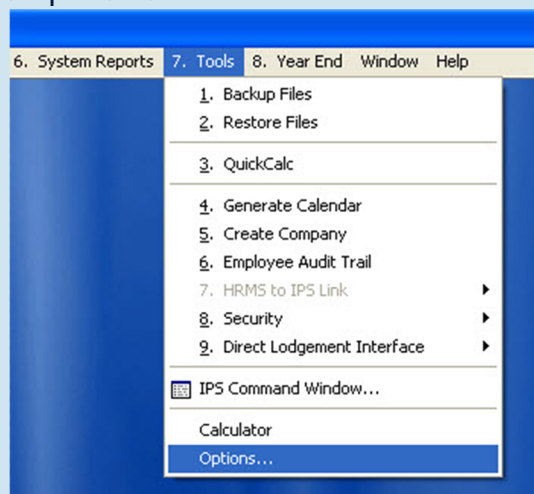
Effective the 1st Pay Period for the Year!

Cabinet has approved increases in all categories of pensions, grants and allowances payable under the National Insurance Scheme (NIS) effective January 10, 2013. Also, effective January 7, 2013 the Insurable Wage Ceiling (IWC) will be increased by 50 per cent, which will push the IWC up from

\$1 million to **\$1.5 million**. * This implies that the maximum NIS contribution for employees will move to \$707.55 (up from \$471.70) for a weekly payroll, \$1,442.31 (up from \$961.54) for a fortnightly payroll and \$3,125.00 (up from \$2,083.33) for a monthly payroll. This amount will be matched by the employer.

	Maximum Wage	Employee Contribution	Employer Contribution	Total NIS Contribution
Weekly	\$28,846.15	\$707.55	\$707.55	\$1,415.10
Fortnightly	\$57,692.31	\$1,442.31	\$1,442.31	\$2,884.62
Monthly	\$125,000.00	\$3,125.00	\$3,125.00	\$6,250.00

To effect this change in IPS please go to Tools -> Options, then select the option "Tax Calculations" from the menu on the left of the screen. Input the new figure into the "Threshold" field as shown in the example below:



*Jamaica Information Service - <http://www.jis.gov.jm/news/leads-110/32534>

Getting Your Own Space: IPS' New Client Area

Have you ever wished there was an easier way to send and receive files to and from IPS? Well now there is! We have created and are now releasing our Client Area with a wide array of features which includes the ability to upload and download files. No longer do you have to struggle with sending back-ups via email only to be told they are too large to be sent. Let's take a look at what the brand new Client Area looks like!!

IPS Home Client Area Register

IPS Account Benefits

- View or download files posted by your IPS software consultants
- Upload any file you want; to be reviewed or otherwise
- Data contained within your private file sharing space will NOT be shared with other users
- Receive software updates as soon as they are available
- With personal login access, files are viewed only by you
- Access your custom system changes

Register

First Name: Last Name:

Registration Code:

Email address:

User name:

Password: Weak

Confirm password:

[REGISTER](#)

REGISTER

To sign up go to:
ipsjm.com/clientarea/register.
 Once you have successfully registered, you can login, whether it be via the approval email sent or by visiting our website at www.ipsjm.com

This message will appear once you click the register button.

IPS Home Client Area

Your registration has been submitted for approval.
 An email has been sent to dummy@user.com
 Please read the instructions to complete registration.

IPS Client Area Email Verification

mail_server@ipsjm.com
 To: dummy@user.com

Hello **Dummy User**,

Thank you for registering for the Interactive Payroll Solutions' Client Area.

To complete the process, we need to verify this email address. Please click the link below in order to verify your account.
<http://www.ipsjm.com/ClientArea/User/Verification?h=a7ec554b-a476-4099-8bfb-7e61bbb99466>

If clicking the link does not work, please copy and paste the URL in a browser window.

NB: This email address does not accept replies. If you require any further assistance please contact us at website_team@ipsjm.com

If you have received this message in error please ignore its contents.

Regards,

Website Development Team
Interactive Payroll Solutions Ltd.

Suite 21, Seymour Park
 2 Seymour Avenue
 Kingston 10, Jamaica

Telephone: (876) 927-8674 or 978-9264

Email: website_team@ipsjm.com, Website: www.ipsjm.com

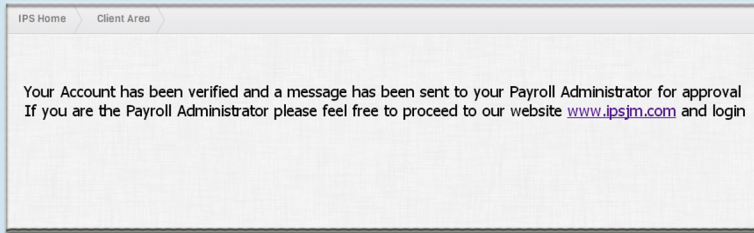
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Please consider the environment before printing this email.

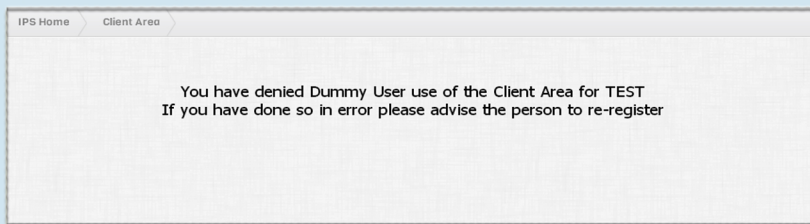
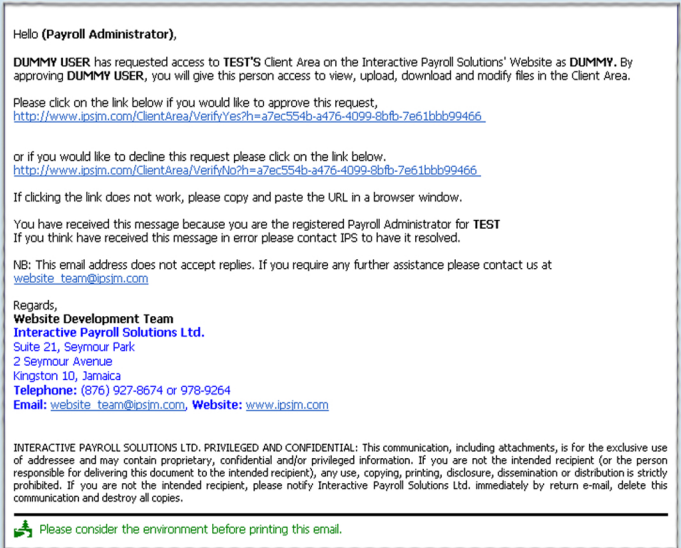
You will then receive an email at the address, specified in the registration process, advising you of the next step in becoming a user. If you wish to continue the process, click the link in the email. If not ignore the message.

VERIFY

After you click on the verification link sent to your email address, the message to the left will be displayed. If you are the Payroll Administrator, this is where the registration process ends for you.



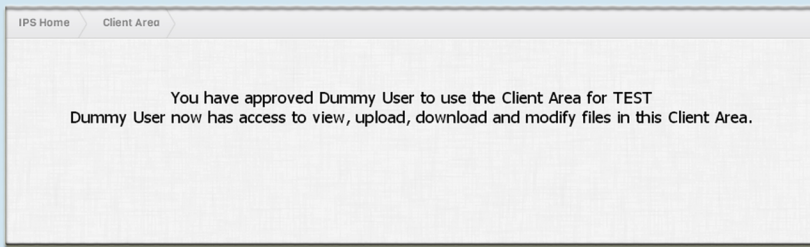
If not, a message will be sent to the Payroll Administrator advising them of your request to register. They have the option to either accept or deny this request.



If they choose to deny your request, this message will be displayed to the Payroll Administrator.

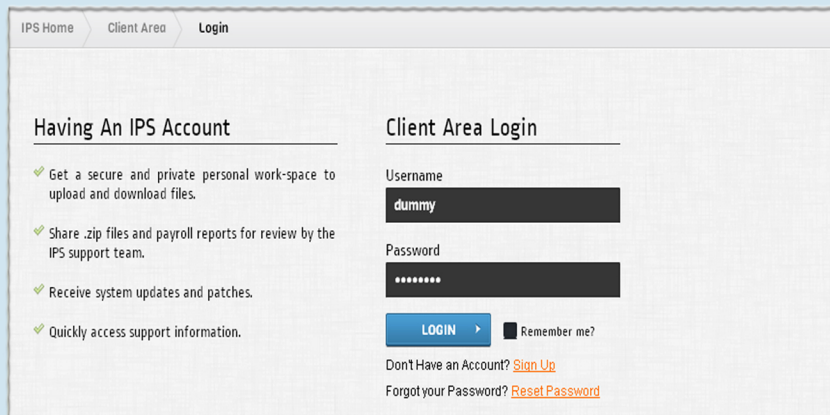
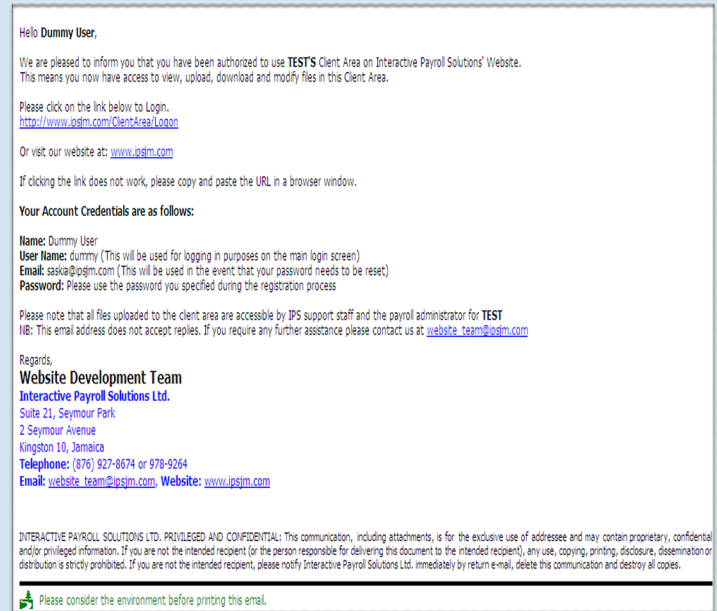
And the person requesting use of the Client Area will receive this message in an email advising them of their status.





If your Payroll Administrator chooses to accept your request, this message will be displayed to him/her.

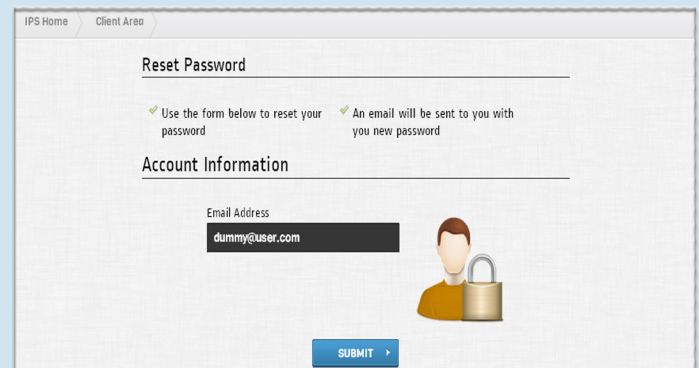
And you will receive this message in an email advising you that you have been approved to use the Client Area and you can now proceed to login.



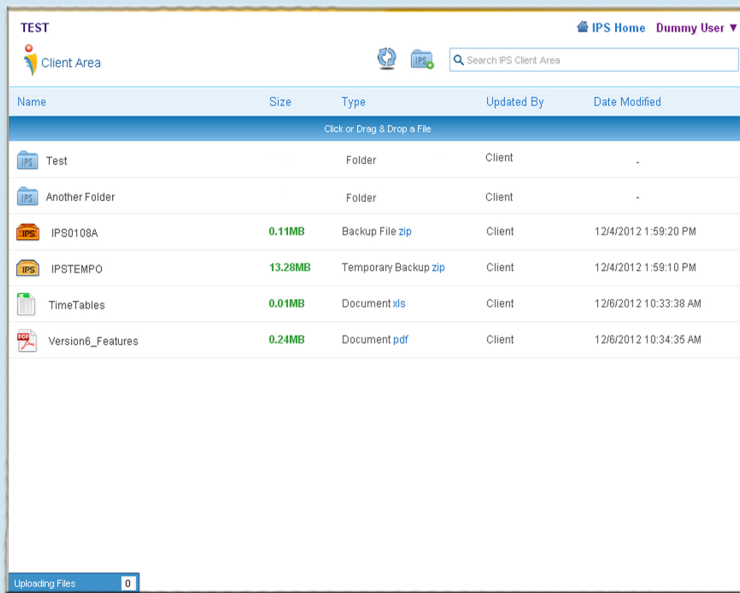
LOGIN

Once you have successfully registered to use the Client Area, you can now login. You can do so by either clicking on the link in the approval email or by visiting our website (www.ipsjm.com) and clicking "Login" on the home page. Once at the screen displayed to the left you can now enter the username that you registered with along with your password.

In the event that you forget your password, you can reset it by clicking the "Reset Password" link on the Login page and it will take you to the Reset Password page. Once you enter the email address you registered with and click the "Submit" button, an email will be sent to you with instructions on how to reset your password successfully.

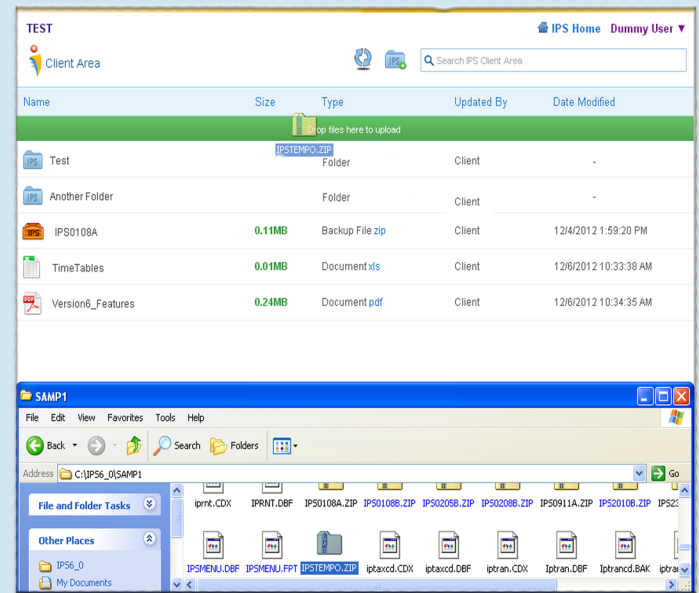


MAIN PAGE



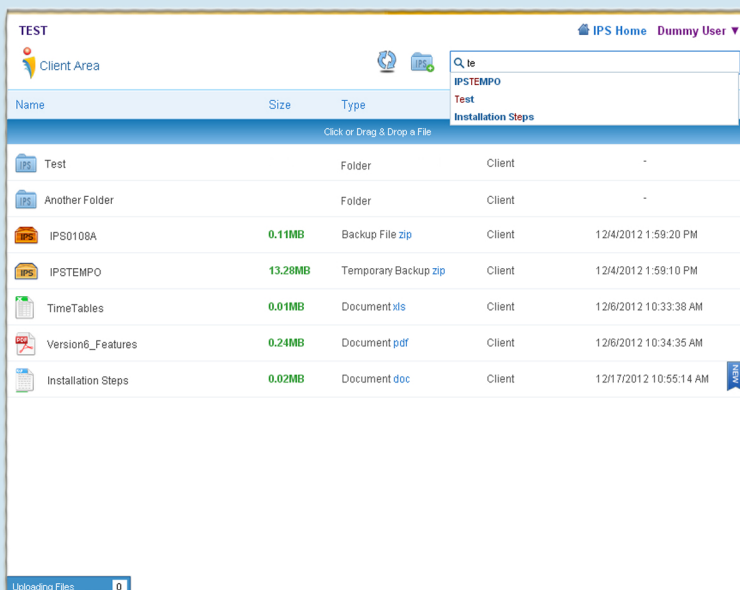
This is where all files and folders are displayed. It also shows who uploaded what as well as the date and time it was uploaded.

UPLOAD



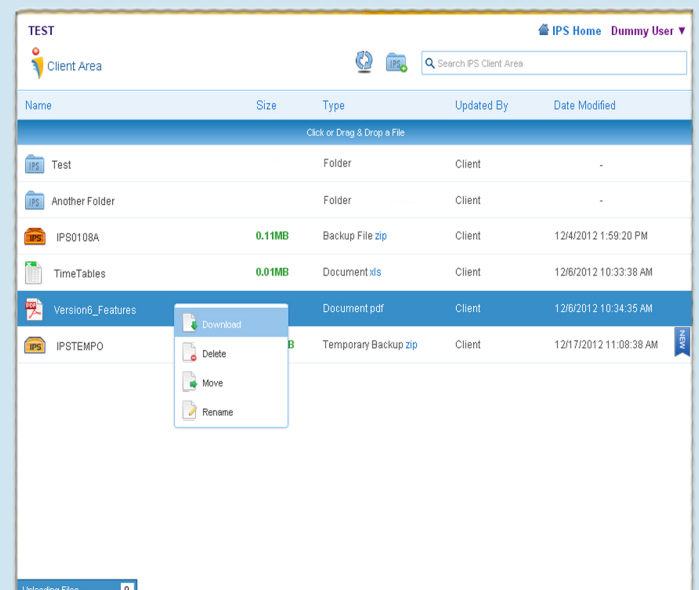
You can drag and drop files onto the upload bar or simply click the upload bar to upload files to the Client Area. Once uploaded, the file will show up in the list of files with the "NEW" tag associated with it. If the file was uploaded by IPS the "NEW IPS" tag will be displayed.

SEARCH



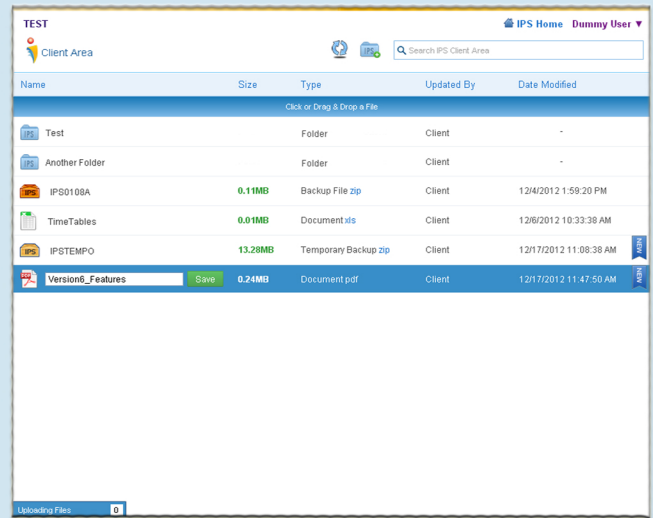
You can search the Client Area for all your files and folders, whether they are on the main page or in a subfolder. Once you type the name into the search box you can select the file name as it appears in the dropdown list. You will be directed to the file or the folder in which it is located.

DOWNLOAD



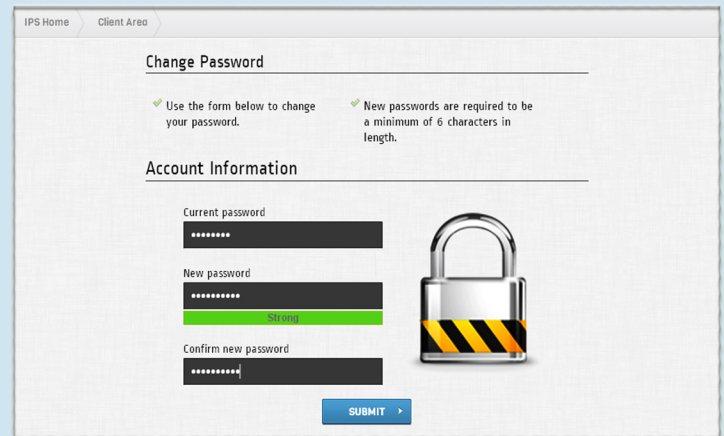
To download a file from the Client Area to your computer, you can simply click on the file or right click on the file and select "Download" from the menu displayed.

RENAME



In order to rename a file in the Client Area, you have to right click on the file and select "Rename" from the menu. This will make the name of the file editable. Just type what you want the new file name to be and press enter on your keyboard or click the "SAVE" button and your file will be renamed.

CHANGE PASSWORD



To change your password, click on your name in the top right hand corner of the main page. This will display a menu with the options to change your password or sign out. Once you click on "CHANGE PASSWORD", you will be redirected to a screen that allows you to change your password.



Payroll Spotlight: INCOME TAX

Income tax . . . the KING of all taxes, the tax that burns the biggest hole in our pay cheques at the end of a given pay period!! All persons receiving an income, profits, or gains and organizations are required to pay income tax . It is charged on emoluments including salaries, fees, wages, provisions or payments in respect of living or other accommodation, entertainment, utilities, domestic or other services, benefits, perquisites and facilities, all sums paid to any person by an employer in respect of expenses whether re-imbursable, all annuities, pensions, superannuations and allowances.* From 1986-1992 income tax was calculated at 33.33% then moved to 25% in 1993 and has remained the same since. Income tax should be calculated on gross taxable wages (after the monthly, fortnightly or weekly threshold, NIS, Pension and Employee Share Ownership Plan (ESOP) is deducted). Below is a timeline showing what the individual threshold has been

from 2002 until now.

Effective January 1, 2013 the threshold will be increased to **\$507,312**. Additionally, for pensioners 60 and over the threshold will be increased from \$521,168 to \$587,312 and those over age 65 will receive \$667,312 up from \$601,168. The amount of net contribution payable for a month must be submitted to the Collectorate by the 14th day of the following month while Employer's Annual Return for each year are due by March 15th the following year. Interest added to PAYE is calculated at Tax plus Penalty multiplied by 40% multiplied by the number of days outstanding divided by 365. $(\text{Tax} + \text{Penalty}) \times (40/100) \times (\text{number of days}/365)$.

Income Tax Threshold Timeline



*Jamaica Tax Administration Online -

http://www.jamaicatax-online.gov.jm/tax_types/tax_types_detail_income.html

Income Tax in "IPS"

When setting up an employee for the first time in IPS it is required that you choose an appropriate tax code for the person. IPS facilitates the use of various income tax codes. The most popular of which is code "P".

Code "P" - An employee pays income tax where applicable at the \$507,312* threshold.

Code "B" - An employee pays income tax where applicable and also a fixed amount.

Code "F" - An employee pays only a fixed amount defined by the employer.

Code "N" - An employee pays no income tax.

Code "R" - An employee who is a pensioner pays income tax where applicable at the \$587,312* threshold.

Code "S" - An employee who is a pensioner over the age of 65 pays income tax where applicable at the \$667,312* threshold.

Please bear in mind that IPS will not allow you to save any information for that employee until an appropriate tax code is selected.

Come January 2013, the income tax threshold of \$441,168 will no longer be. Many of you may be wondering with the new tax change how will IPS facilitate this? Where do I go to change this figure? Do I have to call IPS or have a consultant visit us to make these changes? In IPS there is a feature which allows you to change the income tax threshold. Just go to "Tools" (7) on your main menu, then select "Options". When the "Options" screen appears, select "Tax Calculations" on the left hand side of the screen. Then enter the new threshold of **\$507,312** in the "Tax Credit" field highlighted in the image in red. It is as simple as that. So no worries or panicking. IPS makes payroll simple and efficient!

*Effective January 1, 2013