

What is Payroll?

Payroll is the process of calculating and paying employee salaries or wages, including:

- Basic salary or hourly wages
- Allowances and overtime
- Tax deductions
- Superannuation contributions

👉 In MYOB, payroll ensures employees are paid correctly and payroll records are maintained accurately.

Why Payroll is Important

Processing payroll in MYOB helps you to:

- ✓ Pay employees on time
- ✓ Calculate tax and deductions accurately
- ✓ Record salary expenses correctly
- ✓ Generate payslips and payroll reports
- ✓ Comply with legal and statutory requirements


Incorrect payroll can lead to employee dissatisfaction and compliance issues.



What Payroll Includes in MYOB

Payroll processing may include:

- Gross pay calculation
- Tax and other deductions
- Net pay calculation
- Employer contributions (superannuation)

 All calculations depend on correct employee setup.



Steps to Process Payroll in MYOB

1 Open Myob

Open your MYOB company file

2 Go to Payroll

From the main menu, click Payroll.

3 Go to pay runs

click on pay runs

4 Create pay run

Click on Create pay run button

5 Select Pay Period

Enter:

- Pay period start and end dates
- Pay frequency (weekly / fortnightly / monthly)

6 Choose Employees

Select the employee(s) to be paid.

7 Review Earnings

Check:

Salary or hourly wages

Overtime

Allowances (if applicable)

8 Review Deductions & Tax

Verify:

- Tax deductions
- Other deductions (if any)

9 Check Net Pay

Confirm the final amount payable to employees.

10 Record Payroll

Click Record / Save Pay Run.



What Happens After Processing Payroll?

After payroll is recorded:

- Salary expense is recorded
- Employee balances are updated
- Payslips can be generated
- Payroll reports are updated

✗ Common Mistakes to Avoid

- ❌ Incorrect pay period dates
- ❌ Wrong pay rate or hours
- ❌ Missing deductions
- ❌ Recording payroll twice

Important Concept (Theory Tip)

Payroll expense is recorded only when payroll is processed

Creating employees alone does not record any expense