What we’re working on

Deep Dive: Payroll around the world

Australia

With many Australian small businesses focusing on how to pay their staff during difficult times right now, Xero has focused on helping small businesses and their advisors prepare for the JobKeeper payment to ensure eligible companies are able to access the payment as soon as possible.

Xero Payroll now helps small businesses identify staff eligible for JobKeeper payments, and easily process them in Xero, including for payments made before JobKeeper was passed by Parliament. We have updated Payroll so small businesses can act on JobKeeper payments now that they are available and begin processing the payments. By comparing the government’s criteria against data in Xero Payroll, Xero Payroll can suggest a list of workers and flag any potential problems with eligibility, such as Australian residency status. Xero Payroll will automatically create pay items for JobKeeper and pull relevant pay information from inside Xero so businesses can accurately report these payments to the ATO.

Most of this will happen seamlessly in the background while businesses are filing their Single Touch Payroll (STP). Businesses will still have the flexibility to create additional pay items for more complex requirements but by automating the JobKeeper payment process within Xero Payroll, businesses can ensure they are able to access the payment faster, and meet their compliance obligations accurately.

Xero now includes an eligibility calculator to help small businesses determine if they qualify for JobKeeper and the government’s cashflow boost of up to $100,000. By using the information already available in Xero, the platform can now easily calculate a small business’s change in revenue over a chosen period of time. The government generally requires a 30 percent drop, though there are exceptions.

Xero HQ Payroll, previously in pilot with a small group of advisors, has now been made available to all Australian accountants or bookkeepers. Xero HQ Payroll gives advisors an understanding of which clients are set up for STP and the status of those filings. The Australian Taxation Office will use STP data to collect information on employees who are eligible for the JobKeeper program, so getting clients set up for STP will be important in helping small businesses prepare for when the legislation is passed.

With many businesses now working remotely, providing the right information in one place through Xero’s cloud-based accounting software also ensures accountants or bookkeepers can remotely check their clients’ finances using a single ledger.

Read more
United Kingdom

With UK small businesses focusing on ways to stay solid during this time, we’ve looked a number of initial improvements to help them pay staff appropriately and maintain their compliance obligations, including:

‘COVID-19 self isolation’
Self-isolation is now available as a sick leave option for employees who are required to self-isolate, so they can earn sick pay from day one instead of the usual four consecutive days. HMRC are currently working on a process to help small and medium-sized businesses reclaim two weeks of self-isolation sick pay – once this is ready, we’ll help businesses capture these records and support the reclaim process.

Reinstated employees
All Xero Payroll customers in the UK can now process furlough leave for eligible current or reinstated employees. The solution lets businesses easily split out the wage costs of furloughed workers in preparation for the grant claim, which is available for the period 1 March to 31 May 2020 and will be processed by HMRC via their PAYE online account.

Job Retention Scheme pay
Our team has also released a solution to help small businesses eligible to participate in the Job Retention Scheme (JRS), where HMRC will provide a grant to cover 80% of furlough employee pay, up to £2,500 per month. The Scheme also covers associated furlough costs for national insurance and minimum pension contributions. Furlough employees won’t be able to work, but they’re free to do training, volunteer for frontline services or support those in need during COVID-19.

New Zealand

The New Zealand Government is providing two payments to support employers affected by COVID-19. The Wage Subsidy is to support businesses who have had to lay off staff or reduce hours as a result of COVID-19. The other is the Essential Workers Leave Scheme, which is there to help pay employees if they can’t come into work due to Ministry of Health guidelines, and can’t work from home.

Wage Subsidy
For businesses who have employees with variable work hours and need to work out if their Wage Subsidy should be applied at a full-time or a part-time rate, we have updated pay history reports in Xero Payroll to help. The report now shows the number of hours worked and rate of pay for each employee. Here’s more information on managing the Wage Subsidy and Essential Workers Leave Scheme in Xero.

Americas

Gusto payroll reports
We’re working closely with our payroll partner, Gusto, to help businesses access the Payroll Protection Program (PPP). The PPP authorises loans with Small Business Association lenders, to cover payroll and associated costs for your employees. For Xero customers using Gusto Payroll, they’ll get a notification in Xero to direct them to the report in Gusto, which has all the payroll information you need to apply for the PPP loan.

Read more
We’ve made a number of other updates to Xero over the past month, including:

**Global**

*Get bills and receipts into Xero*
Small businesses can now use Hubdoc in Xero to better understand their financial position in real time. Once bills and receipts are uploaded, the data is automatically extracted and matched with the business’ bank feed transactions.

*Accept payments online*
A new invoice payment management in “New Invoicing” for Xero makes it easier to manage online payment options – whether through card payments powered by Stripe, or direct debits powered by GoCardless. When an invoice is sent to the customer, they can use the payment button to pay online, without any need to log in.

*Improve cash flow with customer credit limits*
Small businesses can now set credit limits within Xero for their customers, to help manage their cash flow. Once set, they can view outstanding balance and in new invoicing, they’ll now get an alert if they raise an invoice that exceeds their credit limit.

**United Kingdom**

*Compliance in the cloud*
Xero Tax is now available free of charge to all UK accountants and bookkeepers on the Xero Partner Programme. It can help advisors prepare and file accounts and tax returns more efficiently, with end-to-end integration and features including fixed asset integration, Xero hotlinks, e-signing capability and more – all hosted in the cloud so they can stay productive when working at home.

**Australia**

*Access Notice of Assessment data in Xero Tax*
Tax agents can now receive email alerts when clients receive a Notice of Assessment (NOA) from the Australian Tax Office. Bringing NOA data into Xero Tax means they can review the information against an estimate in Xero, alert clients to the assessment and send an Outcome of Assessment report.

**Australia and New Zealand**

*Set up clients faster with new templates*
New chart of account templates in Xero HQ will save advisors time when setting up new clients. There are templates based on entity type (such as company or sole trader) as well as tailored templates for the agricultural industry. They come pre-mapped to report codes.

You can find more updates on the Xero blog here
How we are helping customers during COVID-19

Beyond direct product improvements, we’ve made some changes that impact pricing and other support capabilities for our subscribers, including:

**Pausing our planned price rise**
For customers in regions that were due for a price increase on 18 March 2020, we have delayed our proposed price increase until 1 July 2020. Customers now have access to Hubdoc included in their Xero Business Edition plans, which helps save time by automating data entry and simplifying bank reconciliation.

**Improved small business payment term**
We’ve initiated a change with our small business supplier payment terms from 1 April 2020 where we will aim to pay small business suppliers’ invoices globally within 10 business days.

**Activating a Business Continuity Hub**
This dedicated Business Continuity Hub on Xero Central brings together key information from government agencies around stimulus packages for business in the major regions where we operate: New Zealand, Australia, UK, US, Canada, Singapore and South Africa.

The Business Continuity Hub contains a range of practical tools and education resources to support businesses through this incredibly challenging time. Some of these resources and topics include:

- Getting access to advisors, government portals and applications for grants, understanding small business relief and application support
- Education webinars – how to run your business remotely, looking after yourself and your teams, links to community connection forums, business continuity planning and keeping track of cash flow
- Our team will continue to keep the Business Continuity Hub up-to-date with relevant content based on your feedback, so please let us know through the community forum what you’d like to see included.

**Dedicated Customer Response Team**
For Xero customers needing support, we’ve assembled a Customer Response Team who can be contacted through Xero Central for guidance on a case-by-case basis regarding the initiatives we’ve put in place to support our customers. We will respond promptly to our customers’ requests.

[Visit the hub]