J2SOFTWARE

First thing that needs to be done before the End of Year process, is to download and install the latest version of Payday for Windows.

Using your internet browser, navigate to:
https://j2.com.mt/LatestReleases.
Scroll down to the Payday section and click on the link of the latest version (The latest version for 2025 should start 4.30). Follow the online instructions for download.

Normally, J2 Software Payday Setup Files are placed in C:\ Program Files\J2 Applications\Dist Disk\Payday. This path may differ according to the client's installation.

After the setup has downloaded, double click on the setup file to start the installation process. Follow the screen instructions to upgrade the previous Payday version, making sure the installation directory is correct.

After the setup is complete, open Payday for Windows. This should automatically trigger the Payday Structure Update. If not, contact J2 Software immediately, as the installation was done in the wrong directory. When asked to 'Force Structure Update?', you should click No. The structure upgrade should be quite straight forward, but occasionally it issues a link error. Should this happen, please contact J2 Software for assistance.

After the Structure Update is complete, open Payday for Windows again. From the menu, navigate to Help → About and confirm that the version is correct.

Special Consideration for Weekly, Fortnightly and 4-Weekly Payrolls

December 2024								January 2025						
M	**T**	**W**	**Th**	**F**	**S**	**Su**		**M**	**T**	**W**	**Th**	**F**	**S**	**Su**
						1				1	2	3	4	5
2	3	4	5	6	7	8		6	7	8	9	10	11	12
9	10	11	12	13	14	15		13	14	15	16	17	18	19
16	17	18	19	20	21	22		20	21	22	23	24	25	26
23	24	25	26	27	28	29		27	28	29	30	31		
30	31													

Weekly, Fortnightly & 4-Weekly Payrolls will have one of their payroll weeks split, ie between the 30th December and 31st December in 2024 and between the 1st January till the 5th January in 2025.

You can solve this issue in any of the following two ways:

Option 1 : Split Payroll
You can split the payroll into two parts. By using this option, you will need to issue two separate cheques for each employee or manually add the two payrolls together.
• Generate Payroll Part 1 up to and including 31st December by ticking Flexible Dates in the Automatic Payroll Generation screen
• Add to History
• If not already upgraded, upgrade Payday to Ver. 4.30.01 (or later)
• Make the End-of-Year Procedure
• Generate Payroll Part 2 from and including 01-Jan by ticking Flexible Dates in the Automatic Payroll Generation screen

Option 2 : Continued Payroll
You can continue the payroll as usual.
• If not already upgraded, upgrade Payday to Ver. 4.30.01 (or later)
• Issue payroll spanning from 2024 through 2025
• Check for unpaid leave in the 2025 payroll portion. If the value should be paid, go into Employee Maintenance and add some days into 'Temp. Leave from Next Year'. Sick leave must be catered for manually. If there is Sick Leave in the 2025 portion, Option 1 above is preferred.
• Add to History
• Make the End-of-Year Procedure

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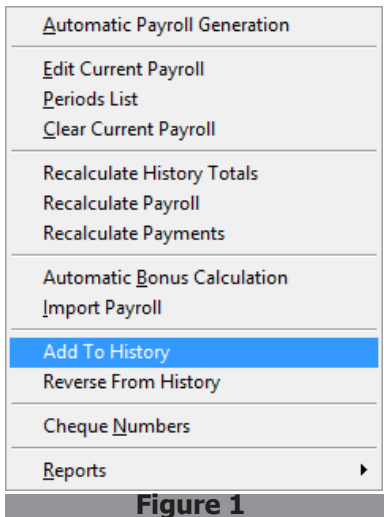Page 2

1. Adding ALL Payrolls to History

Figure 1

Make sure that you have printed ALL necessary reports from the current payroll, such as Payslips, Payroll Summary & Bank Direct Credits. Then go to Payroll → Add to History as shown in "Figure 1" on page 3.
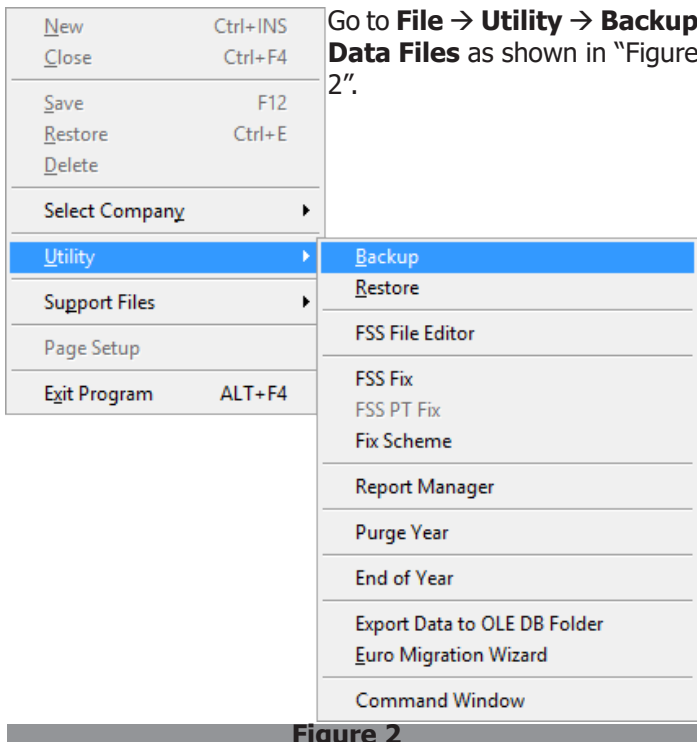
2. Backing up your data

Figure 2

Go to **File → Utility → Backup Data Files** as shown in "Figure 2".

Backup Offer:
For peace of mind, J2 Software can offer a cloud backup solution for Payday for Windows for just €2.21 (excl. VAT) per month per 2Gb of Data Selected. Data can be retained for 999 days.

3. Printing "To Date" Reports
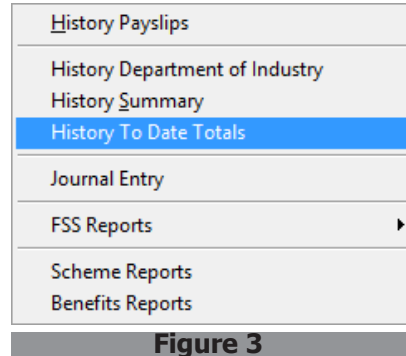
Figure 3

From the Reports Menu choose History To-Date Totals as show in "Figure 3". A form will be displayed on screen as shown in "Figure 4". From the Report Name Drop-Down List, choose 'To Date Leave Balances'
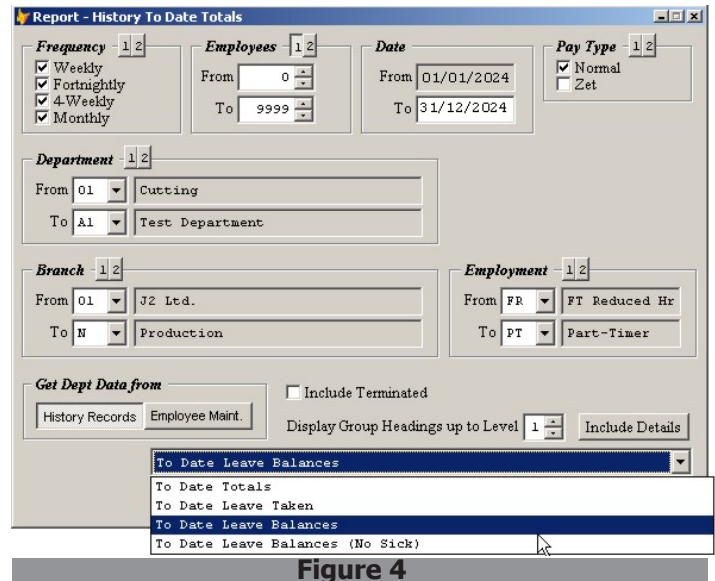
Figure 4

Thereafter follow the instructions on screen. The end result should look like "Figure 5" below.

Figure 5

The purpose for this report is to ensure that after the End of Year Procedure is completed you will have available a hard copy of any Leave which has not been used by any employee for the year being closed. After you complete the whole End of Year Procedure, you should check that Optionals Left Over field in the Employee Maintenance Screen matches the result on the report for the particular employee. This is applicable only if the outstanding leave will NOT be paid and therefore carried forward into the new year, otherwise, the **Optionals Left Over** field should read zero.
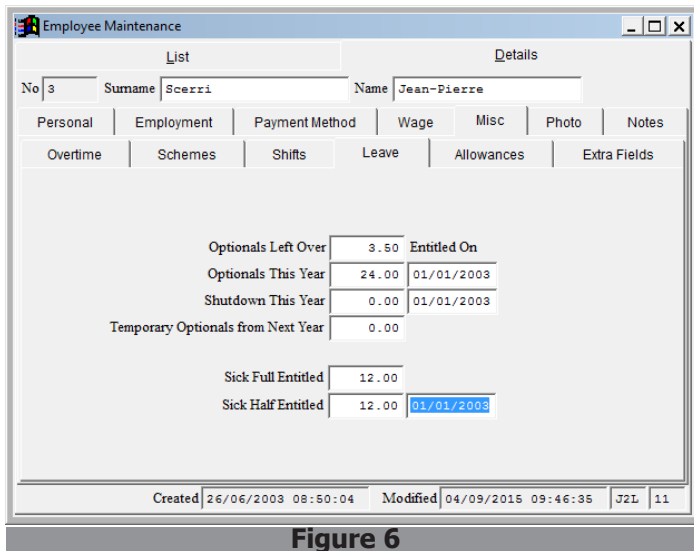
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Figure 6

5. Setting up Statutory Bonuses

Go to File → Support Files - Statutory Bonus and select the Generate Bonuses tab as shown below in "Figure 8".

Figure 8

Tick the Default Bonuses, the percentage amount, and the Employment and Contract Type you want to generate the Statutory Bonuses and then click Generate.

4. Setting up Holidays and Leave

Go to **File → Support Files → Holidays and Leave** and select the **Copy Entitlements** tab as shown below in ""Figure 7".
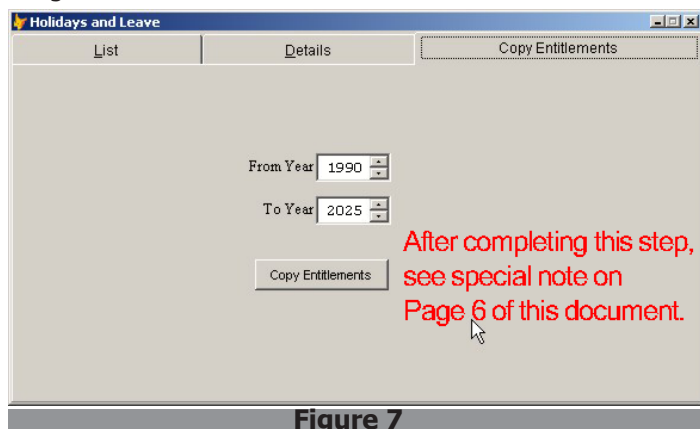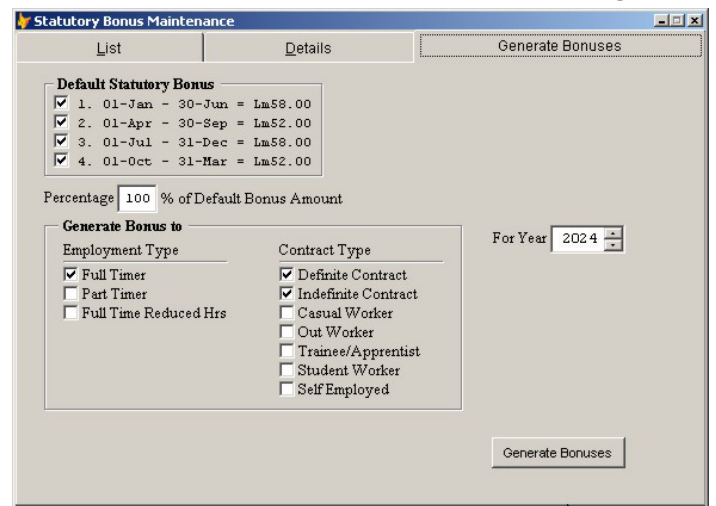

Figure 7

Make sure that the Year From is **1990**. This will create all Holiday, set the default Vacation Leave to 24, default Shutdown to 0, default Sick Full to 12 and default Sick Half to 12.

After generating the Entitlements, you can go into the details tab and adjust any discrepancies, eg the Sick Full & Half values.

Alternatevely, you can set the 'From Year' to the pervious year. This will copy Entitlements from the pervious year.

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6. End of Year Routine

After performing correctly **ALL** procedures from 1 to 5, the actual 'End of Year' Routine can be initiated as follows :

• Completing the 'Criteria Form'
• Quitting Payday and logging on again
• Recalculate History Totals

The above functions will be performed by the procedures explained hereunder.

Completing the 'Criteria Form'

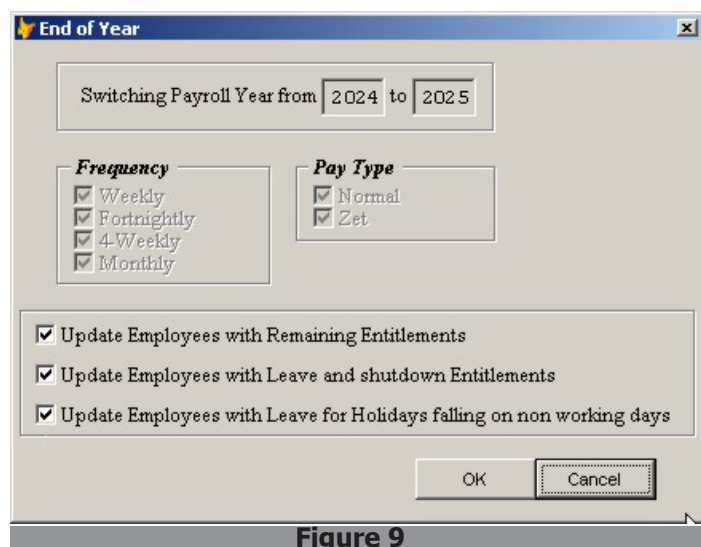Go to **File → Utility → End of Year** menu as shown in "Figure 9" below.

Figure 9

IMPORTANT: *It is strongly recommended that the following notes are read and fully understood before completing the 'Criteria Form'.*

If the 'Update Employees with Remaining Entitlements' is checked i.e. it has a '✓' in it, Payday for Windows will automatically bring forward the leave not taken in the year being closed, into the new year. Employee Maintenance Form - Misc - Optional Leave - Optionals Left Over field shown in "Figure 6".

If you have paid, or intend to pay the pending leave, Do Not tick the Check Box.

If the 'Update Employees with Leave and Shutdown Entitlements' is checked i.e. it has a '✓' in it, Payday for Windows will automatically update the 'Optionals this Year', 'Shutdown this Year', 'Sick Full and Sick Half Entitlements' for New Year, in the 'Employee Maintenance Form - Misc - Optional Leave' shown in "Figure 6", provided that 'Holidays and Leave' in section 4 have been updated. (Recommended) **Make sure these values are correct before you proceed**.

As from 2021, by default the leave entitlement will be increased by number of holidays falling on a non working day. If you do not want this option, click the check box to untick it.

Once the "Criteria Form" is successfully completed click on the OK button.
A confirmation message will be displayed and pressing the 'Yes' button will confirm the End of Year Procedure.

Quitting & re-logging

It is extremely important to quit Payday. Go to File → Exit Program.

After successfully quitting the application, click on the application icon and log on again.

Final Step

To complete the 'End of Year' routine successfully, go to Payroll → Recalculate History Totals as seen in "Figure 10" (Right). Then click 'Yes' to confirmation the action. Finally, File → Utilities → FSS Fix, as seen in "Figure 11" (Below). as a precaution for an FSS Bug.
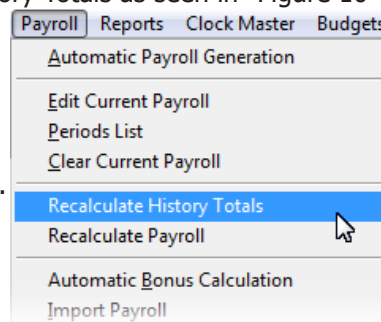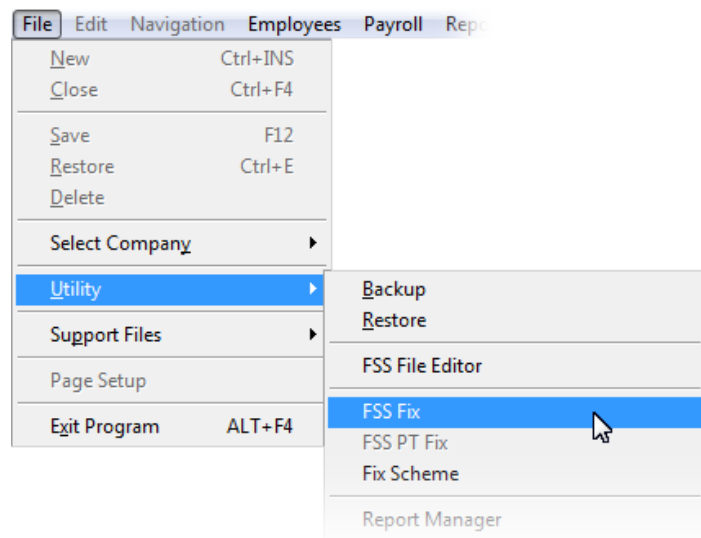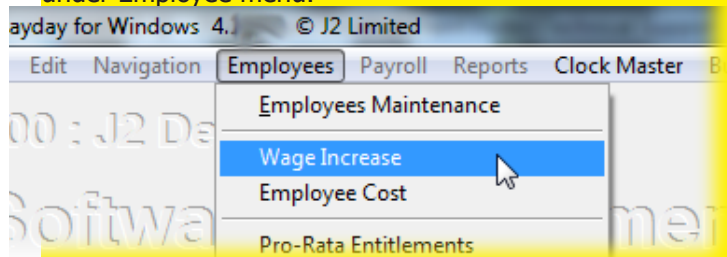

Figure 10

Figure 11

Now repeat this whole process for every company.

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Important Note

This End of Year Routine does NOT include the government wage increase. This has to be done separately either through each individual Employee Maintenance Screen or through the Wage Increase Screen. Both screens are found under Employee menu.

Also, this whole procedure has to be repeated for ALL Companies.

Note

General Note : We have tested various permutations and concluded that ALL employees should be set to have NI Category 'T' - Automatic, except for those Part-Time Employees that have their main job elsewhere. These should have their NI Category set to 'X'- No NI.

As from 2011, there has been an important update in the NI Rates.

Class 1, Categories C & D have a variable cap ceiling, depending on the employee's age. Payday automatically calculates this and employees born up to 31-Dec-1961 will have a different cap ceiling from employees born after that date.

Please also note that for Class 2 Rates, there are also similar changes.

For more details, please follow the below links to the IRD website www.ird.gov.mt.
Class 1 & 2 SSC Rates
Tax Rates

Special Note: Leave Entitlement

As from 2021, Leave entitlement will be calculated on the standard 24 days plus any public holiday falling on a non working day.

So, by copying Leave Entitlement from 1990 into 2024 will copy 24 days plus all public holidays in 2024 falling on a non working day.

Any exceptions must be corrected individually.

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