

Setting up payroll categories for termination – as described by MYOB

▼ To create ETP payroll categories

(Only required if the payment is [classified by the ATO](#) as an ETP)

10. Click the **Deductions** tab.
11. Click New to create a new deduction category.
12. Name the new category **ETP Tax Withheld**.
13. (If you're using Single Touch Payroll) Select the ATO Reporting Category for this deduction. Not sure what to select? Check with your accounting advisor or the ATO. For more info, see [Assign ATO reporting categories for Single Touch Payroll reporting](#).
14. Ensure the **Linked Payable Account** has the applicable account specified. You can leave all other values at their default.
15. Click Employee and select the employee whose employment is being terminated.
16. Click OK.

RE: This is why that ETP Tax Withheld category was set up as a deduction

To amanda@seqtt.com.au

Hi Amanda,

Hmm I don't think that is correct at all. The tax withheld on an ETP should not be under the "Deductions" tab but should be under the "Taxes" tab as this is money paid to the ATO for taxes withheld.

Kind Regards,

Emil Collofello CPA

