# myob IMS PAYROLL

## New Release (V6.52) Webinar



Disclaimer: This document provides guidance on how to manage leave entitlements within our product. We recommend that you read the MBIE document "*Holidays Act 2003: Guidance on annual holidays, domestic violence, leave, bereavement leave, alternative holidays, public holidays and sick leave*" to understand how to meet your obligations as an employer under the Holidays Act 2003. If you have further questions or are in doubt, it is best to seek legal advice to ensure you are meeting your obligations.

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#### 1.0 What's new in this release?

The V6.52 release updates MYOB IMS Payroll to calculate Annual Leave in weeks. Annual Leave balances are displayed in weeks as well as hours/days, and a new *Agreed Definition of a Week* can be specified for each employee. This simplifies leave management, and means that daily/hourly balances can be automatically adjusted when an employee's work schedule changes, to hold a consistent weekly balance.

For background information on these changes, and considerations when upgrading the system, see the document "Managing Annual Leave in Weeks" on the <u>MYOB IMS Payroll Education Centre</u>.

#### 2.0 Annual Leave Enhancements

MYOB IMS Payroll now calculates and reports Annual Leave in weeks. A number of changes have been made to options, record entry screens and reports to support these enhancements.

#### 2.1 Enabling Weekly Annual Leave

We recommend taking a backup for each payroll company (through the Tools, Backup menu), and printing an annual leave report (through the Processing, 6-Reports tab), before performing the below steps.

**Please Note**: You may need to print your annual leave report twice, once ticked on hours and once ticked on days, based on the employee's units selected. We would recommend using the accumulators report option as this will also show you weeks, once the functionality has been turned on. To change to the accumulators report type, highlight the annual leave report and click into the options button. Change the report type to accumulators and then close the options window.

After upgrading to this release, the option to use weekly Annual Leave rates is disabled—you can enable the option once you and your employees are ready. Make sure to read all of the documentation below before activating weekly Annual Leave. Ticking the **Active** option opens an information window with a message that you must accept before confirming the change:

To activate the weekly Annual Leave method, make sure all pays are closed, then tick **Active** at the top of the new **Annual Leave in Weeks** section on the Company Information screen:

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Client ID: 1111111	General Ledger? Service Leave? FV Leave in Advance? Transaction Date 1?									
Address: PO Box 7656	Payroll Giving?									
Best Town	☐ Maintain Special Total Descriptions									
	<ul> <li>Payday Filing</li> <li>Automatically create the Payday files after closing the pay (click here for setup)</li> </ul>									
Contact Person: Bronwyn Ashton	Annual Leave In Weeks — M Active: Change of Agreed Weekly Hours/Days Behaviour:									
Phone Number: 767 7769 Fax: 768 5654	Always recalculate the AL Balance in Hours/Days     Click here to activate for existing employees     Always ask whether to recalculate the AL Balance     Ak only when the AL Balance in Hours/Days will reduce									
Mobile Number: ACC #:	Company Annual Leave Anniversary:									
Email Address: imssupport@myob.com	Bank Account:         06         -0644         -0063322         -00         Round Cheque Pays to 10c?									

Ticking the **Active** option opens an information window with a message that you must accept before confirming the change:



**Please note**: This change is <u>irreversible</u>. Once you have activated the weekly method, it cannot be deactivated.

The new Annual Leave in Weeks section contains options to set any new Set Hours employees to calculate Annual Leave weekly by default, and to update all existing Set Hours employees to weekly Annual Leave.

You do not have to set all employees to use weekly Annual Leave. The option to calculate Annual Leave in weeks can be set for each employee individually.

This second option opens a window that lets you confirm the operation and shows its progress:

Mi Annual Leave In Weeks Update Existing Employees —		×
Backup		_
with this update. Click the Backup button to create a backup now.	Backup	
Click Update to calculate and apply Annual Leave entitlements and rates in weeks for all emplo Annual Leave type of Set Hours. Using this option lets you configure the Agreed Definition of a Week (Days or Hours) and calcu entitlements and values. We recommend that you print the Annual Leave report for all employees before selecting this then review all Annual Leave details after selecting this option.	oyees with ulate option and	an d
Update Progress:		
Update	Close	

The new section also contains options that affect the system's behaviour when an employee's Agreed Definition of a Week changes—see example on page **7**.

#### 3.0 Employee Settings

New settings are available on the Employee Information > Leave tab. To make room for these settings, the Leave tab has been separated into two sub-tabs: Annual Leave and Other Leave. The Other tab contains all existing settings related to Sick Leave, Family Violence Leave, Alternative Holidays, Time in Lieu and Annual Leave cash-ups; the Annual Leave tab contains the existing Annual Leave settings, as well as new settings for calculating Annual Leave in weeks:

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Emp# 1022 IRD# 1089-417-163 🗸 🗸		
Standard   Payment   Leave   KiwiSaver   Permanent   HR / Notes   Totals   History		
Annual Leave Other Leave		
Annual Leave Type (Permanent / Casual Employment) CAnnual Leave In Calculate Annual Leave in Weeks		
Set Hours Variable Hours Casual Hours Days     Average rate (AWE): Ordinary rate (OWP):		
Annual Leave Entitlements Gross earnings for last 12 Gross earnings for last 4		
Weeks months: \$\$8,584.55 Weeks. \$4,400.00		
Full Yrs Entitlement: 160.00 4.00 % of Gross: 8 Weeks in Year: 52 Indude in rate comparison?		
Next Entitlement:         160.00         4.00         For:         52         Weeks         minus LWOP:         0           Divide by:         4         52         Divide by:         4		
Due Date: 16/11/2020  Weekly Rate: \$1 100 0000		
Average Rate: \$28.1656 Hours/week; 40.00 Days/week; 5.00		
Outstanding Ent: 0.00 0.00 0.00 Click here to edit these values		
+ Accrued This Year: 104.62 2.62 Gross Earnings: \$39.884.55 C Decental Leave — as at: n/a		
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Emp# 1022 IRD# 089-417-163 🗸 🗸	
Standard   Payment   Leave   KiwiSaver   Permanent   HR / Notes   Totals   History	
Annual Leave Other Leave	
Sick Leave In Family Violence Leave In Alternative Holiday In Time in Lieu	
⊖ Hours ⊙ Days ⊖ Hours ⊙ Days ⊖ Hours ⊙ Days ⊙ Hours ⊖ Days	
Sick Leave Entitlements PV Leave Entitlements Provide a constraint of the second secon	
Full Cyde Ent.: 5.00 Full Cyde Ent.: 10.00	
Next Entitlement: 5.00 Next Entitlement: 10.00	
Due Date: 27/01/2021 V Due Date: 27/01/2021 V	
Months: 12 Months: 12	
Maximum: 20.00	
% of Gross:	
- Annual Leave Cash Up	
Entitlement         Paid Out         Balance         Parental AL           Hours:         0.00         0.00         Cash Up?	
Weeks: 0.00 0.00 0.00	

Ticking the Calculate Annual Leave in Weeks option has the following effects:

- The settings in the Calculate Annual Leave in Weeks and Agreed Definition of a Week sections become active.
- A **Weeks** column appears next to the Annual Leave entitlement and balance units on this tab, showing the units in weeks as well as hours/days.
- The Average Weekly Earnings (AWE) and Ordinary Weekly Pay (OWP) rates for the employee use the new Agreed Definition of a Week values to calculate a daily or hourly rate.
- A new **Current Rate** field has also been added to the Annual Leave Values section.
- A new **Include in rate comparison?** option is available for the OWP 4 week average rate. For monthly employees, the OWP 4 week divisor is always 4. There are on average 4.33 weeks in a month so this will need to be considered if you use this option. If this option is unticked (the default), the Ordinary Rate (OWP4) will be excluded from rate comparisons, i.e. the system will ignore the Ordinary Rate (OWP4) and use the higher of the Average Rate (AWE) or Current Rate (OWP). If this option is ticked, the system will use the higher of the Average Rate (AWE), Ordinary Rate (OWP4) or Current Rate (OWP).

## 4.0 Agreed Definition of a Week

The fields in the **Agreed Definition of a Week** section are used to calculate the employee's hourly or daily balances and entitlements. They represent what is agreed as constituting a working week for the employee — these values will be used when converting between weeks and days/hours. The default values are based on employees' usual days/hours, but they should be reviewed for all employees.

**Please note**: For employees with variable hours that change from week to week, if you are unable to identify a pattern of work, we recommend talking to an expert for advice on how to enter their Agreed Definition of a Week. Remember that the definition must be agreed on by the employer and employee.

Click the **here** link below these fields to open a window that lets you edit the Agreed Definition of a Week values:

MS Agreed Definitio	n of a Week	· —	
Hours Per Week:	40.00	Days Per Wee	k: 4.00
Hours Worked (Minin	num) - Week	ly —	
Per Day:	10.00	Per Period:	40.00
Standard Days:	4.00		
		Ok	Cancel

If an employee's **Agreed Definition of a Week** values change at any time, this will cause their hourly or daily Annual Leave balance and entitlement to be recalculated to match the new Agreed Definition of a Week.

Options for how employees' balances will be affected are available under **Change of Agreed Weekly Hours/Days Behaviour** on the Company Information tab:

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Company Pay P	Points   Costing Codes   Payments   Deducti	ons								
Name:	Sample Company Limited	Company Options — Costing Required? Shift Leave? Sick Leave in Advance? <u>Timesheet Entry</u>								
Client ID:	1111111	General Ledger? Service Leave? V FV Leave in Advance? Transaction Date 1?								
Address:	PO Box 7656	✓ Payroll Giving? ✓ Transaction Comments?								
	Best Town	☐ Maintain Special Total Descriptions  Send Diagnostic and Usage Information to MYOB?								
		Payday Filing ☑ Automatically create the Payday files after closing the pay (click here for setup)								
Contact Person:	Bronwyn Ashton	Annual Leave In Weeks      Active:     Change of Agreed Weekly Hours/Days Behaviour:     Activate for new Set Hour Employees?								
Phone Number:	767 7769 Fax: 768 5654	Always recalculate the AL Balance in Hours/Days     Always ask whether to recalculate the AL Balance     Always ask whether to recalculate the AL Balance     Ak only when the AL Balance in Hours/Days will reduce								
Mobile Number:	ACC #:	Company Annual Leave Anniversary:								
Email Address:	imssupport@myob.com	Bank Account: 06  -0644 -0063322 -00  Round Cheque Pays to 10c?								

Selecting **Always recalculate the AL Balance in Hours/Days** means that when an employee's Agreed Definition of a Week changes, their hourly/daily Annual Leave balance will be recalculated automatically. This option ensures that balances are always adjusted whenever the Agreed Definition of a Week is edited.

An information window appears, showing the new balances and entitlements in weeks as well as in days/hours:

You've updated this employee's Agreed Definition of a Week.         The system will recalculate the Annual Leave Hours balance from 31.96 hour(s) to 25.57 hours.         This new balance is calculated as 0.8 week(s) multiplied by the new Agreed Hours Per Week value of thour(s).         Refer to the table below for details of the calculation.         Agreed       Balance       Entitlement       Entitlement       Leave Rate       Terr         Before Change       40.00       0.80       31.96       4.00       160.00       \$28.7009       \$3         After Change       32.00       0.80       25.57       4.00       128.00       \$35.8762       \$3         Difference       8.00       0.00       6.39       0.00       32.00       \$7.1753         Click OK to continue updating the Hours balance,       Elever solation,       53.8762       \$3	MAS AL Hours Balances Recalculated — 🗆 🗙									
Agreed Hours balance is calculated as 0.8 week(s) multiplied by the new Agreed Hours Per Week value of thour(s).         Refer to the table below for details of the calculation.         Agreed Hours Per Week       Balance (Weeks)       Entitlement (Hours)       Leave Rate       Terr         Before Change       40.00       0.80       31.96       4.00       160.00       \$28.7009       \$35.8762 <td colspan="10">You've updated this employee's Agreed Definition of a Week.</td>	You've updated this employee's Agreed Definition of a Week.									
Refer to the table below for details of the calculation.         Agreed Hours Per Week       Balance (Weeks)       Balance (Hours)       Entitlement (Weeks)       Leave Rate       Terr         Before Change       40.00       0.80       31.96       4.00       160.00       \$28.7009       \$28.7009       \$28.7009       \$28.7009       \$29.700       \$28.7009       \$29.7009       \$29.7009       \$20.7009       <	The system will recalculate the Annual Leave Hours balance from 31.96 hour(s) to 25.57 hours. This new balance is calculated as 0.8 week(s) multiplied by the new Agreed Hours Per Week value of 32 hour(s).									
Agreed Hours Per Week         Balance (Weeks)         Balance (Hours)         Entitlement (Weeks)         Leave Rate         Terr           Before Change         40.00         0.80         31.96         4.00         160.00         \$28.7009         \$35.8762         \$35.8762         \$35.97         \$4.00         128.00         \$35.8762 </td <td>Refer to the ta</td> <td>ble below for</td> <td>details of the</td> <td>calculation.</td> <td></td> <td></td> <td></td> <td></td>	Refer to the ta	ble below for	details of the	calculation.						
Before Change         40.00         0.80         31.96         4.00         160.00         \$28.7009         9           After Change         32.00         0.80         25.57         4.00         128.00         \$35.8762         9           Difference         8.00         0.00         6.39         0.00         32.00         \$7.1753           Click OK to continue updating the Hours balance,         5		Agreed Hours Per Week	Balance (Weeks)	Balance (Hours)	Entitlement (Weeks)	Entitlement (Hours)	Leave Rate	Termination Value \$		
After Change         32.00         0.80         25.57         4.00         128.00         \$35.8762         9           Difference         8.00         0.00         6.39         0.00         32.00         \$7.1753           Click OK to continue updating the Hours balance,	Before Change	40.00	0.80	31.96	4.00	160.00	\$28.7009	\$783.54		
Difference         8.00         0.00         6.39         0.00         32.00         \$7.1753           Click OK to continue updating the Hours balance,         6.39	After Change	32.00	0.80	25.57	4.00	128.00	\$35.8762	\$783.54		
Click OK to continue updating the Hours balance,	Difference	8.00	0.00	6.39	0.00	32.00	\$7.1753	\$0.00		
otherwise click Cancel										

(The user has the option of clicking **Cancel** at this point if they do not want to make the changes to the Agreed Definition of a Week—the new balance and entitlement values are not applied until the user clicks **OK**.)

Selecting **Always ask whether to recalculate the AL Balance** means that users can choose to recalculate or not on a case by case basis. The following message window appears when an employee's Agreed Definition of a Week changes:

IMS AL Hours E	MIS AL Hours Balances Recalculated - 🗆 🗙										
You've updated	You've updated this employee's Agreed Definition of a Week.										
The system will recalculate the Annual Leave Hours balance from 31.96 hour(s) to 25.57 hours. This new balance is calculated as 0.8 week(s) multiplied by the new Agreed Hours Per Week value of 32 hour(s).											
Refer to the ta	ble below for	details of the	calculation.								
	Agreed Hours Per Week (Weeks) (Hours) Entitlement (Hours) Leave Rate Termination Value 5										
Before Change	40.00	0.80	31.96	4.00	160.00	\$28.1490	\$973.63				
After Change	32.00	0.80	25.57	4.00	128.00	\$35.1862	\$973.63				
Difference	8.00	0.00	6.39	0.00	32.00	\$7.0372	\$0.00				
Click Yes to continue updating the Hours balance, No to keep the existing Hours balance - this will adjust the Weeks balance instead (not recommended), otherwise click Cancel.											

This window has the following options:

- **Yes** The employee's hourly/daily balance and entitlement will be recalculated as displayed on the window.
- **No** The hourly/daily balance will remain the same and the employee's weekly balance and entitlement will be recalculated. (This is not recommended.)
- **Cancel** The change to the employee's Agreed Definition of a Week is not saved.

Selecting **Ask only when the AL Balance on Hours/Days will reduce** means that the user is only asked if they want to update or keep the hours/days values if the change to the Agreed Definition of a Week would result in a reduction of the employee's hour/daily balance and entitlement. If the change means the employee's hourly/daily values would stay the same or increase, the system will behave the same as when the **Always recalculate the AL Balance in Hours/Days** option is selected. (This is the default.)

**Please note**: If you choose not to recalculate the Annual Leave balance when an employee's Agreed Definition of a Week changes, it should be because you have agreed this with your employee or there is another reason the balance shouldn't change. Not recalculating could affect the employee's Annual Leave entitlement and payment and may not meet your obligations. If you are unsure you should seek advice from your business advisor.

#### 4.1 Employee Leave Earnings History

New columns have been added to the Employee Information > History > Leave Earnings tab to display historical information about the employee's Agreed Definition of a Week, as well as any weeks of Leave Without Pay they have taken (see below).

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	< ► ►   🚅 🛙	3 🐼 💷	🗹 🗐 ANZ							
Emp# 1022 IRD# 089-417-163	<ul> <li></li> </ul>	<u> </u>								
Standard Payment Leave KiwiSave	r   Permanent   HR / Note	s Totals H	listory							
Total Earnings Leave Earnings KiwiSaver	Timesheet History									
Period Ending Average Gross Ordinary Gross	Hours/Week Days/Week	H/Rate Hrs	ADP Hrs	H/Rate Days	ADP Days	Hours Per Day	LWOP Weeks	^	Leave	Туре:
08/12/2019 \$1,100.00 \$1,100.00	0 0	40	40	5	5	8	0		Set	Hours
15/12/2019 \$1,100.00 \$1,100.00	0 0	40	40	5	5	8	0		Holiday	Rates:
22/12/2019 \$1,100.00 \$1,100.00	0 0	40	40	5	5	8	0		I Inite	Hours
29/12/2019 \$1,252.27 \$1,252.27	0 0	40	40	5	5	8	0		onno.	liours
05/01/2020 \$1,247.11 \$1,247.11	. 0 0	40	40	5	5	8	0		Average:	\$28.7009
12/01/2020 \$1,454.76 \$1,454.76	0 0	40	40	5	5	8	0		Ordinary:	\$27.5000
19/01/2020 \$1,445.76 \$1,445.76	0 0	40	40	5	5	8	0			
26/01/2020 \$1,449.98 \$1,449.98	0 0	40	40	5	5	8	0		Averag	e Daily Pay:
02/02/2020 \$1,100.00 \$1,100.00	0 0	40	40	5	5	8	0		Hourly:	\$28.1490
09/02/2020 \$1,100.00 \$1,100.00	0 0	40	40	5	5	8	0		Daily:	\$225,1918
16/02/2020 \$1,100.00 \$1,100.00	0 0	40	40	5	5	8	0		2.01.7.	
23/02/2020 \$1,100.00 \$1,100.00	0 0	40	40	5	5	8	0		I Include	Periods Prior
01/03/2020 \$1,100.00 \$1,100.00	0 0	40	40	5	5	8	0		To Star	t Date?
08/03/2020 \$1,100.00 \$1,100.00	0 0	40	40	5	5	8	0			
15/03/2020 \$1,100.00 \$1,100.00	0 0	40	40	5	5	8	0			
22/03/2020 \$1,100.00 \$1,100.00	0 0	40	40	5	5	8	0			
29/03/2020 \$1,100.00 \$1,100.00	40 5	41	40	5.12	5	8	1			
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MYOB IMS Payroll						🚯 Cur	rent Weekly Sa	alary	<b>S</b>	Entered //

## 5.0 Processing Leave Without Pay

Leave Without Pay (LWOP) of more than one continuous week affects how you manage Annual holidays. In this case, you must either:

• move the employee's Holiday Pay anniversary date forward one week for each whole or partial week of LWOP taken beyond the first (e.g. two weeks of LWOP means that the anniversary date should be moved forward by one week),

or you can agree with your employee to

• leave the anniversary date as it is and reduce the AWE divisor by one for each whole or partial week of LWOP taken beyond the first (e.g. three weeks of LWOP means the divisor should be reduced by two weeks, so gross earnings are divided by 50 weeks instead of the usual 52 to calculate AWE).

**Please note**: This does not apply to all kinds of unpaid leave, e.g. unpaid Sick Leave, unpaid Parental Leave, Voluntary Service or leave on ACC are exempt from this – see <u>"Leave without pay" on the</u> <u>MBIE website</u> for more information.

This release contains several updates that let you process LWOP in this scenario.

**Please note**: These updates are only available when the Annual Leave in Weeks function is enabled – see page 3. If you don't have this functionality enabled, if any employee has any LWOP weeks at the time they are moved to weekly Annual Leave, this should be entered into the Employee, History, Leave Earnings tab (select the relevant week(s) and click Modify.

You can then add the number of LWOP weeks to the relevant pay period.

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Emp# 1022 IRD# 089-417-163 🗸 🗸										
Standard Payment Leave KiwiSaver Permanent HR / Notes Totals History										
Total Earnings Leave Earnings KiwiSaver   Timesheet History										
Period Ending	Average Gross	Ordinary Gross	Hours/Week	Days/Week	H/Rate Hrs	ADP Hrs	H/Rate Days	ADP Days	Hours Per Day	LWOP Weeks
22/03/2020	\$1,100.00	\$1,100.00	0	0	40	40	5	5	8	0
29/03/2020	\$1,100.00	\$1,100.00	0	0	40	40	5	5	8	0
05/04/2020	\$1,100.00	\$1,100.00	0	0	40	40	5	5	8	0
12/04/2020	\$1,100.00	\$1,100.00	0	0	40	40	5	5	8	0
19/04/2020	\$1,100.00	\$1,100.00	0	0	40	40	5	5	8	0
26/04/2020	\$1,100.00	\$1,100.00	0	0	40	40	5	5	8	0
03/05/2020	\$1,100.00	\$1,100.00	0	0	40	40	5	5	8	0
10/05/2020	\$1,100.00	\$1,100.00	0	0	40	40	5	5	8	0
17/05/2020	\$1,100.00	\$1,100.00	0	0	40	40	5	5	8	0
24/05/2020	\$1,100.00	\$1,100.00	0	0	40	40	5	5	8	0
31/05/2020	\$1,100.00	\$1,100.00	0	0	40	40	5	5	8	0
07/06/2020	\$1,125.19	\$1,125.19	0	0	40	40	5	5	8	0
14/06/2020	\$1,109.48	\$1,109.48	0	0	40	40	5	5	8	0
21/06/2020	\$1,100.00	\$1,100.00	0	0	40	40	5	5	8	0
28/06/2020	\$1,100.00	\$1,100.00	0	0	40	40	5	5	8	0
05/07/2020	\$1,100.00	\$1,100.00	0	0	40	40	5	5	8	0
12/07/2020	\$1,100.00	\$1,100.00	0	0	40	40	5	5	8	1
Add	Modify	Delete	Add Ra	ange M <u>o</u> di	fy Range D	<u>e</u> lete Range				

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### 6.0 Updates to Payments

The **Unpaid Leave** setting on the Company Payments tab has been renamed to **Unpaid Leave (LWOP)** to indicate that any payment with this option will be treated as Leave Without Pay:

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Leave Without Pay	- 🛛 😂 🚳 🖥 🚮 🗐 ANZ 🖃 📫	
	$\checkmark$	
Company   Pay Points   Costing Codes   Payments   Dedu	ctions	
Description: Leave Without Pay	Data Entry Code: LWOP	
Calculation Method	Tax Type	
○ Fixed: Default Qty: I 🗸	Taxable	
O Hourly: 0 % of Employee Hrly Rate ▼	○ Non-Taxable ○ Reimbursing	
⊖ % Earnings % of ▼	Earnings Type	
Annual Leave / Holiday Pay	Ordinary Time	
Apply Average Daily Pay?	Overtime Sick Leave Other Leave	
	Penal Time     Alternative Holiday     Annual Leave Cash Up	
Factor: 1.0000 Sequence: 189	Allowance     Time in Lieu	
Eixed: 0000	Accumulates Into	
Use Employee's Default	ACC Liable Earnings     Average Gross     Ordinary Superannuation Contrib Earnings     Ordinary Gross	
	Apprentice Hours	
No Default - Entered at Transaction Input	KiwiSaver Employee Contribution Earnings	
GST Special Total 4	☐ KiwiSaver Employer Contribution Earnings ✓ Unpaid Leave (LWOP)	
Special Total 2 Special Total 5	Compliant Employee Contribution Earnings Accumulate V Holiday Rate	
Special Total 3	Units For: Average Daily Pay	
·		
MYOR IMS Dayroll		Entered (
		Lintereu //

#### 7.0 Updates to Timesheets

After adding a payment that has been marked as unpaid leave to an employee's timesheet, a new Enter Units window opens:

🛤 Enter Units 🛛 🗙		
Leave Without Pay (LWOP)		
This option should only be used for LWOP that covers a continuous period of more than 1 week and that period of leave is agreed to be included in the employee's 12 months of continuous employment. LWOP taken under ACC, parental, sick or bereavement should not be recorded here. For more information visit: Leave without pay.		
The Average Weekly Earnings (AWE) divisor should be adjusted by the number of whole or part weeks of LWOP taken in excess of one week.		
Average Weekly Earnings divisor will be adjusted by: 0 weeks		
Note As an alternative to adjusting the AWE divisor, you can move out their anniversary date for entitlement to annual holidays by the amount of unpaid leave taken (not including the first week). This means the employee becomes entitled to their annual holidays later each year from then on. If this is your preference, close this window, navigate to the Employee Annual Leave tab and adjust the Due Date accordingly.		
OK Cancel		

**Please note**: this window only appears when adding payments that have the Unpaid Leave (LWOP) option ticked, and do not have one of the exempt leave types selected under Earnings Type.

If you want to reduce the employee's AWE divisor, enter the number of weeks to reduce it by on this window. Remember, the divisor should be reduced by one for each whole or partial week of LWOP taken beyond the first.

For example:

- if the employee takes 1 week of LWOP only, the divisor does not need to be reduced.
- if the employee takes 1.5 continuous weeks of LWOP, the divisor should be reduced by 1 week.
- if the employee takes 2 continuous weeks of LWOP, the divisor should be reduced by 1 week.
- if the employee takes 3 continuous weeks of LWOP, the divisor should be reduced by 2 weeks.

A new **LWOP Weeks** field on the Timesheets tab displays the number of weeks you entered on the Enter Units window:

MS Sample Company Limited - MY	OB IMS Payroll							п	×
File Edit View Tools Help									
	× \$ tops Comp	bany 🧕 E	Employee	ocessing	Sundry Report	is		<b>U</b>	6
ASHTON, Bronwyn 🔽 🙀 🖛 🕨 🛏 🖉 🚱 🧐 📳 🌇 🗐 💷 🖬									
Emp# 1022 Management ✓ ✓ Period Ending: 19/07/2020									
1-Open 2-Timesheets 3-Check Inpu	it 4-Calculate 5-P	review 6-Repo	orts 7-Bank 8-Back	up 9-Close					
Payment or Deduction Qu	uantity Rate	Costing Code	Costing Description	Date 1	Date 2	Comment	∧ <mark>⊢</mark> Da	ys Paid Fo	or: —
Car Allowance 5	20.0000	1000	Management				Stan	dard:	5.00
Leave Without Pay 2	0.0000	9000	Labour Overhead Co				Holid	ay Rate:	0.25
P.A.Y.E. 1	M						Aver	age	
KiwiSaver 1	8%						Daily	Pay:	0
Social Club 1	7.0000						AL T	ype: Set H	lours
							Use /	ADP?:	No
								OP Week	s:
							Wee	ks:	1
							°Z	Timesheet Notes	:
							~		-
-Total Hours: 2.00		Log	e Palances			>			
Ordinary: 0.00 Penal: 0.00 FVL: Overtime: 0.00 Sick: 0.00 Leav	: 0.00 Alt Hol: ve: 2.00	0.00 Annua Lieu:	al: 67.12 Hrs 3.00 Hrs	Sick:	2.00 Days FVL:	10.00 Days Alt I	Hol: 1	.00 Days	
Clear All Message	Global Load	inish KS	Lump Sum		Kack	vance Next >			
MYOB IMS Payroll 🚯 Current Weekly Salary 🗰 Entered									

This number is also displayed in **Average rate (AWE)** section of the Employee Leave tab and on the Leave Earnings History tab (see page 10).

### 8.0 Reporting and Payslips

Weekly Annual Leave units are now shown on employee's payslips, if the new **AL in Weeks Balance**? report option is selected.

Weekly units have also been added to the Annual Leave Reports and other places where employees' Annual Leave units are shown, e.g. the Employee Inquiry window.

### 9.0 Public Holidays and Termination Pay

In some cases, a departing employee with unused Annual Leave may be entitled to Public Holidays that fall after their employment ends—see <u>"Payment for leave and holidays in final pay" on the</u> <u>Employment New Zealand website</u> for information on this scenario and how to determine if it applies to a departing employee.

When entering a Finish Date for an employee, a new message warns about this scenario and includes a link to the information on the Employment New Zealand website:

Finish Employee? X			
Are you sure you want to finish employee Bronwyn ASHTON ?			
Please confirm or change the Finish Date displayed below and click Yes.			
Finish Date: 05/04/2020 -			
If the employee has any unused Annual Leave owing from previous years, they may be entitled to a leave payment for public holidays that fall after their employment ends. In this case, you will need to add the Statutory Holiday leave payment to the employees pay before completing their final pay.			
Click the link below for more information on this scenario and how to determine if it applies to the employee.			
Payments for leave and holidays in final pay			
Yes No			

# 10.0 Changing Employees from Variable Hours to Set Hours

The Holidays Act 2003 provides all employees 4 weeks Annual Holidays after 12 months' continuous employment. Ensuring that your employees receive their full entitlement each year is an important part of your obligations under the Act. To manage Annual Holidays for your employees you need to ensure you have an agreement with them on what a working week means (i.e. how many days or hours), this must genuinely reflect their working pattern at the time of any holidays taken.

Given the need to ensure Annual Holidays entitlement is based on what the working pattern is for your employees you will need to move them from Variable to Set Hours.

If you continue to use Variable Hours you will need to manage the Annual Holiday entitlement manually outside of the product. This is because the Variable Hours method allocates a % of time for your employee for every hour you pay them rather than allocating (or accruing) this time based on their agree definition of a week.

To convert employees from Variable to Set Hours entitlement method, you will need to:

- ✓ Review work patterns and determine if you can find a pattern of work
- ✓ If they are in fact so variable that you cannot define a week, seek advice from an employment relations specialist on how to define a week for those employees
- ✓ Discuss and agree the process to define a week with the employee

Then:

- 1. Recalculate correct balances (refer below)
- 2. Change the employee to Set Hours in the leave tab
- 3. Adjust their Annual Entitlement and DOW based on agreed Week
- 4. Adjust their Hours balance based on your recalculated balances
- 5. Turn on Weeks for this employee

#### 10.1 Recalculating Balances

Where employees have been on a consistent work pattern for their length of employment, (i.e they have never changed their work pattern or vary in working hours or days) a simple calculation can be done to check balances before switching to weeks

- 1. Number of Years (at least 6 years from last Anniversary)
- 2. X (Days/Hours per week x 4 weeks)
- 3. Days/Hours you have paid Holiday Pay
- 4. = Balance

If there has been a change in working pattern or variable working hours or days, you will need to agree the definition of a week for future leave entitlement and use another method to determine the current balance.

Data sources for determining work patterns

- ✓ In IMS go to the employee, history, Timesheet history tab
- ✓ External Sources Rosters, timesheets, agreements

If you do not have time records to establish a balance of Annual Holidays, you may need to seek advice on how to proceed outside of assistance MYOB is able to offer. Your business advisor or MBIE position statement/advice may be helpful.

#### MBIE Website

#### Learn more about the Labour Inspectorate's Position Statement here

Once you have an agreed definition of a week and an opening balance of Annual Holidays is agreed, follow the process below.

When changing an employee from Variable Hours to Set Hours for annual leave you will need to update the following fields:

Emp# 1051       IRD# 567-890-120         Standard       Payment       Leave       KiwiSaver       Permanent       HR / Notes       Totals       History         Pay Frequency <ul> <li>Weekly</li> <li>Fortnightly</li> <li>Monthly</li> <li>Four Weekly</li> <li>Four Weekly</li> <li>Tax Details</li> <li>Student Loans</li> <li>Income Type:</li> <li>Certificate:</li> <li>none</li> <li>Expires:</li> <li>Expiry Tax Code:</li> <li>Expiry Tax Code:</li> <li>Foury Tax Code:</li> <li>F</li></ul>
Standard       Payment       Leave       KiwiSaver       Permanent       HR / Notes       Totals       History         Pay Frequency <ul> <li>Weekly</li> <li>Fortnightly</li> <li>Monthly</li> <li>Four Weekly</li> <li>Four Weekly</li> <li>Tax Details</li> <li>Student Loans</li> <li>Income Type:</li> <li>Certificate:</li> <li>none</li> <li>Expires:</li> <li>Expiry Tax Code:</li> <li>Expiry Tax Code:</li> <li>Foury Tax Code:</li></ul>
Pay Frequency <ul> <li>Weekly</li> <li>Fortnightly</li> <li>Monthly</li> <li>Four Weekly</li> </ul> Employee Type <ul></ul>
Weekly Fortnightly Monthly     Half Monthly Four Weekly      Tax Details     Student Loans     Student Loan override %     Income Type:     Certificate: none     Expires:     Expiry Tax Code:     Expiry Tax Code:     Student Loans     Studen
Half Monthly       Four Weekly         Tax Details       Student Loans         IRD No:       567         890       120         Tax Code:       M         Expires:       Expiry Tax Code:
Tax Details       Student Loans       Hourly: \$18.9000       Per Pay:         IRD No:       567       890       120       Student Loan override %       Rate 2:         Tax Code:       M       Certificate:       none       Rate 3:       Use Average Daily Pay?         Expires:       Expiry Tax Code:       Pate 4:       Hourly Rate:       \$18.0542
IRD No:       567       890       120       Student Loan override %       Rate 2:         Tax Code:       M       Income Type:       Image: Certificate:       Rate 3:       Image: Use Average Daily Pay?         Expires:       Expiry Tax Code:       Image: Certificate:
Tax Code:       M       Income Type:       Image: Comparison of the second se
Expires: Certificate: none  Rate 3: Use Average Daily Pay? Expires: Spire 4: Hourly Rate: \$18.0542
Expires: Expiry Tax Code: Pate 4 Hourly Rate: \$18.0542
PAYE override %
Evtra Dave override %
Hours Worked (Minimum)
Payment Method Per Day: 8.00 Per Period: 32.00
Cash Bounding Balance:
Reference:
Particulars:
Cash Code:

1. Employee, payment tab. Agreed definition of a week.

2. Employee, leave tab. Change from Variable Hours to Set Hours. Annual leave can either be in hours or in days. You will need to update the full years entitlement and next entitlement fields. This will need to be the number of hours or days holiday pay that the employee would be entitled to on their next anniversary date.

BLUE, Wendy 🔄 🎮 🛤 🔺 ト ト 📄 😂 🔯	I 🗊 ANZ 🖬 💼					
Emp# 1051 IRD# 567-890-120						
Standard   Payment   Leave   KiwiSaver   Permanent   HR / Notes   Totals   History						
Annual Leave Other Leave						
Annual Leave Type (Permanent / Casual Employment) — Annual Leave In Calculate Annual Leave in Weeks						
● Set Hours ○ Variable Hours ○ Casual ● Hours ○ Days	Average rate (AWE): Ordinary rate (OWP):					
- Annual Leave Entitlements	Gross earnings for last 12         Gross earnings for last 4           months:         N/A					
Full Yrs Entitlement: 130.08 % of Gross: 8	Weeks in Year: N/A Include in rate comparison?					
Next Entitlement: 130.08 For: 52 Weeks	Divide by: N/A Divide by: N/A					
Due Date: 04/06/2021 🔻	Weekly Rate: N/A Weekly Rate: N/A					
Annual Leave Values Average Rate: \$18.0542	Agreed Definition of a Week					
Ordinary Rate:         \$18.9000           Outstanding Ent:         37.08         Current Rate:         \$18.9000	Hours/week: 0.00 Days/week: 0.00 Click here to edit these values					
+ Accrued This Year: 17.92 Gross Earnings: \$4,233.60	Parental Leave — as at: n/a					
+ Parental A/L: 0.00 Hours: 224.00	Start Date: Return Dates:					
- Paid in Advance: 0.00 Amount in \$0.00	Gross Earnings: \$0.00 Expected:					
Amount In Advance: \$0.00 Actual:						
Balances Accrued To 19/07/2020						
Annual Leave: 55.00 Sick: -1.00 FVL: 5.00	Alternative Holiday: TIL:					

3. Update any Outstanding Entitlement or Paid In Advance figures. If you selected days for the units, then the Outstanding Entitlement or Paid in Advance figures will need to be converted to days.

BLUE, Wendy 💽 🎮 🛤 🔺 🕨 ы 😂 🚳 🔮	🌆   🗐 ANZ 🖬 📫					
Emp# 1051 IRD# 567-890-120 🗸 🗸						
Standard   Payment   Leave   KiwiSaver   Permanent   HR / Notes   Totals   History						
Annual Leave Other Leave						
Annual Leave Type (Permanent / Casual Employment) — Annual Leave In —	Calculate Annual Leave in Weeks					
● Set Hours ○ Variable Hours ○ Casual ● Hours ○ Day	s Average rate (AWE): Ordinary rate (OWP):					
- Annual Leave Entitlements	Gross earnings for last 12 Gross earnings for last 4 weeks: N/A					
Full Yrs Entitlement: 128.00 % of Gross: 8	Weeks in Year: N/A Include in rate comparison?					
Next Entitlement: 128.00 For: 52 Weeks	Divide by: N/A Divide by: N/A					
Due Date: 04/06/2021 🔻	Weekly Rate: N/A Weekly Rate: N/A					
Annual Leave Values Average Rate: \$18.0542 Hours/week: Davs/week: Davs/week:						
Outstanding Ent:         37.08         Ordinary Rate:         \$18.9000           Outstanding Ent:         \$18.9000         \$18.9000         \$18.9000	Click here to edit these values					
+ Accrued This Year: 12.31 Gross Earnings: \$3,628.80	Parental Leave as at: n/a					
+ Parental A/L: 0.00 Hours: 192.00	Start Date: Return Dates:					
- Paid in Advance: 0.00 Advance: \$0.00	Gross Earnings: \$0.00 Expected:					
Amount In Advance: \$0.00 Actual:						
Balances Accrued To 12/07/2020						
Annual Leave: 49.39 Sick: -1.00 FVL: 5.	00 Alternative Holiday: TIL:					

## **Further Information**

Further information on Annual Leave can be found on the following web site:

www.employment.govt.nz/leave-and-holidays/

### **IMS** Payroll

The IMS team have various options for MYOB IMS Payroll Training.

All our sessions are totally driven by you the user and you can have as many people attend the training sessions as you wish. Our goal is to maximize the benefits of using MYOB IMS Payroll. To book a session please email us <u>imsprofessionalservices@myob.com</u>.

- Onsite Training
- Online Training

For further details or Online Assistance please contact the Helpdesk on 0800 600 110 or email <u>imssupport@myob.com</u> to discuss your requirements

