
MYOB IMS Payroll

Parental Leave

March 2022

myob

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Parental Leave

The Parental Leave and Employment Protection Act 1987 allows employees to take time off the care for their newborn children. For eligibility criteria, see the Employment New Zealand website:

<https://www.employment.govt.nz/leave-and-holidays/parental-leave/eligibility/eligibility-table/>

Placing an Employee on Parental Leave

Once the employee has had their last payment made to them prior to going on Parental Leave and the pay period has been closed, go to the Leave tab for the employee. Tick **Parental Leave**, enter the start date of the Parental Leave and the **Expected Return Date**.

ASHTON-BROWN, Bronwyr

Emp# 1022 IRD# 089-417-163

Standard | Payment | Leave | KiwiSaver | Permanent | Super | HR / Notes | Totals | History

Annual Leave | Other Leave

Annual Leave Type (Permanent / Casual Employment)

Set Hours Variable Hours Casual

Annual Leave In

Hours Days

Calculate Annual Leave in Weeks

52 Week Average rate (AWE): Gross earnings for last 12 months: \$63,388.84

4 Week Average Rate (OWP4): Gross earnings for last 4 weeks: \$5,200.00

Weeks in Year: 52

minus LWOP: 0

Divide by: 52

Weekly Rate: \$1,219.0162

Weekly Rate: \$1,300.0000

Annual Leave Entitlements

Full Yrs Entitlement: Hours 160.00 Weeks 4.00 % of Gross: 8

Next Entitlement: Hours 160.00 Weeks 4.00 For: 52 Weeks

Due Date: 16/11/2022

Annual Leave Values

Outstanding Ent: Hours 18.50 Weeks 0.46

+ Parental A/L: Hours 0.00 Weeks 0.00

+ Accrued This Year: Hours 55.38 Weeks 1.38

- Paid in Advance: Hours 0.00 Weeks 0.00

52 Week Rate: \$30.4754

4 Week Rate: \$32.5000

Curr. Rate (OWP): \$30.0000

Gross Earnings: \$24,700.00

Hours: 760.00

Amount in Advance: \$0.00

Agreed Definition of a Week

Hours/week: 40.00 Days/week: 5.00

Click here to edit these values

Parental Leave as at: n/a

Start Date: [Dropdown]

Gross Earnings: \$0.00

Amount In Advance: \$0.00

Return Dates: Expected: [Dropdown] Actual: [Dropdown]

Balances Accrued To 27/03/2022

	Hours	Weeks	Days	Days	Days	Hours
Annual Leave:	73.88	1.85	Sick: 12.00	FVL: 10.00	Alternative Holiday: 1.00	TIL: 8.00

Accrual: Permanent Set Hours of Work=Entitlement, Variable Hours=% of Hours Worked, Casual=% of Gross Earnings

Current Weekly Salary Closed

Go to the employee's Permanent tab and enter the payment "Parental Lve Hours". The quantity should be their normal rostered hours for the pay period. It is not necessary to delete any of the other payments or deductions off the Permanent tab

Standard	Payment	Leave	KiwiSaver	Service Leave	Permanent	Super	HR / Notes	Totals	History
Payment or Deduction	Quantity	Rate	Costing Code	Costing Description	Comment				
Parental Lve Hours	40	0.0000	1000	Management					
Superannuation Fund	1	3%							
Social Club	1	7.0000							
*									

Employees with Variable Hours Leave Type

An employee with an Annual Leave Type of "Variable Hours" is still entitled to accrue leave while on Parental Leave. The question is what is this to be based on, as while the employee is away there are no hours being recorded to base the accrual on.

Section 17 of the Holidays Act 2003, states that “an employer and employee may agree on what four weeks annual holiday means in their circumstances.”

A possible solution would be that prior to going on Parental Leave, the employer and employee agree on how the accrual will be calculated. For example it may be agreed that the average hours worked per week in the last year can be used for the accrual.

It is essential that clients do seek their own independent advice before proceeding

Transition

During the first pay period going on Parental Leave there may be a need to have both Ordinary Time/Salary payments and Parental Leave hours. You will have to manually calculate how many Parental Leave hours and how many Ordinary Hours/Salary hours were worked and adjust.

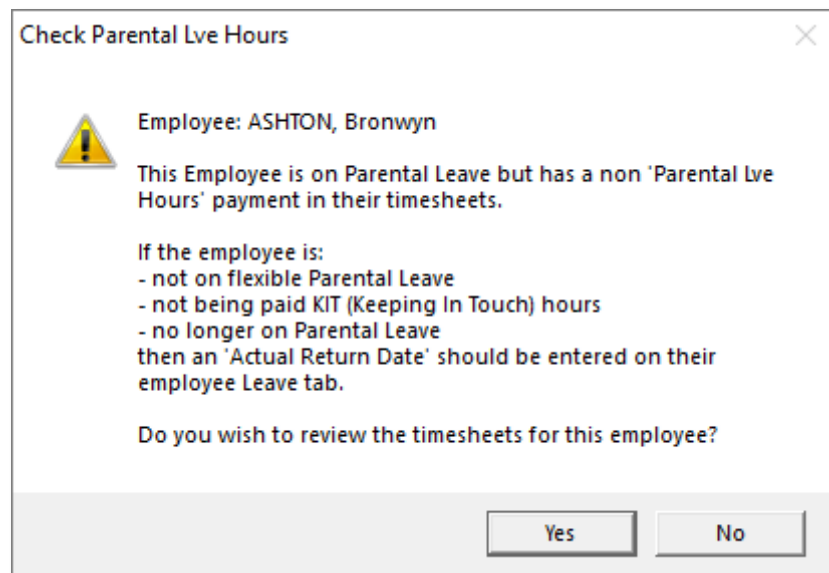
Overall the quantity should not exceed their standard week. In the example below, the employee has worked for three days then proceeded on Parental Leave.

Payment or Deduction	Quantity	Rate	Costing Code	Costing Description	Date 1	Date 2	Comment
Parental Lve Hours	16	0.0000	1000	Management			
Salary	1	2500.0000	1000	Management			
Salary	-2	500.0000	1000	Management			
P.A.Y.E.	1	M					
KiwiSaver	1	3%					
KiwiSaver Employer Contrib.	1	3%					
Superannuation Fund	1	3%					
Social Club	1	7.0000					

Days Paid For:
 Standard: 5.00
 Holiday Rate: 5
 Average Daily Pay: 3
 AL Type: Set Hours
 Use ADP?: No

Timesheet Notes

In this situation you will receive a warning at Step 3-Check Input. If you are happy you have entered all information correctly, click **No**.



Pay Run Processing

On opening the pay, the “Parental Lve Hours” line will automatically update.

1-Open 2-Timesheets 3-Check Input 4-Calculate 5-Preview 6-Reports 7-Bank 8-Backup 9-Close							
Payment or Deduction	Quantity	Rate	Costing Code	Costing Description	Date 1	Date 2	Comment
Parental Lve Hours	40	0.0000	1000	Management			
P.A.Y.E.	1						
KiwiSaver	1	3%					
KiwiSaver Employer Contrib.	1	3%					
Superannuation Fund	1	3%					
Social Club	1	7.0000					

Days Paid For:

Standard: **5.00**

Holiday Rate:

Average Daily Pay:

AL Type: Set Hours

Use ADP?: No

Timesheet Notes

If you click the **Clear Unpaid** button at Step 3-Check Input, make sure you do not clear the Parental Lve Hours payment.


To do this click the **Clear Unpaid** button:

1-Open 2-Timesheets 3-Check Input 4-Calculate 5-Preview 6-Reports 7-Bank 8-Backup 9-Close							
Pay Point Batch Control							
Pay Point	Ordinary	Overtime	Penal Time	Salary	Paid	Unpaid	Cleared
▶ Factory	100.00	5.00		40.00	4	4	
Management				235.00	2	1	
Office	108.00			64.00	5		
TOTALS	208.00	5.00	0.00	339.00	11	5	0

Clear Unpaid
 Unpaid/Cleared
< Back
 Check
Next >

Select "Parental Lve Hours" from one of the drop down boxes:

Clear Unpaid Employees

 Are you sure you want to clear all timesheet transactions for the unpaid employees?

The following nominated Payments will not be cleared if they have units but a rate of zero:

Parental Lve Hours	

As you process the pays each week, a line will be added to the employee's Leave Earnings screen. You will find that the employee's average rate will continue to decrease until the employee returns to work.

Keeping in Touch

While on Parental Leave the employee may come into work from time to time to keep in touch. To pay the employee enter their hours worked on their time sheet and reduce the parental leave hours by corresponding number of hours.

In the example below the employee came in for a day so eight hours "Parental Lve Hours" have been deducted.

1-Open 2-Timesheets 3-Check Input 4-Calculate 5-Preview 6-Reports 7-Bank 8-Backup 9-Close							
Payment or Deduction	Quantity	Rate	Costing Code	Costing Description	Date 1	Date 2	Comment
Parental Lve Hours	32	0.0000	1000	Management			
Salary	1	500.0000	1000	Management			
P.A.Y.E.	1	M					
KiwiSaver	1	3%					
KiwiSaver Employer Contrib.	1	3%					
*	▼						

Resignation while on Parental Leave

If an employee resigns while on Parental Leave their last day of work is deemed to be the day they went on Parental Leave. To ensure correct payments are made IMS keeps a record of their leave balances and gross earnings as at that point in time.

You will see some of this information displayed on the employee's leave screen after their leave anniversary date rolls over:

Annual Leave Type (Permanent / Casual Employment)
 Set Hours Variable Hours Casual

Annual Leave Entitlements

Days	Weeks	% of Gross:
Full Yrs Entitlement: 16.00	4.00	8
Next Entitlement: 16.00	4.00	
Due Date: 02/04/2023		

Annual Leave Values

Days	Weeks	52 Week Rate:	4 Week Rate:	Curr. Rate (OWP):	Gross Earnings:	Hours:	Amount in Advance:
Outstanding Ent: 16.00	4.00	\$282.5321	\$277.5000	\$277.5000	\$1,110.00	40.00	\$0.00
+ Parental A/L: 0.00	0.00						
+ Accrued This Year: 0.00	0.00						
- Paid in Advance: 0.00	0.00						

Parental Leave - as at 08/04/2018
 Parental Leave
 Start Date: 29/12/2017
 Gross Earnings: \$0.00
 Amount In Advance: \$0.00

Return Dates:
 Expected: 02/07/2018
 Actual: 16/07/2018

Balances Accrued To 03/04/2022

Annual Leave:	Days	Weeks	Sick:	Days	FVL:	Days	Alternative Holiday:	Days	TIL:	Hours
Annual Leave:	16.00	4.00	Sick:	10.00	FVL:	10.00	Alternative Holiday:	2.00	TIL:	6.00

As with a standard termination, click the **Finish** button. In this instance the finish date will default to the day the employee commenced Parental Leave. From here IMS Payroll will automatically calculate the Annual Leave Rate, correctly based on the Leave Earnings History as at the time of going on Parental Leave.

Finish Employee?

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 Stat Holiday Not Taken 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](#) (click to copy link to clipboard)

Are you sure you want to finish employee **Colin ASHTON** ?

Please confirm or change the Finish Date displayed below and click Yes.

Finish Date: 03/02/2019

Yes No

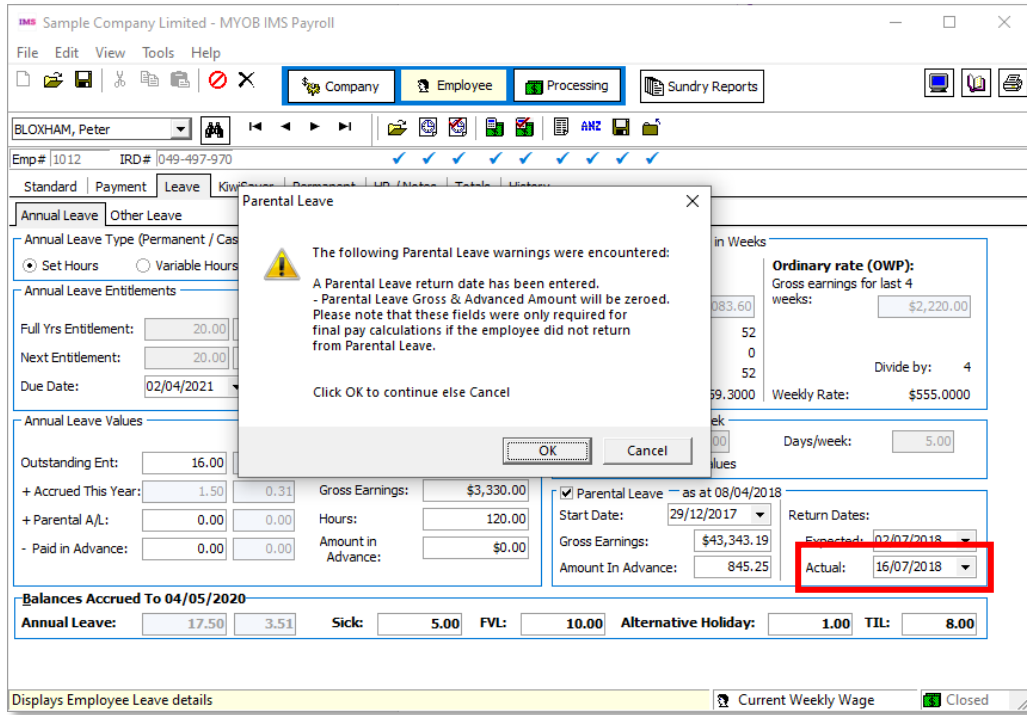
Days Paid For:
 Standard: 5.00
 Holiday Rate: 5
 Average Daily Pay: 0
 AL Type: Set Hours
 Use ADP?: No
 LWOP Weeks: 0
 Timesheet Notes

Total Hours: 40.00
 Ordinary: 40.00 Penal: 0.00 FVL: 0.00 Alt Hol: 0.00
 Overtime: 0.00 Sick: 0.00 Leave: 0.00

Clear All Message... Global Load... **Finish...** KS Lump Sum... < Back Advance Next >

Returning to Work

When an employee returns to work after taking Parental Leave, go to the Leave tab for the employee and enter the **Actual Return Date**. When you save this, a warning will appear; this is reminding you that figures retained to calculate final pays if the employee had not returned to work will be removed. Click **OK** to this warning.



Note: When the employee returns to work, you may have a pay period when there will be some parental leave hours and some salary/ordinary time. Refer to the “Transition” section on page 2 for guidance on how to process this.

Taking Annual Leave

Any Annual Leave the employee becomes entitled to either while on Parental Leave or within the following 12 months will be regarded as Parental Annual Leave and will be stored in the Parental A/L field. This entitlement will automatically be paid at the Average Weekly Earnings rate.

To pay the leave, add the “Parental A/L Taken” payment:

Payment or Deduction	Quantity	Rate	Costing Code	Costing Description	Date 1	Date 2	Comment
Salary	1	2500.0000	1000	Management			
Salary	-1	500.0000	1000	Management			
Parental A/L Taken	8	48.5858	9000	Labour Overhead Co			
P.A.Y.E.	1						
KiwiSaver	1	3%					
KiwiSaver Employer Contrib.	1	3%					

Days Paid For:
 Standard: 5.00
 Holiday Rate: 5
 Average Daily Pay: 5
 AL Type: Set Hours
 Use ADP?: No

Note: If your employee had an outstanding leave balance prior to going on Parental Leave this must be used first.

Annual Leave Cash Up

One week of Parental Annual Leave may be cashed up after the employee has returned to work. The Annual Leave Cash Up section on the Leave > Other Leave tab shows how much leave is available to cash up.

If the cash up relates to Parental Annual Leave, the **Parental A/L Cash Up?** box should be ticked. If this is the case, the payment called "Parental A/L Cash Up" should be used. The Cash Up will be paid at Average Rate automatically.

The screenshot shows the 'Leave' tab in the myob software. The 'Annual Leave Cash Up' section is visible, with a table showing entitlement, paid out, and balance for days and weeks. A checkbox labeled 'Parental A/L Cash Up?' is highlighted with a red box. Below this, the 'Balances Accrued To 04/05/2020' section shows various leave balances.

Annual Leave Cash Up				
	Entitlement	Paid Out	Balance	Parental A/L Cash Up?
Days:	5.00	0.00	5.00	<input type="checkbox"/>
Weeks:	1.00	0.00	1.00	

Balances Accrued To 04/05/2020										
Annual Leave:	17.50	3.51	Sick:	5.00	FVL:	10.00	Alternative Holiday:	1.00	TIL:	8.00