

MYOB EXO EMPLOYER SERVICES

Paid Parental Leave



MYOB ENTERPRISE SOLUTIONS

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Introduction

The Paid Parental Leave (PPL) scheme is an entitlement for working parents of children born or adopted from 1 January 2011. The scheme provides government funded PPL at the National Minimum Wage for a maximum period of 18 weeks. Parental Leave Pay is taxable.

All working parents, including full-time, part-time, self-employed, casual, contract and seasonal employees, will be entitled to Parental Leave Pay, if they meet the eligibility criteria.

The scheme provides a maximum of 18 weeks government funded PPL paid at the National Minimum Wage.

Paid Parental Leave is administered by the CentreLink government agency. See the following website for more information on the PPL scheme:

http://www.centrelink.gov.au/internet/internet.nsf/businesses/ppl_toolkit_scheme.htm

From 1 July 2011, employers are responsible for providing PPL to eligible long-term employees, for children born or adopted from 1 July 2011. (Employers are not responsible for providing PPL for children born or adopted between 1 January 2011 and 1 July 2011; it is paid to employees directly by the CentreLink agency.)

MYOB EXO Employer Services supports Paid Parental Leave as of version 2011.02.

Setting up Paid Parental Leave

Paid Parental Leave is added to employees' pay in EXO Payroll as an Allowance. A default "Paid Parental Leave" Allowance is already set up for you, but you can modify this Allowance or create a new one if necessary.

If you do want to create a new Allowance for Paid Parental Leave, it should have the following properties:

- The Allowance should be set to **Taxable**.
- The **Calculation Method** should be set to "Fixed Dollar Amount".
- The **Type** should be set to "Paid Parental Leave".

The screenshot shows the 'Allowance Maintenance' window with the following fields and values:

- Allowance Code: 997
- Allowance Name: Paid Parental Leave (with a 'Can Modify Name' checkbox)
- PAYG: Taxable Non-Taxable
- Calculation Method: Fixed Dollar Amount (highlighted with a red box)
- Amount: 0.0000
- Pay Rate Multiplier: (empty)
- Wage Rate Code: (empty)
- Type: Paid Parental Leave (highlighted with a red box)
- Cost Centre: Employee's Default
- Override Tax Rate: (empty)
- Maximum Number: (empty)
- Payment Summary Type: None

Buttons at the bottom include: Liabilities, Load, Find: F9, Save: F10, Cancel, Delete: F6, and Exit: Esc.

- All liabilities on the Payment Liabilities window should be unticked.

The screenshot shows the 'Payment Liabilities' window with the title 'Add Allowances to gross liable for:'. The following liability options are listed, all with unticked checkboxes:

- Annual Leave
- Personal Leave
- Long Service Leave
- Shift Leave
- Other Leave
- RDO
- Superannuation
- Payroll Tax
- WorkCover

An 'Exit' button is located at the bottom of the window.

Paying Paid Parental Leave

Before creating the Current Pay, open the Employee Maintenance screen and add a Paid Parental Leave Allowance of the correct amount to the employee's Standard Pay.

Leave Accrual

Paid Parental Leave is not liable for any sort of leave accrual. If an employee is on another sort of leave, e.g. Annual Leave, while also receiving Paid Parental Leave, they should accrue leave on that leave type only.

Multiple scenarios are possible, depending on the Leave Method selected for the employee's Leave Group, and whether or not they are taking leave at the same time as they are receiving Paid Parental Leave.

It is up to the organisation to ensure that leave accruals are handled correctly; recommended steps for each possible scenario are given below.

Leave Method set to "Hours", employee not taking leave

Before creating the Current Pay, open the Employee Maintenance screen and add a Paid Parental Leave Allowance of the correct amount to the employee's Standard Pay.

1. Create the Current Pay for the employee's pay cycle.
2. Edit the employee's Current Pay so that their Gross Taxable equals \$0.
3. Set the Hours Paid to zero, if any value other than zero is displayed.

No leave will accrue for this pay.

Leave Method set to "Hours", employee taking leave

Before creating the Current Pay, open the Employee Maintenance screen and add a Paid Parental Leave Allowance of the correct amount to the employee's Standard Pay.

1. Create the Current Pay for the employee's pay cycle.
2. Edit the employee's Current Pay so that their wages/salary are \$0.
3. Enter the hours of non-PPL leave taken. There is no need to reduce wages/salary.
4. The system automatically calculates the Hours Paid based on the non-PPL leave taken.

Leave will accrue for this pay according to the hours paid.

Leave Method set to “Calendar”, employee not taking leave

Before creating the Current Pay, open the Employee Maintenance screen and edit the employee’s Standard Pay:

1. Add a Paid Parental Leave Allowance of the correct amount.
2. Edit the employee’s entitlement rules. Add an entitlement rule with the From Date equal to the date when the employee starts receiving parental leave pay and set the entitlement hours to 0 hours.
3. Create the Current Pay for the employee’s pay cycle.
4. Edit the employee’s Current Pay so that their wages/salary are \$0.

No leave will accrue for this pay.

Leave Method set to “Calendar”, employee taking leave

The “Calendar” method is not the recommended method of accruing leave, as it will not accrue leave on actual hours, but will average the employee’s entitlement over the year, giving a standard accrual every pay period, regardless of the hours worked in each pay period.

Accruing leave only on non-PPL leave paid is not supported in this scenario; under this method employees can either receive their standard accrual for the period or none at all. This method does not support pro-rata accrual of leave.