
MYOB Exo Payroll

Managing Leave Without Pay

June 2020



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Introduction

The latest release of MYOB Exo Payroll includes new features to help employers manage employees' Annual Leave entitlements. This document provides an overview of the changes to the system brought on by these new features, and what employers need to do before implementing the new features.

Disclaimer

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 better understand how to meet your obligations as an employer. If you have further questions, it is best to seek legal advice to ensure you are meeting your obligations.

About Leave without pay (LWOP)

MBIE states that Leave without pay ('LWOP') is a period of unpaid absence taken by an employee while staying employed with an employer. Unlike other types of holidays and leave, employees have no statutory right to LWOP. The ability to take LWOP is usually at the employer's discretion, subject to whatever may have been agreed on this issue in the employment agreement.

LWOP for more than one week can affect how employers calculate an employee's annual holiday entitlements and/or rates. Periods of LWOP that each last less than a week do not affect the annual holiday calculations, even if they collectively add up to more than a week.

Click on this link for more information on LWOP

<https://www.employment.govt.nz/leave-and-holidays/other-types-of-leave/leave-without-pay>

The Weeks Management features in Exo Payroll makes available a new [Leave Without Pay] (LWOP) button on the Holiday Pay tab in the Employee Maintenance window. Clicking this button opens the new Leave Without Pay window, which lets you enter the start and end dates of the employee's Leave Without Pay and select whether you want to adjust the employee's anniversary date or adjust their AWE divisor.

Before you start

Before you review this document:

1. Ensure that you read and understand the documents on the [MYOB Holidays Act Hub / Exo Payroll](#) website to understand the requirements and how to check your leave setup and properly prepare your system for the new functionality.
2. Read and understand your obligations under the Holidays Act 2003. It's recommended that you review the MBIE Guidance Document. [MBIE Holidays Act 2003 guidance on holidays and leave](#)
3. Where you are unsure of your obligations under the Holidays Act 2003, we recommend seeking independent advice from an employment relations specialist, or discussing your options with MBIE.
4. Where you are unsure of your current payroll setup and require assistance to review this, we recommend getting advice from the Exo Employer Services Professional Services Team – email enterprise.services@myob.com to arrange a booking.

Leave Without Pay / Unpaid Leave (less than 1 week)

When an employee takes any Unpaid Leave / Leave Without Pay (LWOP) of less than 1 week this will not affect the employee's entitlements to annual holidays.

It is recommended to process ALL Leave without pay using the leave type available **Unpaid Leave** in the current pay and mark the days/dates taken in the leave calendar as below.

1 (WALLACE) Wallace, Edward James

Unpaid Leave

Unpaid leave is generally at the request of the employee. It is the employer's discretion whether the requested unpaid leave is approved or not.

Unpaid Hours: 8.00

Days Not Worked: 1.00

Cost Centre: 14

Employment Details

| | |
|-----------------------------|-----------------------|
| Standard Pay Salary | 0.00 |
| Standard Pay Wages | 1024.00 |
| Employment Basis | Full-Time / Permanent |
| Default Cost Centre | 14 Akld/Sales |
| Hours Per Pay Period | 0.00 |
| Hours Per Standard Day | 8.00 |
| Agreed Definition of a Week | 5.00 |

Taxation Details

| | |
|-----------|------------------------|
| Tax Code | M |
| ESCT Rate | Calculated Rate: 17.5% |

Unpaid Leave for Edward James Wallace

April 2020

| Sun | Mon | Tue | Wed | Thu | Fri | Sat |
|-----|-------------------|-----|-----|-----|-----|-----|
| | | | 1 | 2 | 3 | 4 |
| 5 | 6 Unpaid Leave | 7 | 8 | 9 | 10 | 11 |
| 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| 26 | 27 | 28 | 29 | 30 | | |

Exo Payroll will not pay the employee for these days/hours taken but will produce a report with a dollar value based on either the employee's standard or relevant hour rate.

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Demonstration Company

Unpaid Leave Report
Pay Period Ended: 12 April 2020 (Current Pay), All Weekly Employees

| Employee | Date | Hours Taken | Days Not Worked | Relevant Hourly Rate | Productive Value | Cost Centre |
|----------|-------------------------------------|-------------|-----------------|----------------------|------------------|---------------|
| 1 | Wallace, Edward James 12/04/2020 | 8.00 | 1.00 | 25.6000 | 204.80 | 14 Akld/Sales |
| | | 8.00 | 1.00 | | 204.80 | |

— End of Report —

For Salaried employees Unpaid Leave will reduce the employee's standard salary at their standard pay rate and will not pay the employee anything for the unpaid hours/days taken.

Weekly Current Pay | Pay Number: 136 | Period Ending: 12/04/2020 | Physical Pay Date: 14/04/2020

20 (TATE) Tate, Bernard Cedric

| Wages | Pay Item | Units | Rate | Total |
|----------------|--|------------|---------|---------------|
| | Salary | | | 734.40 |
| Allowances | Wages | 0.00 hours | 22.0000 | 0.00 |
| | Holiday Pay | 0.00 days | 0.0000 | 0.00 |
| Hourly Rate | Sick Pay | 0.00 hours | 0.0000 | 0.00 |
| | Public Holiday | 0.00 hours | 0.0000 | 0.00 |
| Salary | Alternative Leave | 0.00 hours | 0.0000 | 0.00 |
| | Bereavement Leave | 0.00 hours | 0.0000 | 0.00 |
| Deductions | Family Violence Leave | 0.00 hours | 0.0000 | 0.00 |
| | Long Service Leave | 0.00 days | 0.0000 | 0.00 |
| Leave | Unpaid Leave | 0.00 hours | | |
| | TOIL | 0.00 days | 0.0000 | 0.00 |
| | Other Leave | 0.00 days | 0.0000 | 0.00 |
| Costing | Taxable Allowances | | | 0.00 |
| | Pre-Tax Deductions | | | 0.00 |
| PAYE | Gross Taxable Earnings | | | 734.40 |
| | PAYE (includes student loan repayment of \$0.00) | | | 119.87 |
| KiwiSaver | Employee KiwiSaver | | | 0.00 |
| | Non-Taxable Allowances | | | 0.00 |
| How Paid | Post-Tax Deductions | | | 0.00 |
| Days Paid | Rounding: | | | 0.00 |
| Payslip Note | Net Pay | | | 614.53 |
| | Employer KiwiSaver | | | 0.00 |
| Employee Share | Employer Superannuation | | | 0.00 |

Days paid for Holiday Pay: 5.00 for Relevant Daily Rate: 5.00

Prev: F7 | Next: F8 | Find: F9 | Save: F10 | Reset | Exit: Esc

Employment Details

Standard Pay Salary: 734.40
 Standard Pay Wages: 0.00
 Employment Basis: Full-Time / Permanent
 Default Cost Centre: 11 Akld/Office
 Hours Per Pay Period: 25.00
 Hours Per Standard Day: 8.00
 Agreed Definition of a Week: 5.00

Taxation Details

Tax Code: M
 ESCT Rate: Calculated Rate: 17.5%

Reduce Salary

You have paid this employee for leave taken. You may need to reduce the employee's salary accordingly.

| Description | Paid | Reduce |
|---------------|------|---------------|
| Unpaid Leave | 0.00 | 146.88 |
| Total: | | 146.88 |

Standard Pay Salary: 734.40
 Reduce Salary by: 146.88
 Salary for this pay: 587.52

Reduce Salary | Do Not Reduce Salary

An unpaid leave audit note will automatically be produced and put against the employee's audit records after you update current or one-off pay.

Note

Date: 12/04/2020 | Reminder Date: / /

Entered By: A | Recipients: ...

Note type: Unpaid Leave

Unpaid Leave of 8 hours taken.

Days Taken:
06 April 2020

Save: F10 | Delete: F6 | Exit: Esc

Leave Without Pay / Unpaid Leave (more than 1 week)

When an employee takes extended periods of Unpaid Leave or Leave Without Pay (LWOP) of more than one continuous week this may affect either the date on which the employee becomes entitled to annual holidays (Anniversary Date) or the Average Weekly Earnings (AWE) divisor of 52 for Holiday Pay rate calculations.

Note: The first week of any unpaid leave does not affect either the date on which the employee becomes entitled to annual holidays (Anniversary Date) or the Average Weekly Earnings (AWE) divisor of 52 for Holiday Pay rate calculations.

Options Available

1. Adjust Anniversary Date (see below)

Extend out the employees' anniversary data based on the number of weeks the employee has had off, not counting the first week. For example, if the employee had 3 weeks unpaid taken then 2 weeks (14 days) will be added on to the next due date for annual leave.

2. Adjust Average Weekly Earning divisor (see below)

The employer and employee can agree that an employee's average weekly calculation (AWE) will be modified to reflect the number of whole or part weeks greater than one week that the employee was on unpaid leave. For example, if an employee takes 3 weeks unpaid leave during the year, it can be agreed that the rate of annual holiday pay (Average Weekly Earnings) is calculated on the basis of a 50 week year, not on the basis of 52 weeks.

Updates to Employee Maintenance

When Weeks Management is activated, a new "Leave Without Pay" (LWOP) button becomes available on the Holiday Pay tab in the Employee Maintenance window.

Clicking this button opens the new Leave Without Pay window which you, which lets you Adjust Anniversary Date or Adjust Average Weekly Earning divisor depending on which of these options you select

Note: For employees not set to Weeks for Holiday Pay, please refer to the Online Knowledgebase for information on how to manage this process in Days/Hours.

Scenario

An employee is taking LWOP/unpaid leave of 3 weeks from 06/04/2020 to 26/04/2020 with current Anniversary Date of 17/09/2020

The screenshot shows two windows from the MYOB software. The top window is 'Employee Maintenance' with the 'Holiday Pay' tab selected. It shows employee details for Wallace, Edward James and holiday pay settings. The 'Holiday Anniversary Date' is set to 17/09/2020. Below this is an 'Entitlement Year' table:

| Entitlement Year | Paid | Accrued | Outstanding | Advanced | Balance |
|------------------|------------|---------|-------------|----------|---------|
| Days: | 160.00 | 12.55 | 39.00 | 0.00 | 51.55 |
| Weeks: | 32.00 | 2.51 | 7.80 | 0.00 | 10.31 |
| Amount: | \$23899.21 | \$0 | \$0.00 | \$0 | \$0.00 |

The bottom window is 'Pay History', showing a table of pay records. The record for 26/04/2020 is highlighted with a red box:

| Pay Number | Type | Pay Date | Physical Pay Date | Gross Pay | Ordinary Earnings | Days Paid | Agreed Definition of a Week | 4 Week | 12 Month |
|------------|---------|------------|-------------------|-----------|-------------------|-----------|-----------------------------|--------|----------|
| 133 | Current | 29/03/2020 | 31/03/2020 | 824.00 | 824.00 | 5.00 | 5.00 | Yes | Yes |
| 134 | Current | 05/04/2020 | 07/04/2020 | 824.00 | 824.00 | 5.00 | 5.00 | Yes | Yes |
| 136 | Current | 12/04/2020 | 14/04/2020 | 0.00 | 0.00 | 5.00 | 5.00 | Yes | Yes |
| 137 | Current | 19/04/2020 | 21/04/2020 | 0.00 | 0.00 | 5.00 | 5.00 | Yes | Yes |
| 138 | Current | 26/04/2020 | 28/04/2020 | 0.00 | 0.00 | 5.00 | 5.00 | Yes | Yes |

Below the table, there is a summary table for 'Ordinary Daily Rate Method: Standard' and 'Agreed Definition of a Week (Days): 5.00':

| | Gross | Weeks | LWOP | Weekly Rate | Daily Rate |
|------------------|----------|-------|------|-------------|------------|
| Standard Pay: | 1024.00 | 1 | | 1024.00 | 204.80 |
| 4 Week Totals: | 824.00 | 4 | | 206.00 | 41.20 |
| 12 Month Totals: | 40864.73 | 52 | 0 | 785.86 | 157.17 |

Additional information: 4 pays included for 4 weeks, 52 pays included for 12 months.

Option 1: Adjust Anniversary Date

When adjusting the employee's anniversary date, the Leave Without Pay window displays the employee's current anniversary date. Entering the Start Date and End Date fields for the employee's LWOP automatically fills in the **New Anniversary Date** field, based on the number of weeks the employee has had off, not counting the first week. The new date is editable, so you can enter a different date if necessary, before saving.

The screenshot shows the 'Leave without pay' window for Wallace, Edward James. The 'Adjust Anniversary Date' radio button is selected. The 'Start Date' is 06/04/2020 and the 'End Date' is 26/04/2020. The 'Current Anniversary Date' is 17/09/2020 and the 'New Anniversary Date' is 30/09/2020. A note states: 'Note: The new Anniversary Date is based on the total period of leave entered less one week.' Buttons for 'Save : F10' and 'Exit : Esc' are visible at the bottom.

Once this is saved, the employees Holiday Anniversary Date is extended from 17/09/2020 to **30/09/2020** (3 weeks less the first week), the Accruals are changed but there are no changes to the Average Weekly rate.

The screenshot shows two windows from the MYOB software. The 'Employee Maintenance' window is in the foreground, displaying the 'Holiday Pay' tab for employee Edward James Wallace. The 'Holiday Anniversary Date' is highlighted in red and set to 30/09/2020. Below it, the 'Entitlement Year' table is also highlighted in red.

| Entitlement Year | Paid | Accrued | Outstanding | Advanced | Balance |
|------------------|------------|---------|-------------|----------|---------|
| Days: | 150.00 | 11.84 | 39.00 | 0.00 | 50.84 |
| Weeks: | 30.00 | 2.37 | 7.80 | 0.00 | 10.17 |
| Amount: | \$22251.21 | \$0 | \$0.00 | \$0 | \$0.00 |

The 'Pay History' window is overlaid on top, showing a table of pay records. The 'Weekly Rate' and 'Daily Rate' columns are highlighted in red.

| Pay Number | Type | Pay Date | Physical Pay Date | Gross Pay | Ordinary Earnings | Days Paid | Agreed Definition of a Week | 4 Week | 12 Month |
|------------|---------|------------|-------------------|-----------|-------------------|-----------|-----------------------------|--------|----------|
| 133 | Current | 29/03/2020 | 31/03/2020 | 824.00 | 824.00 | 5.00 | 5.00 | Yes | Yes |
| 134 | Current | 05/04/2020 | 07/04/2020 | 824.00 | 824.00 | 5.00 | 5.00 | Yes | Yes |
| 136 | Current | 12/04/2020 | 14/04/2020 | 0.00 | 0.00 | 5.00 | 5.00 | Yes | Yes |
| 137 | Current | 19/04/2020 | 21/04/2020 | 0.00 | 0.00 | 5.00 | 5.00 | Yes | Yes |
| 138 | Current | 26/04/2020 | 28/04/2020 | 0.00 | 0.00 | 5.00 | 5.00 | Yes | Yes |

Summary table from Pay History window:

| | Gross | Weeks | LWOP | Weekly Rate | Daily Rate |
|------------------|----------|-------|------|-------------|------------|
| Standard Pay: | 1024.00 | 1 | | 1024.00 | 204.80 |
| 4 Week Totals: | 824.00 | 4 | | 206.00 | 41.20 |
| 12 Month Totals: | 40864.73 | 52 | 0 | 785.86 | 157.17 |

Option 2: Adjust Average Weekly Earning divisor

When adjusting the employee's AWE divisor, the Leave Without Pay window automatically fills in the amount to adjust the AWE divisor by as you enter the Start Date and End Date fields for the employee's LWOP, based on the number of weeks the employee has had off, not counting the first week. The field is editable, so you can enter a different amount if necessary, before saving.

Employee: 1 Wallace, Edward James

Adjust Anniversary Date Adjust Average Weekly Earning divisor

Start Date: 06/04/2020 End Date: 26/04/2020

The AWE divisor will be adjusted by: 2

Note: The divisor will be adjusted by the number of weeks or part weeks in excess of one week.

Save : F10 Exit : Esc

Once this is saved the amount entered here appears in the LWOP column on the new Pay History window (see below). Notes indicating that the AWE divisor has been adjusted appear on the Holiday Pay tab of the Employee Maintenance window, next to the Leave Without Pay button.

Employee: 1 Wallace, Edward James

Holiday Pay

Annual Entitlement Weeks: 4.00 Pay Casual Holiday Pay Each Pay
 Definition of a Week (Days): 5.00 Permanent Part-time / Pro-Rate
 Annual Entitlement Days: 20.00 Percentage Entitlement Only
 Annual Entitlement %: 8.00 Calculate Holiday Pay in Weeks Compare Rate
 Holiday Anniversary Date: 17/09/2020 Hours per standard day: 8.00

This Year Entitlement Changes (Entitlement Period: 17/09/2019 - 16/09/2020) Parental Leave

Leave Without Pay **AWE divisor adjusted by 2**

| Entitlement Year | Paid | Accrued | Outstanding | Advanced | Balance |
|------------------|------------|---------|-------------|----------|---------|
| Days: | 160.00 | 12.55 | 39.00 | 0.00 | 51.55 |
| Weeks: | 32.00 | 2.51 | 7.80 | 0.00 | 10.31 |
| Amount: | \$23899.21 | \$0 | \$0.00 | \$0 | \$0.00 |

Pay History

This Year Accrued to: 03/05/2020 Ordinary Weekly Pay Method: Standard Pay
 Holiday Pay Cost Centre: 14

Prev : F7 Next : F8 Find : F9 Save : F10 Delete : F6 Exit : Esc

Note: A note will also appear on the side panel of the Current Pay window under Leave Status.

The new **LWOP** field displays any weeks of Leave Without Pay that have been taken in the last 12 months, as this affects the Average Weekly rate.

Pay History

| Pay Number | Type | Pay Date | Physical Pay Date | Gross Pay | Ordinary Earnings | Days Paid | Agreed Definition of a Week | 4 Week | 12 Month |
|------------|---------|------------|-------------------|-----------|-------------------|-----------|-----------------------------|--------|----------|
| 133 | Current | 29/03/2020 | 31/03/2020 | 824.00 | 824.00 | 5.00 | 5.00 | | Yes |
| 134 | Current | 05/04/2020 | 07/04/2020 | 824.00 | 824.00 | 5.00 | 5.00 | Yes | Yes |
| 136 | Current | 12/04/2020 | 14/04/2020 | 0.00 | 0.00 | 5.00 | 5.00 | Yes | Yes |
| 137 | Current | 19/04/2020 | 21/04/2020 | 0.00 | 0.00 | 5.00 | 5.00 | Yes | Yes |
| 138 | Current | 26/04/2020 | 28/04/2020 | 0.00 | 0.00 | 5.00 | 5.00 | Yes | Yes |

Ordinary Daily Rate Method: Standard
 Agreed Definition of a Week (Days): 5.00

| | Gross | Weeks | LWOP | Weekly Rate | Daily Rate | |
|------------------|----------|-------|------|-------------|------------|------------------|
| Standard Pay: | 1024.00 | 1 | | 1024.00 | 204.80 | |
| 4 Week Totals: | 824.00 | 4 | | 206.00 | 41.20 | 4 pays included |
| 12 Month Totals: | 40864.73 | 52 | 2 | 817.29 | 163.46 | 52 pays included |

View Payslip Export Exit : Esc