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MYOB Exo Payroll

FBAPS Rates Management

May 2020

myob

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## Introduction

The latest release of MYOB Exo Payroll includes new features to help employers manage employees' FBAPS payments. This document provides an overview of all of the FBAPS rates available in the system, and the addition of the exception reporting.

### Disclaimer

We recommend that you read the MBIE document "Holidays Act 2003: Guidance on annual holidays, family 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.

### What is FBAPS?

FBAPS is an acronym used to encompass Family Violence Leave, Bereavement Leave, Alternative Leave, Public Holiday Leave, and Sick Leave.

These leave types use the same payment method – Relevant Daily Pay – and this document aims to educate the user on the methods available in Exo Payroll and how they work.

Note that the Holidays Act legislation and MBIE guidance advises that FBAPS is managed in days. As such this white paper refers to Days balances, and Daily rate management. If your FBAPS leave management is in Hours we recommend seeking advice on your Exo Payroll Setup if you are unsure.

### What is Relevant Daily Pay?

Relevant Daily Pay (RDP) is the amount of pay that the employee would have received had they worked on the day concerned. For information on what is included in RDP please refer to MBIE guidelines.

In Exo Payroll, there are four options available to choose from to calculate Relevant Daily Pay:

- Standard Pay
- Average Daily Pay (ADP)
- Hourly Rate
- Special Rate

You will need to assess each employee's working pattern and situation to determine the best method. If the employee changes their work pattern you need to also re-assess their RDP method and update accordingly.

### Getting Product Help

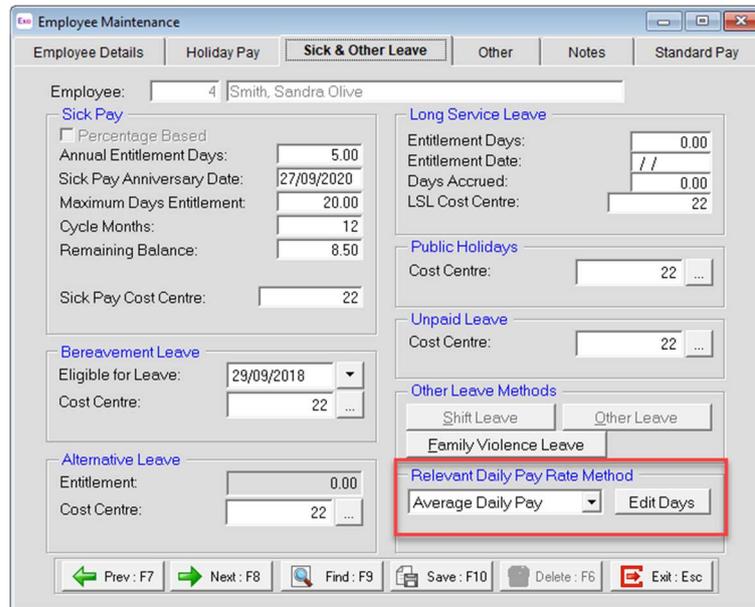
If you require assistance with your Exo Payroll Setup please contact our support team on [anzpayrollsupport@myob.com](mailto:anzpayrollsupport@myob.com) or book a consultant by emailing [enterprise.services@myob.com](mailto:enterprise.services@myob.com)

# Exo Payroll FBAPS Methods

## Selecting Employees Rate Calculation Method

To select the appropriate method for an employee, go to the Employee Maintenance > Sick & Other Leave tab.

On the bottom right you will see an option to select the Relevant Daily Rate Method – Choose the method that applies for each employee from the dropdown list.



When you are in the current pay, you will see the RDP method that has been selected on the pop out screen in the current pay – the selected method will be in blue.

Weekly Current Pay | Pay Number: 5 | Period Ending: 28/05/2020 | Physical Pay Date: 28/05/2020

### 4 (SMITH) Smith, Sandra Olive

Wages	Pay Item	Units	Rate	Total
	Salary			0.00
	Wages	40.00 hours	18.0000	720.00
	Holiday Pay	0.00 days	0.0000	0.00
	Sick Pay	0.00 hours	0.0000	0.00
	Public Holiday	0.00 hours	0.0000	0.00
	Alternative Leave	0.00 hours	0.0000	0.00
	Bereavement Leave	0.00 hours	0.0000	0.00
	Family Violence Leave	0.00 hours	0.0000	0.00
	Long Service Leave	0.00 days	0.0000	0.00
	Unpaid Leave	0.00 hours		
	Shift Leave	0.00 days	0.0000	0.00
	Other Leave	0.00 days	0.0000	0.00
	Taxable Allowances			0.00
	Pre-Tax Deductions			0.00
	<b>Gross Taxable Earnings</b>			<b>720.00</b>
	PAYE (includes student loan repayment of \$0.00)			117.16
	Employee KiwiSaver			0.00
	Non-Taxable Allowances			0.00
	Post-Tax Deductions			3.00
	Rounding:			0.00
	<b>Net Pay</b>			<b>599.84</b>
	Employer KiwiSaver			0.00
	Employer Superannuation			0.00

#### Employment Details

Standard Pay Salary: 0.00  
 Standard Pay Wages: 720.00  
 Employment Basis: Full-Time / Permanent  
 Default Cost Centre: 22 Ham/Reception  
 Hours Per Pay Period: 0.00  
 Hours Per Standard Day: 8.00

#### Taxation Details

Tax Code: M  
 ESCT Rate: Calculated Rate: 10.5%

#### Leave Calculation Details

**Holiday Pay** History  
 Ordinary Daily Rate Method: Standard Pay

Rate Type	Gross Liab	Days Paid	Daily Rate
Standard Pay	720.00	5.00	144.00
4 Week Average	3024.00	20.00	151.20
12 Month Average	3024.00	20.00	151.20

**Relevant Rate** History  
 Relevant Daily Pay Rate Method: Average Daily Pay

Rate Type	Gross Liab	Hours Paid	Rate
Standard Pay	720.00	40.00	18.0000
Average Daily Pay	3024.00	160.00	18.9000
Hourly Rate			18.0000
Special Rate			0.0000

\*Type used in calculation

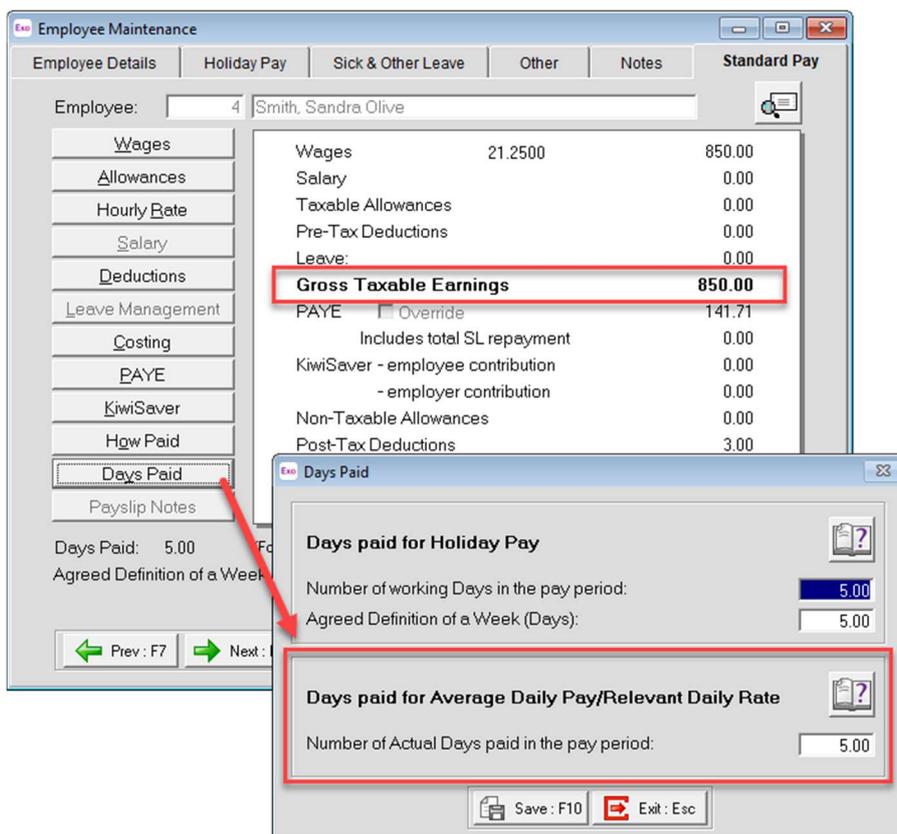
Days paid for Holiday Pay: 5.00 for Relevant Daily Rate: 5.00

## Standard Pay Method

The Standard Pay method of FBAPS provides a standardised rate for employees who are not on a variable or changeable work pattern, based on the employees Standard Pay template.

This method calculates as follows:

$$\frac{\text{Standard Pay Gross Liabile}}{\text{Standard Pay Days/Hours Paid}} = \text{Daily/Hourly Rate}$$



- Gross payments liable for RDP will include only payments set up in the standard pay that are liable for Relevant Daily Pay
- Days Paid is the standard actual days paid that is set in the standard pay.
- If you are unsure, click on the Help icon in the Days Paid window.

**Note:** Standard Pay is the default option when adding a new employee, so you will need to check that this is the correct option for the employee concerned.

## Average Daily Pay Method

If you cannot determine an employee's Relevant Daily Pay, you may use Average Daily Pay (ADP)

ADP Looks at the previous 52 weeks gross earnings liable and calculates the employees' average daily rate by dividing the gross value by whole or part days paid (including leave paid).

In Exo Payroll this will then divide daily rate by the standard hours per day.

**IMPORTANT:** You can only use the ADP method to pay FBAPS if you are in a DAYS setup for Holiday Pay in Exo Payroll. This is because the HA2003 ADP formula requires you to use ACTUAL DAYS paid to work out the ADP formula, and in Exo all leave divisors are driven from the global Holiday Pay Days/Hours setting.

Using this method in an Hours based leave set up will most likely result in incorrect valuation – please seek advise from an Exo Employer Services consultant if you are unsure on how to manage this in your Exo Payroll setup.

## Track actual days paid

For this method you must track actual days paid in your current pay each pay period.

The days paid tracked must include any days paid, including days worked and days on paid leave.

Weekly Current Pay | Pay Number: 135 | Period Ending: 12/04/2020 | Physical Pay Date: 14/04/2020

### 3 (HOUGHTON) Houghton, Jannet Faye

Wages	Pay Item	Units	Rate	Total
	Salary			0.00
Allowances	Wages	40.00 hours	23.5000	940.00
	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	<b>Gross Taxable Earnings</b>			<b>940.00</b>
	PAYE (includes student loan repayment of \$0.00)			160.83
KiwiSaver	Employee KiwiSaver			0.00
How Paid	Non-Taxable Allowances			0.00
	Post-Tax Deductions			0.00
Days Paid	Rounding:			0.00
	<b>Net Pay</b>			<b>779.17</b>
Payslip Note	Employer KiwiSaver			0.00
	Employer Superannuation			0.00
Employee Share				

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

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

**Note** if you are using Time and Attendance, or importing days paid from another system, this will be populated automatically.

To view history, go to **Employee Maintenance > Sick & Other Leave tab**, and click on the **[Edit Days]** button to view the pay history and days paid for employees.

The screenshot shows the 'Employee Maintenance' window with the 'Sick & Other Leave' tab selected. The employee is identified as '3 Houghton, Jannet Faye'. The 'Sick Pay' section includes fields for 'Annual Entitlement Days' (5.00), 'Sick Pay Anniversary Date' (27/09/2020), 'Maximum Days Entitlement' (20.00), 'Cycle Months' (12), and 'Remaining Balance' (8.50). The 'Long Service Leave' section shows 'Entitlement Days' (0.00) and 'Days Accrued' (0.00). The 'Public Holidays' section has a 'Cost Centre' of 12. The 'Unpaid Leave' section also has a 'Cost Centre' of 12. The 'Other Leave Methods' section includes buttons for 'Shift Leave', 'Other Leave', and 'Family Violence Leave'. The 'Relevant Daily Pay Rate Method' section has a dropdown set to 'Average Daily Pay' and an 'Edit Days' button circled in red. A red arrow points from this button to the 'Edit Relevant Days Paid History' window below.

The 'Edit Relevant Days Paid History' window displays a table of pay records. The table has columns for Pay Number, Type, Pay Date, Physical Pay Date, Gross Pay, Days Paid, and Selected. Below the table is a summary table with 'Totals' and 'Selected Totals'.

Pay Number	Type	Pay Date	Physical Pay Date	Gross Pay	Days Paid	Selected
118	Current	29/12/2019	31/12/2019	940.00	5.00	Yes
120	Current	05/01/2020	07/01/2020	940.00	5.00	Yes
121	Current	12/01/2020	14/01/2020	940.00	5.00	Yes
122	Current	19/01/2020	21/01/2020	1257.25	6.00	Yes
123	Current	26/01/2020	28/01/2020	1081.00	5.00	Yes
124	Current	02/02/2020	04/02/2020	1327.75	6.00	Yes
125	Current	09/02/2020	11/02/2020	1468.75	6.00	Yes
126	Current	16/02/2020	18/02/2020	1151.50	5.00	Yes
127	Current	23/02/2020	25/02/2020	1081.00	5.00	Yes
128	Current	01/03/2020	03/03/2020	1151.50	5.00	Yes
129	Current	08/03/2020	10/03/2020	1327.75	6.00	Yes
130	Current	15/03/2020	17/03/2020	1398.25	6.00	Yes
131	Current	22/03/2020	24/03/2020	1292.50	5.00	Yes
133	Current	29/03/2020	31/03/2020	940.00	5.00	Yes
134	Current	05/04/2020	07/04/2020	940.00	5.00	Yes
Totals:				94374.14	453.00	
Selected Totals:				61100.99	280.00	

At the bottom of the window, there are buttons for 'View Payslip', 'Export', 'Save : F10', and 'Exit : Esc'. A red box highlights the 'Selected Totals' row in the summary table, and a red arrow points from the 'Edit Days' button in the previous window to this box. The text 'Gross / Days = Rate' is displayed at the bottom right.

If there are any errors in the days paid that have been tracked, you may update these in this window.

## Hourly Rate Method

The relevant rate can be drawn from the employee's hourly wage rate that is setup in Standard Pay.

This option is suitable for waged employees whether they are full-time/part-time or casual, who you can determine the hours to pay for the day they are taking the leave.

**Note:** Exo Payroll will only look at the first Hourly Rate if you are using multiple wage rates.

## Special Rate Method

The Special rate is a Labour Inspector/Agreed Rate or Higher

Employers and employees can agree on a specific daily rate to be used for leave valuation. This rate must be equal to or greater than the Relevant Daily Pay for the employee.

When this option is selected, an extra field becomes available; enter the special rate into this field. Exo Payroll will always compare the rate entered here with the rate derived from all other available methods. If any other method gives a rate higher than the value specified for special rate, the higher rate will be used.

The screenshot shows the 'Employee Maintenance' window for 'George, Thomas Russell'. The 'Sick & Other Leave' tab is active. The 'Relevant Daily Pay Rate Method' section is highlighted with a red box, showing 'Special Rate' selected and a value of '23.5000' entered. Other sections include 'Sick Pay', 'Long Service Leave', 'Public Holidays', 'Unpaid Leave', 'Other Leave Methods', 'Bereavement Leave', and 'Alternative Leave'.

**Note:** Exo Payroll records this as an hourly rate, so where your agreed rate is a daily rate, you will need to derive an hourly rate by dividing the daily rate by the Hours Per Standard Day that has been set for the employee.

## Allowance Liability for FBAPS

In Exo Payroll, payments such as Leave, Wages and Salary are automatically added as Gross Payments Liabe for Relevant Daily Pay calculations.

In the Allowance set up, you have the option to make the allowance payment liable for Relevant Daily Pay if you wish.

When ticking the *Add to Gross for Relevant Daily Rate* this affects calculations as follows.

**Standard Pay:** If you add this allowance payment to the employees Standard Pay, and your employees Relevant Daily Rate method is set to Standard Pay as per the settings mentioned earlier in this document, this allowance will be included in the calculation for Relevant Daily Pay.

**Average Daily Pay:** If you pay this allowance at any time, it will be included in the 52week average history calculations used to calculate ADP.

# Average Daily Pay Exception Report

## Processing FBAPS Leave in Exo Payroll

When using the Standard Pay, Average Daily Pay and Special Rate methods, it's important to pay the correct number of hours for leave taken, based on your employees Hours Per Standard Day setting. This ensures that the correct portion of a day is paid, and the correct portion of a daily rate is paid.

I.e. If your employee has an Hours Per Standard Day setting of 8hrs, at any time the employee takes a full FBAPS day off, you must pay 8 hours. This will calculate the correct Daily rate based on the method selected.

Following on from that example, if they take a half day, you would pay 4hours.

### Example:

- Janet Houghton's ADP rate is \$218.22
- Janet has a standard day of 8hrs set, which calculates to an average hourly rate:
  - $\$218.22 / 8\text{hrs} = \$27.28$
- If Janet takes a half day, she is paid 4 hours, which calculates 50% of a daily rate
  - $(\$218.22 / 8\text{hrs} = \$27.28) \times 4\text{hrs} = \$109.12$



An example of an incorrect calculation would be a scenario where Janet was paid 4.5hours for a half day whilst her standard day was set to 8.

- The system will calculate:  $(\$218.22 / 8\text{hrs} = \$27.28) \times 4.5\text{hrs} = \$122.76$
- This has calculated 56% of a daily rate so overpaid Janet by 6%



The screenshot shows the 'Leave Management' window for Janet Houghton. The 'Sick / Special' tab is active, showing 'Hours Taken' as 8.00 and 'Hours per standard day' as 8.00. The 'Employment Details' section on the right shows 'Hours Per Standard Day' as 8.00. The 'Leave Calculation Details' section includes a table for 'Holiday Pay' and 'Relevant Rate'.

Rate Type	Gross Liab	Days Paid	Daily Rate
Standard Pay	940.00	5.00	188.00
1 Week Average	4570.75	21.00	217.65
12 Month Average	61100.99	283.00	215.90

Rate Type	Gross Liab	Hours Paid	Rate
Standard Pay	940.00	40.00	23.5000
Average Daily Pay	61100.99	2240.00	27.2772
Hourly Rate			23.5000
Special Rate			0.0000

## ADP Exception Report and Warning Messages

The latest version of Exo Payroll has introduced warning messages and an exception report to highlight where an employee's portion of a day paid is incorrect and will equate to an under or over payment to the employee.

1. Warning messages will appear in the current pay when leave paid is entered manually:

2. If there are transactions in the pay with incorrect payment values, a warning message will appear when saving or exiting the current pay, or if you try to create a direct credit file without correcting the transactions.

- Click [Yes] to the above message and you will be provided with the ADP exception report which will highlight incorrect payments.

Pay Number	Pay Period End Date	Pay Frequency	Employee Code	Alpha Code	Surname	First Name	Employee Status	Leave Type	Hours per Standard Day	Hours Taken	Days to Reduce	Suggested Days to Reduce
135	12/04/2020	Weekly	3	HOUGHTON	Houghton	Janet Faye	Permanent	Sick Pay	8.00	7.00	1.00	0.88

In this example we can see that the employee is being paid 1 day of sick leave, but only being paid 7hrs for that day. The employees' standard day is 8 so the employee is being underpaid for this day

**Note:** Clicking [No] to the message will allow you to progress the pay process without correcting the payments.

- If you use the Pay List view to manage your pays, you will see the [ADP Exception] button to action the report for any open current pay.

Pay Number	Physical Pay Date	Start Date	End Date	Pay Frequency	Status	Pay Type	Staff Count	Gross Paid	IRD Status
135	14/04/2020	06/04/2020	12/04/2020	Weekly	Open	Current	12	9717.47	
134	07/04/2020	30/03/2020	05/04/2020	Weekly	Closed	Current	12	9164.13	
133	31/03/2020	23/03/2020	29/03/2020	Weekly	Closed	Current	12	9164.13	
131	24/03/2020	16/03/2020	22/03/2020	Weekly	Closed	Current	11	8696.43	
130	17/03/2020	09/03/2020	15/03/2020	Weekly	Closed	Current	11	8740.38	
129	10/03/2020	02/03/2020	08/03/2020	Weekly	Closed	Current	11	8731.68	
128	03/03/2020	24/02/2020	01/03/2020	Weekly	Closed	Current	11	8349.43	
127	25/02/2020	17/02/2020	23/02/2020	Weekly	Closed	Current	11	8320.13	
126	18/02/2020	10/02/2020	16/02/2020	Weekly	Closed	Current	11	8555.43	
125	11/02/2020	03/02/2020	09/02/2020	Weekly	Closed	Current	11	8955.08	
124	04/02/2020	27/01/2020	02/02/2020	Weekly	Closed	Current	11	8566.88	

**Notes:**

- These exception reports and warnings will only show up when rates are set to Days, and the employee is set to Standard Pay or ADP rates.
- If you wish to correct the transactions, go to the employee's current pay record and amend either the hours to pay, or the day to reduce the balances by, and continue with the pay process.
- The ADP exception report can be exported to Excel.