
MYOB Exo Payroll

Parental Leave Management

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myob

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Introduction

The latest release of MYOB Exo Payroll includes new features to help employers manage employees' leave payments. This document provides an overview Parental Leave management in Exo Payroll.

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 Parental Leave

While an employee is on Parental Leave they continue to become entitled to annual holidays as normal. Their period of Parental Leave is not classified as Unpaid Leave but is dealt with as a continuation of employment.

When an employee returns to work after a period of parental leave, any annual holidays that they became entitled to whilst on parental leave, or during the 12 months after returning from parental leave, are valued at the employees Average Weekly Earnings only – NOT the higher of AWE and OWP.

This whitepaper deals with recording the Parental Leave period in the Exo Payroll software, and managing the AWE rates afterwards.

For more information on Parental Leave and your obligations, please review the MBIE guidance or seek legal advice.

Important Note

This whitepaper deals with Parental Leave and Holiday Pay settings with the Weeks Management settings turned on. If you are not using the weeks and are managing Holiday pay in Days or Hours only, please review knowledgebase article [39460](#) and/or seek advice from our Professional Services team.

Getting Product Help

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

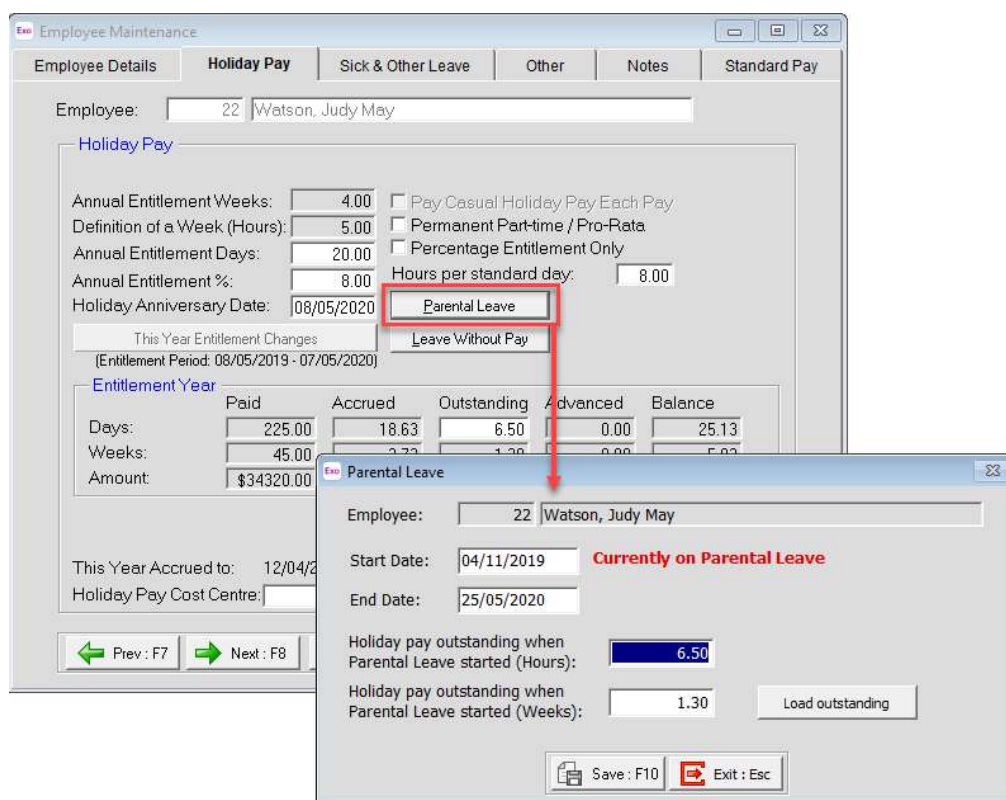
Configure Parental Leave Setup for Employee

Set Parental Leave Dates

To begin, set the dates that the employee is expected to be on Parental Leave

In the Employees Holiday pay tab, click on the **[Parental Leave]** button.

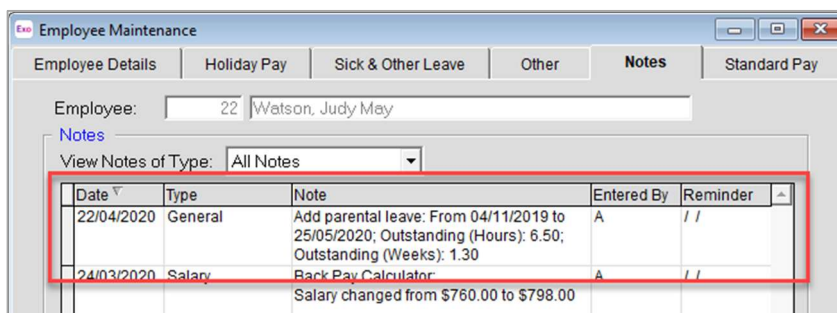
1. Enter the date range that the employee is expected to be on Parental Leave. If you leave the **End Date** as blank, the system will expect that they are on Parental Leave until such time as a date is populated.
2. Click the **[Load Outstanding]** button to track the number of Days/Hours/Weeks that the employee has Outstanding/Entitled on leaving for Parental Leave – These units should be valued at the higher of AWE v OWP on the employees return to work.



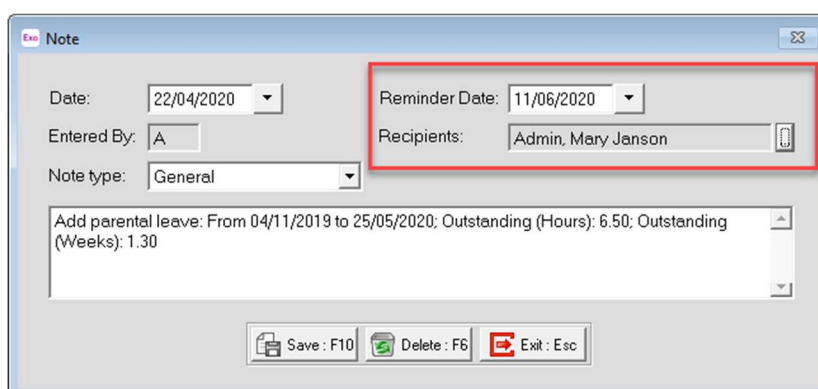
Click [Save:F10] and the employee’s record will show in red that they are “Currently on Parental Leave”.

This will automatically turn off once the employee has been included in a current pay that falls on or after their Parental Leave end date.

3. Click [Save:F10] again to close the employees record and a note will be generated detailing the Parental Leave start and end dates, and the outstanding balance of Holiday Pay.



4. We recommend editing the note and setting a reminder for 2 weeks prior to the due back date, to confirm return and make amendments to the End Date if there are any changes.



Note: For the period that the employee has been set on Parental Leave, you cannot pay any holiday pay without amending the Parental Leave end date.

You can process Salary or Wages payments for the purposes of paying keeping in touch days.

Set Due Back Date – Standard Contract Employees Only

While the employee is on Parental Leave, we can pause their pays, but hold them in the system with all of their pre Parental Leave Details.

Go to **Employee Maintenance > Employee Details** tab and set the **Due Back Date** at the bottom right.

The screenshot shows the 'Employee Maintenance' window with the 'Employee Details' tab selected. The 'Required Information' section includes fields for Code (22), Surname (Watson), First Names (Judy May), Alpha Code (WATSON), Start Date (09/07/2017), Service (2.8), Cost Centre (24), Department (5 - Ham, Sales), Pay Frequency (Weekly), Payslip Name (Judy Watson), Address (12 Waterside Avenue, River Road, Hamilton, 3216), Telephone (123-9687), Mobile, Occupation (Manager), and an Apprenticeship checkbox. The right-hand side contains fields for IRD Number (064-871-544), Tax Code (M), ACC Code (24354), Gender (Female), Full-time status (Full-time), Salary type (Salary), Permanent status (Permanent), Hours Per Pay Period (40.00), Allow Overtime (unchecked), Proprietor (unchecked), Birth Date (15/01/1986), Age (34.3), Due Back Date (25/05/2020), and Annual Review (//). The 'Due Back Date' field is highlighted with a red box. At the bottom, there are navigation buttons for Prev (F7), Next (F8), Find (F9), Save (F10), Delete (F6), and Exit (Esc).

This will ‘pause’ all leave accruals and rollovers, and hold the employee out of the current pay until a pay is opened that the Due Back Date falls into. If you don’t wish to do this, you can omit the due back date and simply process the employee through current pays as a zero balance to continue an accrual.

When the employee returns and is added to the pay, the system will recalculate all of their Holiday Pay accruals and balances to bring it up to date as of the first Pay back.

Pro Rata Employees

For any employees that are currently set to a Pro Rata Holiday Pay accrual method, you cannot use the due back date.

Exo Payroll needs to track a number of days/hours worked each pay period in order to continue to accrue Holiday Pay for this employee.

We recommend using the following method for any Pro-Rata employees.

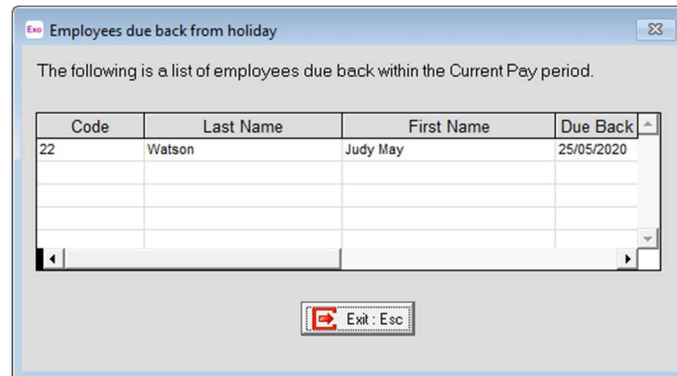
1. In the employees Standard Pay, zero any wage, salary and allowance payments.
2. Agree on what a standard or contracted pay period may look like for the employee, and set this in the Days/Hours paid for Holiday Pay field in the standard pay.
3. Continue to process this employee through every pay period with zero gross paid and days/hours for holiday pay tracked.

Note: It’s recommended that you review whether the employee needs to stay on the Pro Rata method – review the white paper “Managing Pro Rata Employees in Exo Payroll” for more information.

Return to Work

First Current Pay

When a pay is opened that contains the due back date, a message will appear that the employee has been added back into the pay. Once this current pay is updated, this will trigger update and rollover of all holiday pay and sick pay balances.

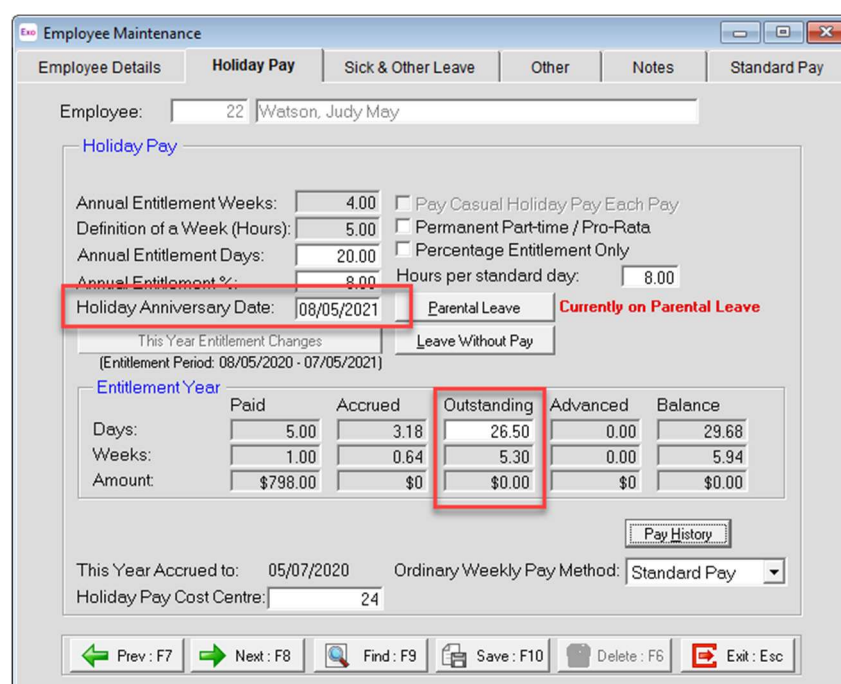


Holiday Pay Rate Values

As the employee reaches their entitlement dates, all Outstanding Days/Weeks are totalled into the Outstanding fields.

Remember that any Holiday Pay that the employee became entitled to prior to going on parental leave is valued at the higher of Average Weekly Earnings (AWE) v Ordinary Weekly Pay (OWP), while any earned during parental leave or in the 12 months afterwards, is at AWE only. Note that It's general practice to pay out any pre parental leave entitlement at the higher rates first before beginning to use any entitlement earned while on parental leave at the lower rate.

Exo Payroll cannot determine which days are at which rate – it's important to keep a spreadsheet of the number of days to be paid at each rate.



Example Tracking Spreadsheet

The following is an example of what a spreadsheet may look like to track what leave is taken at what rates.

In this example:

- 6.5 days (1.3 weeks) were entitled prior to the employee going on leave. These are valued at the higher of AWE or OWP, at the time the employee takes these days.
- 20 days (4 weeks) were earned during the parental leave period – these days are valued at the AWE rate only
- On the employees next rollover on 08/05/2021, the employee became entitled to another 4 weeks, or 20 days. This entitlement should also be valued at AWE only.

	A	B	C	D	E
	HP Date taken	Days Entitled prior to Parental Leave (AWEvOWP)	Days earned at rollover during parental leave (AWE Only)	Dayd earned in next 12 months (AWE Only)	Running Entitled balance at AWE Only
1					
2	Return Date: 25/05/2020	6.5	20		
3	02/06/2020	-1			
4	02/07/2020 - 03/07/2020	-2			
5	10/08/2020 - 13/08/2020	-3.5			
6	13/08/2020 - 14/08/2020		-1.5		
7	09/10/2020		-1		
8	23/12/2020 - 06/01/2021		-6		
9	Next Rollover 08/05/2021			20	
10	12/06/2021		-1		
11					
12					
13					
14	Remaining	0	10.5	20	30.5
15					

Row 2: Shows the Outstanding Days the employee was entitled to on their return from Parental Leave on 25/05/2020.

Column B: Rows 3 to 5 in column B shows a track of any days that were paid out from the employees 'Pre Parental Leave' entitlement – these days were paid at AWE v OWP

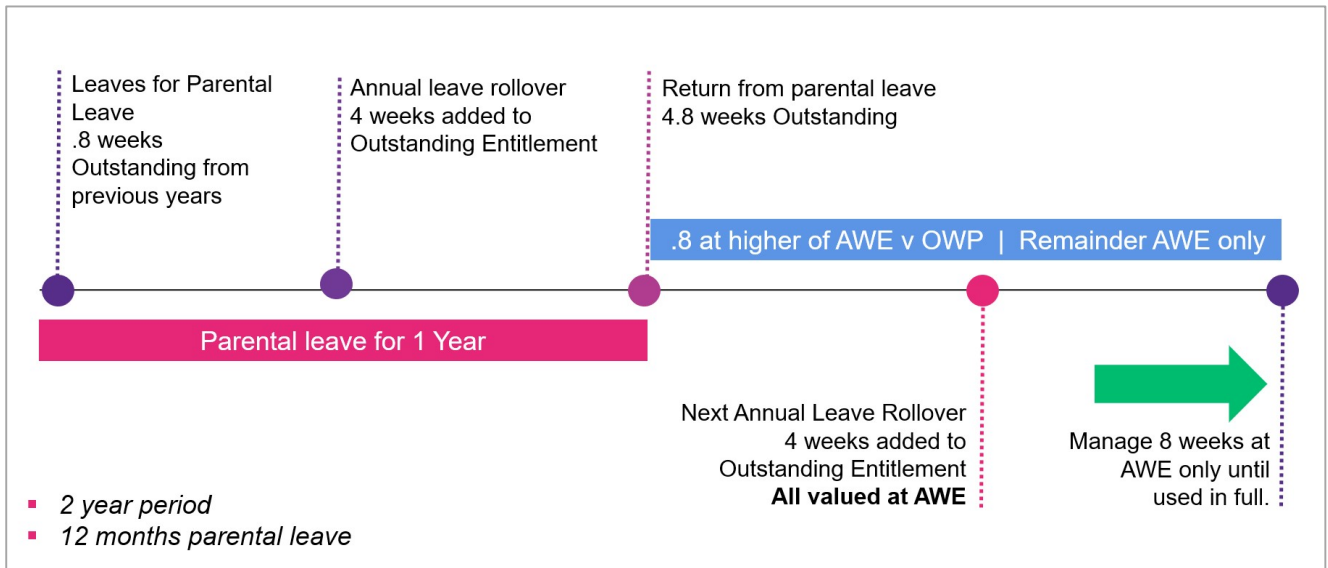
Column C: Rows 6 to 10 in Column C shows a track of days taken from the leave that the employee became entitled to while on parental leave. These days were paid at AWE only.

Column D: Row 9 shows the employee becoming entitled to a further 4 weeks, or 20 days of Holiday pay on their next entitlement date of 08/05/2021. This entitlement is also valued at AWE only.

Note: The requirement to pay AWE only is a legislated minimum. If you wish to pay the higher of AWE v OWP this is higher than the legislated requirement so Ok to do. In this case, you will not need to track balances, or use the AWE Rate Only method in the following section – Average Weekly Earnings Settings

Holiday Pay Valuation – Example Timeline

The following is an example of rate liabilities for someone returning after 1 year of parental leave.



Holiday Pay Rate Calculations in Current Pay

On return to work, the system will continue to use the higher of AWE vs OWP for any Holiday Pay paid. When paying Annual Leave, follow the below process to override the rate to AWE only.

1. In the Current Pay, Holiday Pay screen, enter the holiday pay days/hours to be paid.
2. Check the appropriate rates on the pop out in the current pay screen and tick the **Override** tickbox to change the value of the holiday pay to the 52 week average / AWE

If you wish to see the pay history that makes up the 52 week averages, click on the **[History]** button to view the employees pay history and rate calculations.

Pay Number	Type	Pay Date	Physical Pay Date	Gross Pay	Ordinary Earnings	Days Paid	Agreed Definition of a Week	4 Week	12 Month
59	One-Off	01/09/2019	01/09/2019	760.00	760.00	5.00	5.00		Yes
102	Current	08/09/2019	10/09/2019	760.00	760.00	5.00	5.00		Yes
103	Current	15/09/2019	17/09/2019	760.00	760.00	5.00	5.00		Yes
104	Current	22/09/2019	24/09/2019	760.00	760.00	5.00	5.00		Yes
105	Current	29/09/2019	01/10/2019	760.00	760.00	5.00	5.00		Yes
106	Current	06/10/2019	08/10/2019	760.00	760.00	5.00	5.00		Yes
107	Current	13/10/2019	15/10/2019	760.00	760.00	5.00	5.00		Yes
108	Current	20/10/2019	22/10/2019	760.00	760.00	5.00	5.00		Yes
109	Current	27/10/2019	29/10/2019	760.00	760.00	5.00	5.00		Yes
110	Current	03/11/2019	05/11/2019	760.00	760.00	5.00	5.00		Yes
136	Current	08/06/2020	08/06/2020	860.00	860.00	5.00	5.00	Yes	Yes

	Gross	Weeks	LWOP	Weekly Rate	Daily Rate	
Standard Pay:	870.00	1		870.00	174.00	
4 Week Totals:	860.00	4		215.00	43.00	1 pay included
12 Month Totals:	15060.00	52	0	289.62	57.92	20 pays included