MYOB Exo Payroll Parental Leave Management

May 2020



myob

Contents

Introduction	3
Disclaimer	3
About Parental Leave	3
Important Note	3
Getting Product Help	3
Configure Parental Leave Setup for Employee	4
Set Parental Leave Dates	4
Set Due Back Date – Standard Contract Employees Only	6
Pro Rata Employees	6
Return to Work	7
First Current Pay	7
Holiday Pay Rate Values	7
Example Tracking Spreadsheet	8
Holiday Pay Rate Calculations in Current Pay	10



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 <u>39460</u> 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 <u>anzpayrollsupport@myob.com</u> or book a consultant by emailing <u>enterprise.services@myob.com</u>

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.

Employee Maintenan	ce				
Employee Details	Holiday Pay	Sick & Other Leave	Other Notes	Standard Pay	
Employee:	22 Watson	Judy May			
Annual Entitler Definition of a ^v	nent Weeks: Week (Hours):	4.00 Pay Casual Hr 5.00 Permanent Pa 20.00 Percentage Er	oliday Pay Each Pay rt-time / Pro-Rata ntitlement Only		
Annual Entitler Holiday Anniv	nent %:	8.00 /05/2020 Parental Leave	ard day: 8.00		
This Ye (Entitlement Po Entitlement	ar Entitlement Change: eriod: 08/05/2019 - 07 Year	/05/2020)	ay		
Days: Weeks:	Paid 225.00 45.00	Accrued Outstandin	g Advanced Ball	25.13	8
This Year Acc	rued to: 12/04/2	Employee: 2 Start Date: 04/11/2	22 Watson, Judy May 019 Currently o	on Parental Leave	
Holiday Pay C	ost Centre:	End Date: 25/05/2 Holiday pay outstanding Parental Leave started (Holiday pay outstanding Parental Leave started (020 I when (Hours):	5.50 L.30 Load outstanding	1
			Save : F10	Exit : Esc	

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.

Employee Details	Holiday	Sick & Other Leave	Other	Notes	Stand	ard Pa
Employee Details	Holiday P	ay Sick & Outer Leave	Outer	Notes	Stanu	alura
Employee:	22 W	/atson, Judy May				
- Notes						
View Notes o	fType: All N	otes 👻				
View Notes o	fType: All N	otes 👻		IC 1 D		
View Notes o	f Type: All N Type	otes 👻		Entered By	Reminder	<u> </u>
View Notes o Date [▼] 22/04/2020	f Type: All N Type General	Note Add parental leave: From 04/ 25/05/2020; Outstanding (Ho Outstanding (Weeks): 1.30	11/2019 to urs): 6.50;	Entered By A	Reminder //	
View Notes o	f Type: All N Type General	Note Add parental leave: From 04/ 25/05/2020; Outstanding (Ho Outstanding (Weeks): 1.30 Back Pay Calculator	11/2019 to urs): 6.50;	Entered By A	Reminder	

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.

Em Note		83
Date: 22/04/2020 Entered By: A Note type: General	Reminder Date: 11/06/2020 Recipients: Admin, Mary Janson	0
Add parental leave: From 04/11/2019 t (Weeks): 1.30	o 25/05/2020; Outstanding (Hours): 6.50; Outstanding	-
		_
Save : F	10 🔀 Delete : F6 💽 Exit : Esc	

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 Mainteannce** > **Employee Details** tab and set the **Due Back Date** at the bottom right.

Employee Mair	ntenanc	:e					
Employee Deta	ils	Holiday Pay	Sick & Other Le	ave	Other	Notes	Standard Pay
- Required Info	rmatio	n			Number lood	071 544	
Code:		22		TRU	Number: 1064	-871-544	
Surname:	Wats	son		lax	Code: M	•	
First Names:	Judy	′ Мау					
Alpha Code:	WAT	SON					
Start Date:	09/07	7/2017 Servio	e: 2.8				
Cost Centre:		24 H	am/Sales		- · ·		
Department:	5	Ham, Sales		ACC	Code:	243	54
Pay Frequency	Wee	kly 🔻					
Payslip Name:	Judy	Watson					
Address:	12 W	aterside Avenue		Fen	nale 💌	Full-time	<u>-</u>
Suburb:	Rive	r Road		Sal	ary 💌	Permaner	nt 💌
City:	Ham	ilton		Hou	rs Per Pay Per	iod:	40.00
Post Code:	3216			□ AI	llow Overtime	Propriet	or
Telephone:	123-9	3687		Birth	Date:	15/01/1986	Age: 34.3
Mobile:				Due	Back Date:	25/05/2020	1
Occupation:	Mana	aqer		Annu	ial Review:	11	
Apprentice							
👍 Prev	: F7	Next : F8	🔍 Find : F9 🛛	👌 Sa	ve : F10 🛛 🛜 I	Delete : F6	🛋 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.

myob

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.

Code	Last Name	First Name	Due Back
22	Watson	Judy May	25/05/2020
4			

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.

Employee Maintenan	ce					×
Employee Details	Holiday Pay	Sick & Other I	Leave	Other N	Notes Standard Pa	y
Employee: Holiday Pay -	22 Watson,	Judy May				
Annual Entitlem Definition of a V Annual Entitlem Annual Entitlem	nent Weeks:	4.00 Pe 5.00 Pe 20.00 Pe 8.00 Hours	y Casual Ho rmanent Pa rcentage En s per standa arental Leave	liday Pay Each t-time / Pro-Rat titlement Only rd day:	h Pay ta 8.00 n Parental Leave	
Entitlement	ar Entitlement Changes riod: 08/05/2020 - 07/	/05/2021)	ave Without Pa	v l		
Endement	Paid	Accrued	Outstanding	g Advanced	Balance	
Days:	5.00	3.18	26.50	0.00	29.68	
Weeks:	1.00	0.64	5.30	0.00	5.94	
Amount	\$798.00	\$0	\$0.00	\$0	\$0.00	
This Year Accr Holiday Pay C	ued to: 05/07/2 ost Centre:	020 Ordin 24	ary Weekly I	Day Method: S	Pay <u>History</u> Standard Pay	
🔶 Prev : F7	Next : F8	Sind : F9	Save : F	10 Delete	: F6 💽 Exit : Esc	



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.

1	A	В	С	D	E
1	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
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

🚥 Leave Management	1		×
22 (WATSON)	Watson, Judy May 🏹		
Summary	Holiday Pay	Employment Details	
	Entitlement Balances	Standard Pay Salary	870.00
Holidau	Days Accrued: 18.79 Accrued: 3.76	Employment Basis	Full-Time / Permanent
	Days Outstanding: 6.50 Outstanding: 1.30	Default Cost Centre	24 Ham/Sales
	Days Advanced: 0.00 Advanced 0.00	Hours Per Pay Period	40.00
Sick	Total Dave: 25.29 Total: 5.06	Hours Per Standard Day	8.00
	Davs Cashed-un This Year 0.00 Cashed-un This Year 0.00	Taxation Details	5.00
Public Holiday		Tax Code	М
	Leave Paid	ESCT Rate	Calculated Rate: 10.5%
Alternative	Days Weeks Holiday Pay Amount	Leave Status	25/05/2020
	Leave: 1.00 0.20 Dates Taken 57.92 🗸 Override	Retarres non Parental ceave on	23/03/2020
Bereavement	Future-dated leave: () 0.00 0.00 Dates Taken	Leave Calculation Details	
		Holiday Pay Rate as on: 15/0	6/2020 History
Family Malance		Ordinary Daily Rate Method: S	tandard Pay
Family violence	Holiday start date: () // Cost Centre: 24	Standard Pay 870.00	870.00 174.00
	Exclude from pays until:	4 Week Average 860.00	215.00 43.00
Long Service		52 Week Average 15060.00	289.62 57.92
		Relevant Rate	History
<u>U</u> npaid	Extra Allowances/Deductions Holiday Pay Note	Relevant Daily Pay Rate Method:	Standard Pay
		Rate Type Gross Liable	Hours Paid Rate
TOIL	Holiday Closedown	Standard Pay 2916.67	40.00 72.9168
	Termination Holiday Pay Amount: 2497.21 Holiday Pay Amount: 2497.21	Hourly Rate	400.00 19.2500
OtherLeave	Termination Manual	Special Rate	0.0000
			*Type used in calculation
	📋 Save: F10 💽 Exit: Esc		

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	Туре	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
greed Defini	ition of a	Week (Days): Standard Pay	5.00 Gross 870.00	Weeks LWO	P Weekly Rat	e Daily Rate		1	
		4 Week Totals	860.00	4	215.00	43.0	1 pay included		