



COVID-19 Government Stimulus Package

Exo Payroll setup options

In a bid to protect the Kiwi economy against one of the most significant threats to business in recent times, the government has launched a stimulus package that includes wage subsidies, business tax breaks, money for low-income families, healthcare support and more.

Managing your team and your payroll through this time is especially important.

This document provides you with some information to manage payments and leave in Exo Employer Services payroll.

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Version Control

Version	Date	Changes
1.0	26 March 2020	<ul style="list-style-type: none">• Original Version
2.0	31 March 2020	<ul style="list-style-type: none">• Additional note Before you Start on payment options• Removal of leave subsidy• Addition of top up processes
3.0	03 March 2020	<ul style="list-style-type: none">• Addition of Essential Workers Leave Scheme payments
4.0	20 April 2020	<ul style="list-style-type: none">• Addition of MBIE primary messages• Simplification of wage payment processes & inclusion of process for paying subsidy to working employees.

Before you start:

You will need to access the online guidance available regarding managing the wage and leave subsidies, and eligibility criteria. This document is guidance on processing payments in Exo Payroll only. You will need to make some choices as a business as to how you wish to manage this.

Government resource website: <https://covid19.govt.nz/>

For any assistance with the following Exo Payroll setup options, check in with our Support and/or Professional Services teams: <https://www.myob.com/nz/enterprise/support>

Primary Messages from MBIE

- Employment law obligations have not changed during the COVID-19 level 4 alert (or at any time during the COVID-19 pandemic).
- Employees must be paid in accordance with their employment agreement and general employment law obligations.
- Leave entitlements including calculation of pay must be in accordance with employment agreements and the Holidays Act. General requirements continue to apply during the COVID19 pandemic [link to either <https://www.employment.govt.nz/leave-and-holidays/> or more specific pages about leave entitlements and pay calculations].
- In terms of both leave and pay arrangements, employers and employees should seek first to reach agreement in good faith on what approach will be taken – refer table at <https://www.employment.govt.nz/leave-and-pay-entitlements-during-covid-19/> which sets out the range of options that can be agreed and the option that, if the parties cannot agree, the employer can direct the employee to take entitled annual leave with at least 14 days' notice.

MBIE have updated their websites with more information and guidance – [MBIE - Corona & the Workplace](#)

Setting up in Exo Payroll:

Wage Subsidies

The Wage subsidy is a weekly payment and is to be treated like Salary and Wages for the purpose of the Holidays Act 2003. That means the payment is considered Gross Earnings and the subsidy contributes to the Gross KiwiSaver and is subject to Student Loan deductions.

When receiving a wage subsidy for employees, we recommend that you process these payments through Exo Payroll separately from any normal Wage/Salary or Leave payments that they are receiving so you able to track them separately and report on them. There are 2 methods to do this:

Option 1: Set up an Allowance

1. Press [F2] on your keyboard for your maintenance menu and select Allowances.
2. Set up an allowance based on the following settings:

The screenshot shows the 'Allowance Maintenance' window with the following settings:

- Code: 7
- Name: Covid Subsidised FT
- Global Loading:
- Calculation Method: Fixed Dollar Amount
- Amount: 585.8000
- Pay Rate Type: All
- Maximum Number: 0.00
- Wage Rate Code:
- Type: Normal
- Cost Centre: Employee's Default
- Override Tax Rate:
- Historical Allowance:
- Options:
 - Add to Gross for Holiday Pay
 - Add to Gross for Super
 - Add to Gross for Relevant Daily Rate
 - Add Earner Levy
 - Not Liable for ACC
 - Add to Gross for KiwiSaver
 - Can Modify Name
 - Eligible for PG
 - Exclude from Ordinary Earnings

Allowance Setup – Full time lump sum payment

The screenshot shows the 'Allowance Maintenance' window with the following settings:

- Code: 6
- Name: Covid Subsidised PT
- Global Loading:
- Calculation Method: Fixed Dollar Amount
- Amount: 350.0000
- Pay Rate Type: All
- Maximum Number: 0.00
- Wage Rate Code:
- Type: Normal
- Cost Centre: Employee's Default
- Override Tax Rate:
- Historical Allowance:
- Options:
 - Add to Gross for Holiday Pay
 - Add to Gross for Super
 - Add to Gross for Relevant Daily Rate
 - Add Earner Levy
 - Not Liable for ACC
 - Add to Gross for KiwiSaver
 - Can Modify Name
 - Eligible for PG
 - Exclude from Ordinary Earnings

Allowance Setup – Part time lump sum payment

3. Add the allowance to your employee's standard or current pay as required.

Note: This method is fine for anyone not working, or who is working and receiving a Salary. In the case of a working salaried employee, the Covid payment would be topped up by salary payment to meet correct total gross.

Option 2: Pay through 'Wages' in the current pay.

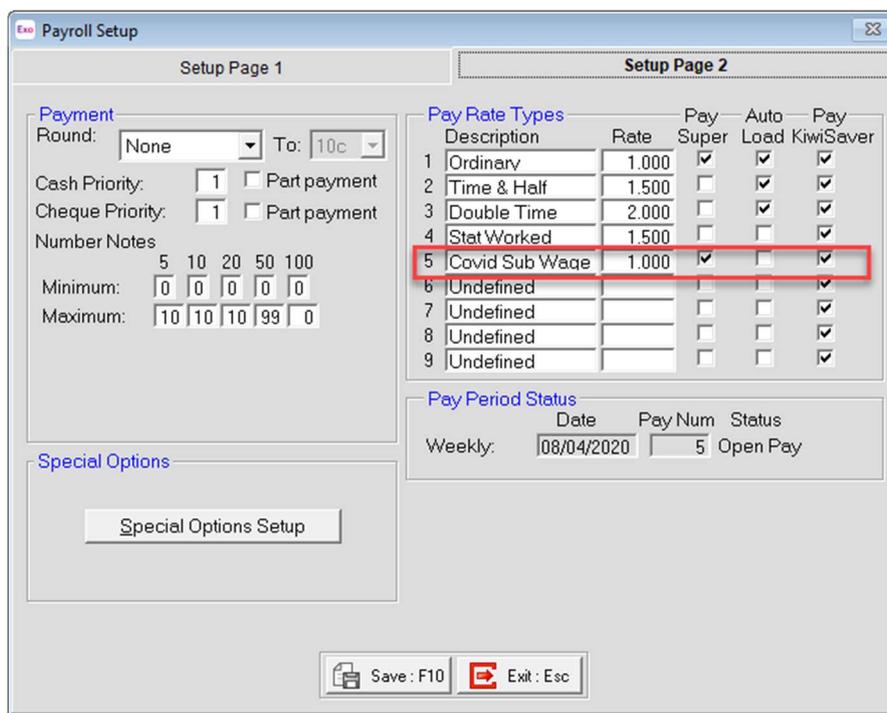
Using a Wage Type provides the ability to do one of 2 things:

1. Pay a non-working employee the Covid-19 subsidy based on waged hours at the set minimum wage rate or a set number of hours at their own hourly rate, or
2. Pay working employees the Covid-19 subsidy for hours worked at their normal rate – this is purely to show the subsidy being used.

Note that where you are processing the subsidy at the employees' hourly rate, you will need to determine the number of hours to pay at that rate, that will equate to the subsidy amount.

3. Set up and pay a new wage type:

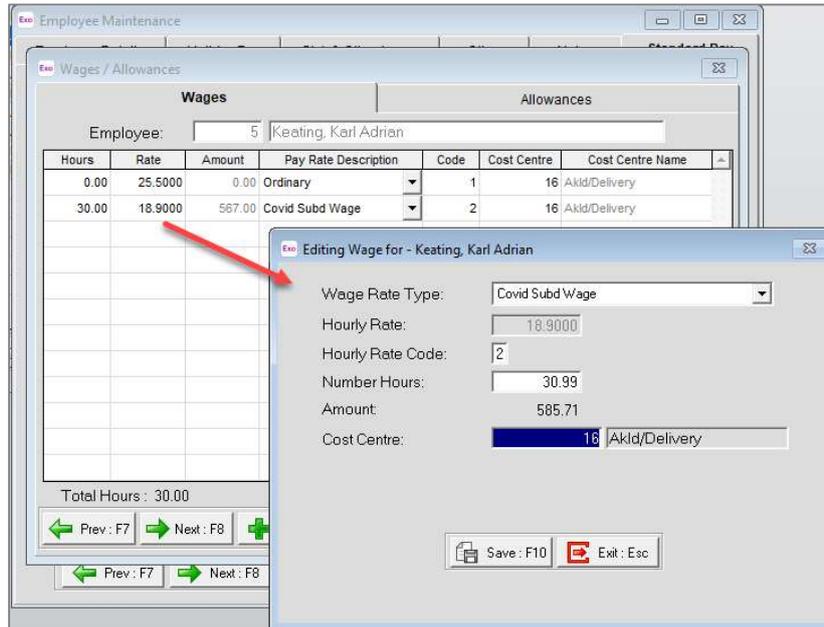
1. Go to Utilities > Setup Exo Payroll > Setup Page 2
2. Add a Pay Rate type to identify this payment.



4. Exo Payroll Setup Page 2

Note: If you choose to pay the subsidy at a rate different to the employees' normal hourly rate, you may need to set up a second rate for your employee. Refer "Multiple Wage Hourly Rates" in your help file to turn this on.

3. In your wages screen, click [Add:F4] to add a new wage line to pay the subsidy.



Full time payment to employee through wage lines – min wage

Essential Workers Leave Scheme

The original leave subsidy scheme was available for ALL employers and was intended to cover payments to any employees who were required to self-isolate. From 3 pm on 27 March 2020, this COVID-19 Leave Subsidy Payment was no longer available or required as all NZ employees were requested to stay at home, unless part of an essential business.

The Government has now released a new Scheme; from mid-day on 6 April 2020 essential employers will be able to access additional funding to support essential workers to take leave, under the new Essential Workers Leave Scheme. For information on who is entitled to this leave payment, please see the [Covid-19 website](#).

To pay the leave payment to employees in Exo there are 2 options, we recommend setting up an allowance for simplicity however you can also set this up as a User Defined leave type if you wish to see this payments on your leave reports.

Option 1: Set up an Allowance

4. Press [F2] on your keyboard for your maintenance menu and select Allowances.
5. Set up an allowance based on the following settings:

Code: 11

Name: Essential Leave - FT

Global Loading:

Calculation Method: Fixed Dollar Amount

Amount: 585.8000

Pay Rate Type: All

Maximum Number: 0.00

Wage Rate Code:

Type: Normal

Cost Centre: Employee's Default

Override Tax Rate:

Options:

- Add to Gross for Holiday Pay
- Add to Gross for Super
- Add to Gross for Relevant Daily Rate
- Add Earning Levy
- Not Liable for ACC
- Add to Gross for KiwiSaver
- Can Modify Name
- Eligible for PG
- Exclude from Ordinary Earnings

Buttons: Prev: F7, Next: F8, Find: F9, Add: F4, Delete: F6, Exit: Esc

Allowance Setup – Full time lump sum payment

Code: 12

Name: Essential Leave - PT

Global Loading:

Calculation Method: Fixed Dollar Amount

Amount: 350.0000

Pay Rate Type: All

Maximum Number: 0.00

Wage Rate Code:

Type: Normal

Cost Centre: Employee's Default

Override Tax Rate:

Options:

- Add to Gross for Holiday Pay
- Add to Gross for Super
- Add to Gross for Relevant Daily Rate
- Add Earning Levy
- Not Liable for ACC
- Add to Gross for KiwiSaver
- Can Modify Name
- Eligible for PG
- Exclude from Ordinary Earnings

Buttons: Prev: F7, Next: F8, Find: F9, Add: F4, Delete: F6, Exit: Esc

Allowance Setup – Part time lump sum payment

6. Add the allowance to your employee's standard or current pay as required.

Note: You may also leave the amount blank in the allowance maintenance, and then enter the required amount into the current pay for each employee.

Option 2: Use a User Defined Leave Type

If you haven't already used these, you may use the User Defined Leave Types in Exo Payroll. This method is more complex than allowances, however it allows this leave to be included in leave reporting moving forward.

1. Go to Utilities > Exo Payroll Setup > Leave Management Setup button > and select which UD Leave Type to use.

Note: Both options will require you to manage a balances and payments for employees.

In this example we have used Other Leave:

The screenshot shows the 'Leave Management Setup' window with the following sections and options:

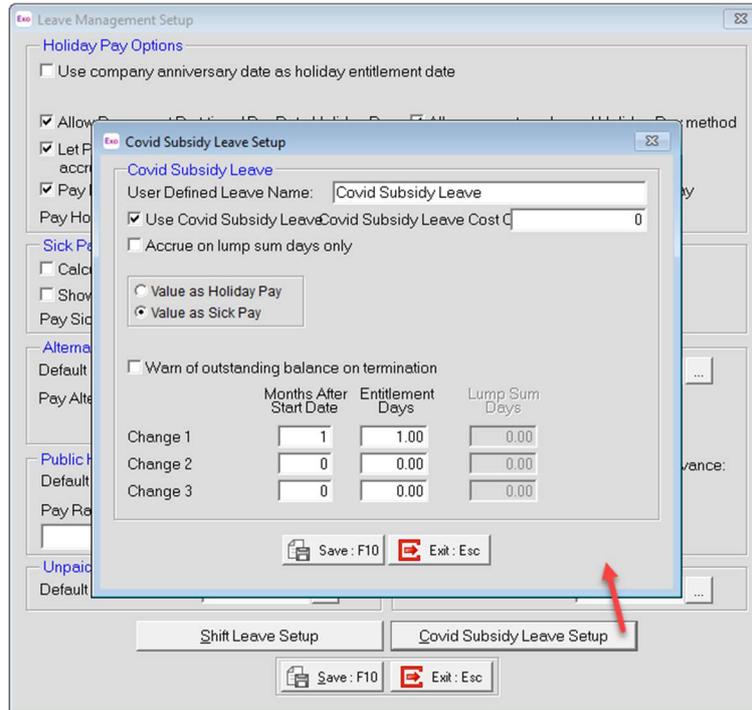
- Holiday Pay Options:**
 - Use company anniversary date as holiday entitlement date
 - Allow Permanent Part-time / Pro-Rata Holiday Pay
 - Let Permanent Part-time / Pro-Rata employees accrue more than their annual entitlement
 - Pay Period Valuation Method
 - Pay Holiday Pay in: Days Hours
 - Allow percentage based Holiday Pay method
 - Use Holiday Pay Groups
 - Enable Closedown % only Holiday Pay
- Sick Pay / Special Leave Options:**
 - Calculate Sick Pay Amount for Salaried employees
 - Show as "Special Leave"
 - Pay Sick Pay in: Days Hours
- Alternative Leave:**
 - Default Cost Centre: 0
 - Pay Alternative Leave in: Hours Days
- Public Holiday:**
 - Default Cost Centre: 0
 - Pay Rate Type for Relevant Hourly Rate: [Dropdown]
- Unpaid Leave:**
 - Default Cost Centre: 0
- Domestic Violence Leave:**
 - Default Cost Centre: 0
 - Leave name to display on all payslips: Wages
 - If Domestic Violence Leave is paid in advance:
 - Reduce next year entitlement
 - Do not reduce next year entitlement
- Bereavement Leave:**
 - Default Cost Centre: 0

At the bottom, the 'Other Leave Setup' button is highlighted with a red rectangle. Below the buttons are 'Save : F10' and 'Exit : Esc' buttons.

Exo Payroll Setup – Leave Management

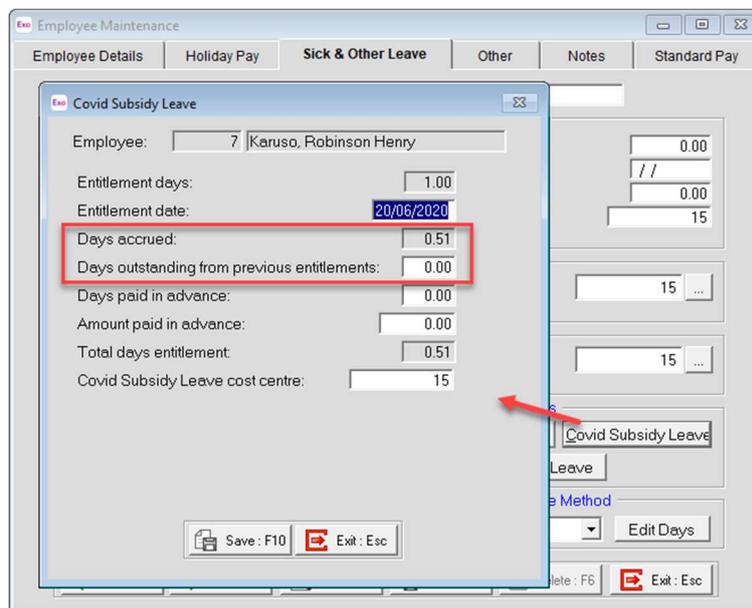
2. Click on the Other Leave Setup Button and change the name to reflect the subsidised leave type and tick the 'Use {Leave Name}' tick box.
3. In this example, we have provided a very minimal entitlement to minimise leave liabilities on reports. You may provide employees with a balance if you wish.

Note: Ensure you don't show this leave as a balance on payslips.



Exo Payroll Setup – Turn on User Defined Leave

4. Go to your employee maintenance, you can maintain a balance if you wish to add additional days/hours to take. If there is no balance, the system simply allows it to be paid as an 'Advanced' payment.



Employee User Defined Leave Setup

5. In a current pay:
 - a. Select the new leave type and enter the number of days you wish to record.
 - b. Enter the days taken in the calendar
 - c. Override the value so show the correct amount paid for the period being paid. E.g. Full-time payment, weekly = \$585.80, or fortnightly = \$1171.60

Leave Management

7 (KARUSO) Karuso, Robinson Henry

Covid Subsidy Leave

Summary

Holiday

Sick

Public Holiday

Alternative

Bereavement

Domestic Violence

Long Service

Unpaid

Shift Leave

Covid Subsidy Leave

Days Accrued: 0.51

Days Outstanding: 0.00

Days Advanced: 0.00

Total Days Entitlement: 0.51

Days Taken: 5.00

Amount: Override 585.80

Cost Centre: 15

Employment Details

Standard Pay Salary 0.00

Standard Pay Wages 780.00

Employment Basis Full-Time / Permanent

Hours Per Pay Period 0.00

Hours Per Standard Day 8.00

Default Cost Centre 15 Akld/Packaging

Phone Number 123-4567

Email karuso

Taxation Details

IRD Number 044-444-445

Tax Code M

ESCT Rate Calculated Rate: 10.5%

Leave Calculation Details

Holiday Pay

Ordinary Daily Rate Method: Standard Pay

Rate Type	Gross Liab	Days Paid	Rate
Standard Pay	780.00	5.00	156.00
4 Week Average	1740.00	15.00	116.00
12 Month Average	5100.00	50.00	102.00

Relevant Rate

Relevant Hourly Rate Method: Standard Pay

Rate Type	Gross Liab	Hours Paid	Rate
Standard Pay	780.00	40.00	19.5000
Average Daily Pay	5100.00	400.00	12.7500
Hourly Rate			19.5000
Special Rate			0.0000

*Type used in calculation

Save: F10 Exit: Esc

Exo Payroll – Current Pay Leave Management screen

Paying top ups in Exo Payroll

The Government has clarified that under the wage subsidy scheme, all businesses accessing the scheme must still undertake best endeavors to pay employees at least 80% of their ordinary income.

The ordinary wages or salary of an employee is as specified in the employee's employment agreement as at 26 March 2020.

Where it is not possible to pay employees 80% – in particular where a business has no activity whatsoever due to the shutdown and workers are not working any hours – they must pass on at least the whole value of the wage subsidy to each affected worker.

Methods for paying lump sum top up amounts are as follows:

1. Fixed Dollar Allowance

Set up a new allowance in the same manner as the Wage Subsidy allowance above. Calculate the top up value you wish to pay and pay as one amount.

The screenshot shows the 'Allowance Maintenance' dialog box. The 'Code' field contains '12'. The 'Name' field contains 'Covid Pay Top Up'. The 'Calculation Method' is set to 'Fixed Dollar Amount'. The 'Amount' field is '0.0000'. The 'Pay Rate Type' is 'All' and 'Maximum Number' is '0.00'. The 'Wage Rate Code' is empty. The 'Type' is 'Normal'. The 'Cost Centre' is 'Employee's Default'. The 'Override Tax Rate' is empty. The 'Options' section has the following checked items: 'Add to Gross for Holiday Pay', 'Add to Gross for Super', 'Add to Gross for Relevant Daily Rate', 'Add to Gross for KiwiSaver', and 'Add Earning Levy'. There are also unchecked options: 'Can Modify Name', 'Not Liable for ACC', 'Eligible for PG', and 'Exclude from Ordinary Earnings'. At the bottom, there are buttons for 'Prev: F7', 'Next: F8', 'Find: F9', 'Save: F10', 'Cancel', and 'Exit: Esc'.

Fixed Dollar Amount Allowance

2. Salary Payment

If your employee is paid via Salary, you can choose to pay the top up amount by simply changing the value of the salary in the current pay.

E.g. Salary + Wage subsidy payment = Total Gross.

Weekly Current Pay | Pay Number: 15 | Period Ending: 29/03/2020 | Physical Pay Date: 31/03/2020

21 (GILES) Giles, Harrison Relf

Pay Item	Units	Rate	Total
*Salary			294.20
Wages	0.00 hours	0.0000	0.00
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
Domestic 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			585.80
Pre-Tax Deductions			0.00
Gross Taxable Earnings			880.00
PAYE (includes student loan repayment of \$0.00)			147.38
Employee KiwiSaver			0.00
Non-Taxable Allowances			0.00
Post-Tax Deductions			0.00
Rounding:			0.00
Net Pay			732.62
Employer KiwiSaver			0.00
Employer Superannuation			0.00

Days paid for Holiday Pay: 5.00 for Relevant Daily Rate: 5.00 * Amount Overridden

Current Pay Screen – Salary Employee

3. Wages Payment

If you wish to pay standard hours at your employees’ hourly rate, process as normal through your employees Wages section in the current pay.

Wages / Allowances

Employee: 2 Andrews, Thomas Harley

Hours	Rate	Amount	Pay Rate Description	Code	Cost Centre	Cost Centre Name
15.00	25.5000	382.50	Ordinary	1	15	Akld/Packaging
0.00	25.5000	0.00	Time & Half	1	15	Akld/Packaging

Total Hours : 15.00

Current Pay Screen – Wage Entry



Other items to consider and investigate:

- Where you are setting up new wage and allowance payments, consider other systems that may be impacted such as Exo Time and Attendance or MyStaffInfo, or other external packages that you may be importing information from.
- Wherever you chose to pay any standard leave entitlements for workers always adhere to 'normal' processing rules and rates and consider any changes to working patterns as they relate to entitlements under the Holidays Act.
- As always, if you are unsure on your obligations, seek advice from your employment specialist or the government websites.
- We have received queries in regard to topping up using an employee's leave entitlement – the guidance on this is unclear so for any queries regarding this please seek advice.
- Any other leave paid (i.e. Annual, Sick, Alt, PH) should be paid in full against the appropriate leave types, for tracking and auditing purposes later. If you are unsure how or what to pay, please seek advice.