MYOB EXO Employer Services

2015.1

Leave Management

Momentum Software Solutions

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Leave Management MYOB EXO Employer Services 2015.1

The 2015.01 release of MYOB EXO Employer Services introduce significant changes to how employee's leave entitlements are managed in EXO Payroll.

By default, the leave management changes are not applied; after upgrading to 2015.1 or later, leave functionality remains as it was in previous versions.

The new functionality must be activated manually by one of our consultants.

Note: Once the new functionality has been activated, it is not possible to go back to the old functionality and changes will apply to all the entities.

Before Activation of the new Leave Management Functionality the Client has:
1. Reviewed the release notes to ensure they are familiar with the changes and work that will be involved once turned on.
2. Completed any current pays.
3. Reindexed each entity.
4. Reconciled your employees' leave entitlements.
5. Printed/saved at least the Leave Balances report and validated its accuracy.
6. Backed up all your entities using the Utilities/Backup option.

After Activation of Leave Management Functionality
- Verify that your leave groups are correct, and ascertain if any entitlements need to be adjusted or updated.
- Check that the LSL Period entitlement calculation is correct and suitable for your entities and not just the defaults from MYOB online help or demo company.
- Set the Default Employee leave groups ready for new employees.
- Check that these settings in Leave Management Setup are what you require.
- Check the Leave Entitlement Adjustment window after upgrading to this version, to check that the Actual Accrual amounts match the employees' accrued leave before the upgrade.
- Check that employees belong to the correct Leave Groups and the balances are still correct.

New Features
- More options in Leave Groups.
- Default Leave Groups for new Employees.
- Accrual of Leave is more flexible for staff with variable hours.
- Entitlement YTD Adjustment Utility now enables the entering of adjustments to employees' year-to-date leave entitlements efficiently.
- Leave Maintenance tab on Employee Maintenance has been locked and adjustments occurs on a separate screen accessed from the Details button.
- Changes to Leave Groups and Anniversary Dates are date driven.
- One off pays now update leave accruals.

Leave Groups

Leave Groups allow you to set award-based rules and then place employees in their appropriate group/award. Accessed from Maintenance>Groups>

**TASK FOR IMPLEMENTATION - Verify that your leave groups are correct, and ascertain if any entitlements need to be adjusted or updated.

Annual Leave Groups

The changes to this group now enables automatic roll-overs into an employee's next entitlement and also lets you split accumulating annual leave where the annual leave entitlement has changed over the course of an annual leave year without restriction.

This means that you could have an employee starting at 160 hours entitlement. After 72 months (6 years) service the employee's entitlement goes up to 200 hours.

These entitlements are automatically given to the employee on the appropriate service anniversaries.

If you have a company anniversary, you are also able to split the accumulation of annual leave over an annual leave pay year.

Annual Leave Groups are added and edited using the following window:

Method Calendar - Accrues leave on the basis of days worked as they accumulate across a theoretical "calendar of pay periods".

Method Hours - This method accrues leave based on the employee's actual hours of work. If an employee is part time and does not work a set number of days per week, MYOB recommends the Hours method.

Full Time Hours Per Year - This field is only required for the Hours method. Specify the hours that the employee would theoretically be paid for if they were to work full-time for the whole year (this is usually 1976 hours (38hr week)).

Cap Accruals Per Pay Period - When using the Hours method, it is possible for employees to accrue more than their entitled leave if they work more than the standard hours. Select this option to prevent the employee from accruing more than their entitled leave.

Months after Start Date - Enter the number of months after an employee's start date that the first change in their Annual Leave will take place. Accrual usually commences as of the employee's start date; for the initial entitlement, this value should therefore be set to 0 months. Set this value to a specific number months only if a new accrual line is needed to cover a change in accrual rate during the employment period. The accrual will be carried over based on the anniversary of either the employee's start date or the company anniversary date, if there is one.

Period Entitlement - Enter the number of hours the employee is to receive on their entitlement date.

Personal Leave Groups

The changes allow you to create groups of personal pay rules that automatic roll-overs into an employee's next entitlement and can be assigned to employees in the Employee Maintenance window.

Personal Leave Groups are added and edited using the following window:
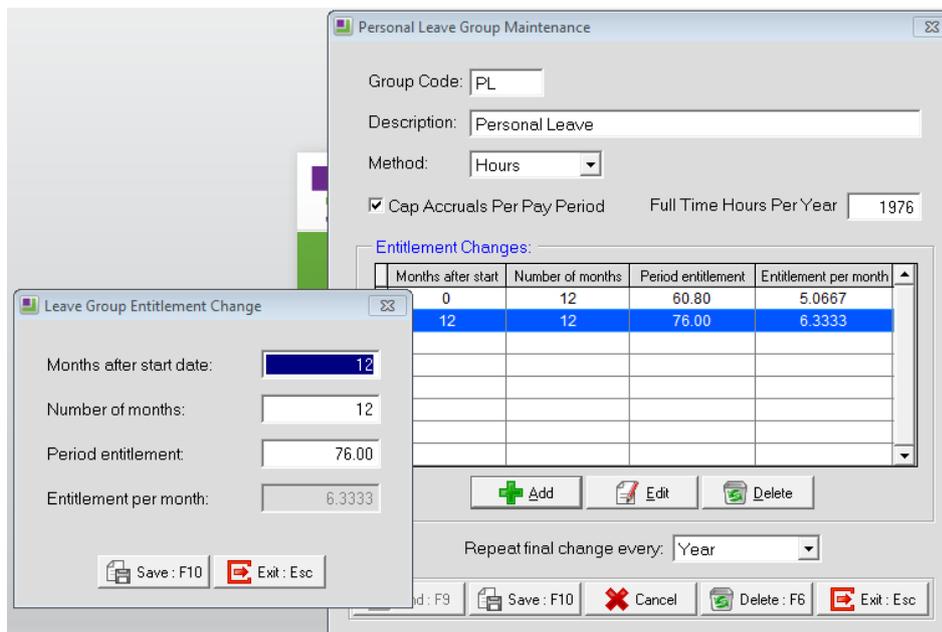
Method Calendar - Accrues leave on the basis of days worked as they accumulate across a theoretical "calendar of pay periods".

Method Hours - This method accrues leave based on the employee's actual hours of work. If an employee is part time and does not work a set number of days per week, MYOB recommends the Hours method.

Full Time Hours Per Year - This field is only required for the Hours method. Specify the hours that the employee would theoretically be paid for if they were to work full-time for the whole year (this is usually 1976 hours (38hr week)).

Cap Accruals Per Pay Period - When using the Hours method, it is possible for employees to accrue more than their entitled leave if they work more than the standard hours. Select this option to prevent the employee from accruing more than their entitled leave.

Repeat Final Change Every - Select how often the final entitlement entry should repeat once it expires.

Months after Start Date - Enter the number of months after an employee's start date that the first change in their Personal Leave will take place. Accrual usually commences as of the employee's start date; for the initial entitlement, this value should therefore be set to 0 months. Set this value to a specific number months only if a new accrual line is needed to cover a change in accrual rate during the employment period. Each accrual line will be rolled into carry-over based on the start date of the following group entitlement rule, such as 12 months, 18 months, etc, and taking into account any repeat rule in group maintenance.

Number of Months - Enter the length of the entitlement period in months.

Period Entitlement - Enter the number of hours the employee is to receive on their entitlement date.

Long Service Leave Groups

Allows you to create groups of long service types. Employees can be placed in the appropriate group, so that these entitlements are automatically given to the employee after the appropriate length of service. This Group has only slightly changed – more information on the main screen.

Long Service Leave Groups are added and edited using the following window:

Method Calendar - Accrues leave on the basis of days worked as they accumulate across a theoretical "calendar of pay periods".

Method Hours - This method accrues leave based on the employee's actual hours of work. If an employee is part time and does not work a set number of days per week, MYOB recommends the Hours method.

Full Time Hours Per Year - This field is only required for the Hours method. Specify the hours that the employee would theoretically be paid for if they were to work full-time for the whole year (this is usually 1976 hours (38hr week)).

Cap Accruals Per Pay Period - When using the Hours method, it is possible for employees to accrue more than their entitled leave if they work more than the standard hours. Select this option to prevent the employee from accruing more than their entitled leave.

Months after Start Date - Enter the number of months after an employee's start date that the first change in their Long Service Leave will take place. For the initial entitlement, set this value to 0 months if the accrual commences as of the employee's start date. Set this value to a specific number months if the accrual is to result in a further allocation of leave during the employment period. Each accrual line will be rolled into carry-over based on the start date of the following group entitlement rule, such as 120 months, 180 months, etc. and taking into account any repeat rule in the payroll setup.

Number of Months - Enter the length of the entitlement period in months.

Period Entitlement - Enter the number of hours the employee is to receive on their entitlement date.

Entitlement per month - This field displays the number of hours the employee accrues each month, i.e. the period entitlement divided by the number of months.

Scenario
Company has a high staff turnover in the first 3 years of employment, they therefore only want to start to accrue LSL after the 3rd year. At 5 years there should be 5 years of accrued LSL.

0-3 year	0 years accrual
4-5 years	5 years accrual
5-10 years	5 years accrual
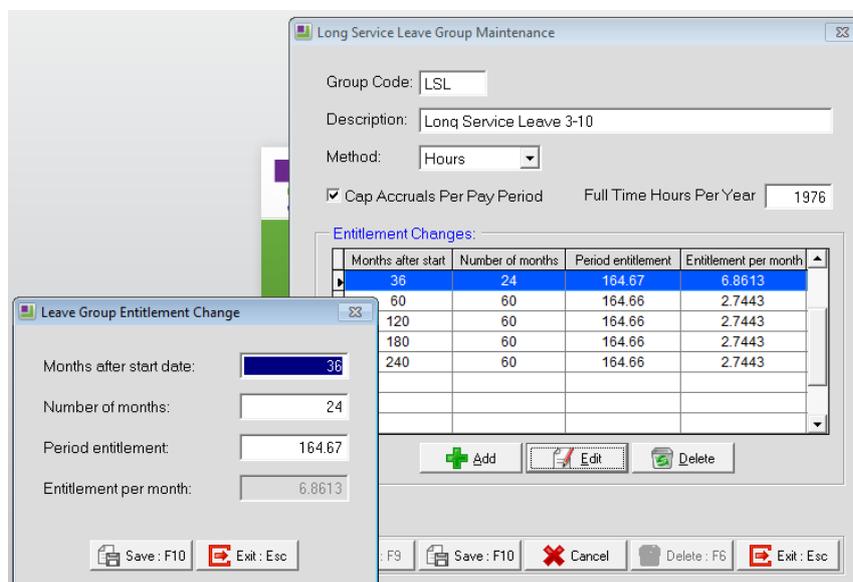
**TASK FOR IMPLEMENTATION – Check that the LSL Period entitlement calculation is correct and suitable for your entities and not just the defaults from MYOB online help or demo company.

Employee Leave Groups Defaults

A new Leave groups screen is available in the Employee defaults setup section of the Setup Payroll window:
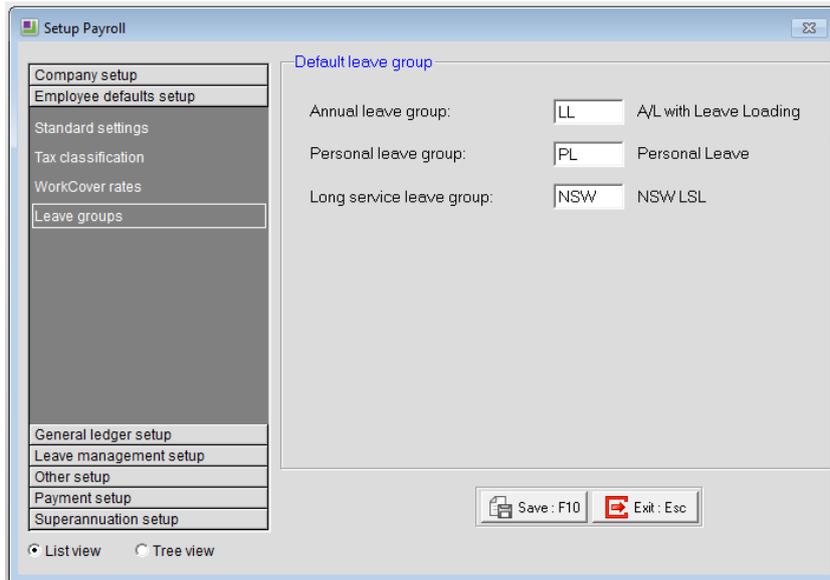
**TASK FOR IMPLEMENTATION – Set the Default Employee leave groups ready for new employees.

Leave Management Setup

New options have been added to the Annual leave, Long service leave and Personal leave screens under Leave management setup.

If employees work extra hours during the year/entitlement period, it may be possible for them to accrue more leave than their entitlement for the period. The new Allow employees to accrue more leave than the current period entitlement options determine whether employees' leave accruals should be capped at the entitlement amount, or if they should be allowed to exceed the entitlement.

Note: These settings apply to the total accrual over the entire entitlement period—they are separate from the existing Cap Accruals Per Pay Period options for leave groups or entitlements, which apply to individual pays.

**TASK FOR IMPLEMENTATION – Check that the settings in Leave Management Setup are what you require.

Annual Leave

For Annual Leave, if the option to **'Do not allow employees to exceed their entitlement is selected'**, two sub-options are available to indicate how annual leave should be capped:

- Use a proportion of the annual entitlement as the maximum accrual in each period, e.g. when accruing leave over a six month period, the maximum accrual for the period would be half of the annual entitlement.
- Use the annual entitlement as the maximum accrual in each period.

Personal Leave

Allow employees to accrue more leave than current period entitlement

If employees work extra hours during the entitlement period, it may be possible for them to accrue more leave than their entitlement for the period. This option determines whether employees' leave accruals should be capped at the entitlement amount, or if they should be allowed to exceed the entitlement.

Long Service Leave

This setting applies to the total accrual over the entire entitlement period - it is separate from the existing Cap Accruals Per Pay Period options for leave groups or entitlements, which apply to individual pays.

On rollover of the final entitlement record

This setting determines what will happen when an employee reaches the end of the final entitlement period. A new entitlement record is always created when the final record rolls over - two options are available for how this new record should be populated:

- Create a blank entitlement record – the new record will cover an equivalent time period to the final record, e.g. if the final record specified a period of five years, the period will end five years from the end of the final record. However, no entitlement amount will be set—the employee will not accrue any leave during this period.

- Create a record based on the final entitlement record – the new record will cover an equivalent time period to the final record, and will inherit all other entitlement details from the final entitlement record. The employee will continue to accrue Long Service Leave at the same rate as they did during the last entitlement period.

Selecting the Create a blank entitlement record option means that the system will behave as it did in previous versions.

Other Leave

This sub-section contains settings that affect areas of the system's behaviour regarding leave accruals.
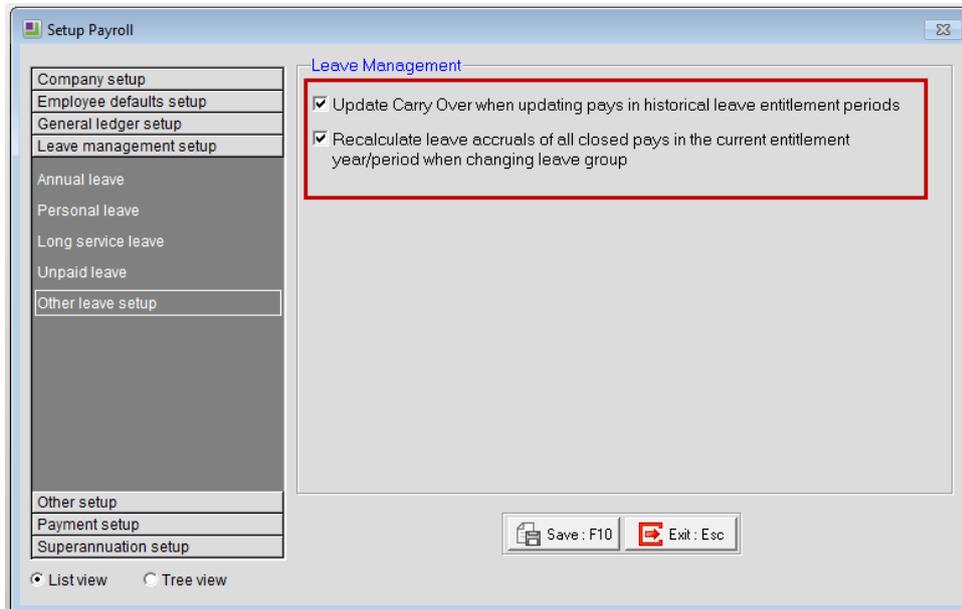
Update Carry Over when updating pays in historical leave entitlement periods
When processing a back pay into a previous leave entitlement period, the employee's hours paid will increase, which will increase their accrued entitlement in the historical period. If this option is ticked, then the employee's Carry Over amount in the current period will be increased to reflect the employee's accrual from the historical period. If this option is not ticked, the employee's Carry Over amount will not be changed.

Recalculate leave accruals of all closed pays in the current entitlement year/period when changing leave group
If this option is ticked, then when changing a leave entitlement record for an employee, the leave accruals in any closed pays that fall within the entitlement period will be recalculated. If this option is not ticked, closed pays will not be altered—this may be desirable if the accruals in the closed pays have already been posted to the General Ledger, for example.

Anniversary Dates

The new leave management system behaves differently with regard to employees' anniversary dates. In previous versions, ticking the Use company anniversary date as annual leave entitlement date setting in the Leave management setup > Annual leave section gave you the option of applying the company anniversary date to all existing employees.

Changing this setting no longer has any effect on existing employees; its value affects new employees only.

The system will only alter an employee's Annual Leave anniversary date if:
- The employee has zero Annual Leave balances (YTD, Carry Over and Advanced),
- The Use company anniversary date as annual leave entitlement date setting is unticked,
- The employee's Start Date is changed.

In this case, the system will automatically change the anniversary date to be the same as the updated Start Date. In all other cases, the anniversary date remains unchanged, e.g. changing an employee's Start Date when they have non-zero leave balances will not affect their anniversary date.

Entitlement YTD Adjustment Utility

A new utility is available for entering adjustments to employees' year-to-date leave entitlements. Selecting Leave Entitlement Adjustment from the Utilities menu opens the new Leave Entitlement Adjustment window:

This window displays the current YTD leave entitlements for all employees. Only the Adjusted Hours and Adjusted Accrual columns are editable—enter values into these columns to adjust employees' entitlements as necessary.

The Copy button at the bottom of the window copies all data from this window to the clipboard, so that it can be pasted directly into a spreadsheet.

The View History button opens the View Hours Paid History window for the selected employee.

TASK FOR IMPLEMENTATION – Check the Leave Entitlement Adjustment window after upgrading to this version, to check that the Actual Accrual amounts match the employees' accrued leave before the upgrade.

Immediately after an upgrade, the Adjusted Hours and Adjusted Accrual columns will display any adjustments that were made during the upgrade process to ensure that employees' balances remained the same after upgrading.

Employee Maintenance

- The Group field for each leave type is now read-only. The leave group is now set when editing entitlements.
- The Leave Method for each leave type is now displayed.
- The Balance Details column is now Leave Details. Clicking a Details button opens the re-designed Leave Entitlement window.
- A Change Group column has been added. Clicking a Change button in this column opens a new window where and employee's leave group and/or anniversary date can be changed.
- The Entitled to Leave Loading at … % option is now read-only.
- The Edit Hours Paid History button has been renamed to View Hours Paid History. The information that is displayed when this button is clicked is now read-only.

Editing Leave Entitlements

Clicking one of the Details buttons in the Entitlement Details column opens the Leave Entitlements window. Entitlements for all leave types can be edited on this window:

**TASK FOR IMPLEMENTATION – Check that employees belong to the correct Leave Groups and the balances are still correct.

Edit Button

By default, this window contains the entitlements specified by the employee's leave group; however, all of the details can be edited by double-clicking on a line or by selecting it and clicking the Edit button:

Each leave type has an edit window similar to the one above. All relevant details can be edited here, including the group code. Group codes are no longer required in leave entitlement entries; the Group Code field can be left blank. ? will display the list of groups.

These changes mean that leave groups now act more like templates for employees' leave entitlements—you can apply them to employees to set their initial entitlements, then edit the employees to make any specific changes to them.

The Annual Leave Entitlement window has a new Leave Loading % field, which allows you to enter a separate leave loading percentage for each entitlement line.

Upon saving edits to an entitlement line, the system immediately recalculates the accrued leave totals for all pays in the current year. This means that you can edit an employee's entitlement history and have these changes retroactively applied to all subsequent pay periods.

Change Group Button
The Leave Method, Leave Loading % and Cap Accruals Per Pay Period options are taken from the employee's leave group; they reflect the leave group's settings at the time the employee was added to the group. It is possible that the leave group has been edited since the employee was added, in which case the settings displayed here could differ from what is currently in the group.

Reset Anniversary Date Based on Change Date This option is available for Annual Leave only. If this option is ticked, the employee's Anniversary Date is updated to be the same as the Change Date entered. If a past date is entered, the leave rollover date will be one year after the change date; if a future date is entered, the rollover date will be the change date.
For Personal Leave, the Anniversary Date is always updated to be the same as the Change Date.

Leave Balances
The leave balance windows that were previously available from the Leave Entitlement tab are now accessed by clicking the Change Carry Over buttons in the Leave Entitlement editing window. These windows feature new fields:

A new Less Accrued Taken field shows the amount of accrued leave that has been taken in the current payroll year.

Note: These changes are also reflected in the leave balances displayed on the Termination Wizard.

Leave Loading
Employee Leave Loading is now always determined by the Leave Loading percentage on the employee's current Annual Leave entitlement. This has the following additional effects on the system:
- The Entitled to Leave Loading at … % option has been removed from the Tax classification screen in the Employee defaults setup section of the Setup Payroll window.
- The Entitled to Leave Loading at … % option on the Leave Entitlements tab of the Employee Maintenance window is now read-only.

Hours Paid History

The Edit Hours Paid History window is now the View Hours Paid History window. As employees' past leave accruals can now be edited on the Leave Entitlement window, there is no need to edit them on this window; the information presented is now **read-only**:
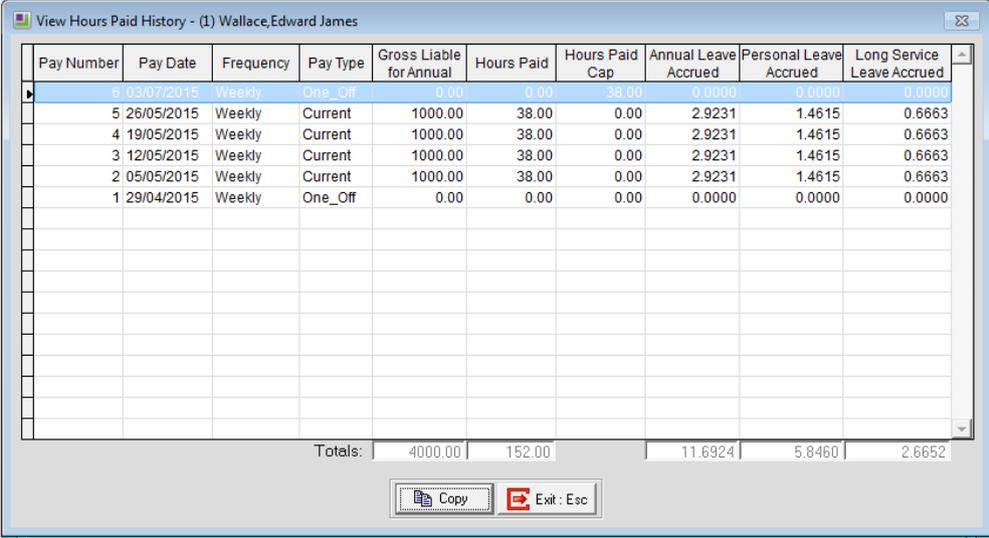
Pay Number	Pay Date	Frequency	Pay Type	Gross Liable for Annual	Hours Paid	Hours Paid Cap	Annual Leave Accrued	Personal Leave Accrued	Long Service Leave Accrued
6	03/07/2015	Weekly	One_Off	0.00	0.00	38.00	0.0000	0.0000	0.0000
5	26/05/2015	Weekly	Current	1000.00	38.00	0.00	2.9231	1.4615	0.6663
4	19/05/2015	Weekly	Current	1000.00	38.00	0.00	2.9231	1.4615	0.6663
3	12/05/2015	Weekly	Current	1000.00	38.00	0.00	2.9231	1.4615	0.6663
2	05/05/2015	Weekly	Current	1000.00	38.00	0.00	2.9231	1.4615	0.6663
1	29/04/2015	Weekly	One_Off	0.00	0.00	0.00	0.0000	0.0000	0.0000
Totals:				4000.00	152.00		11.6924	5.8460	2.6652

One-Off Pays

In previous versions, employee's leave accruals were only updated when the Current Pay was updated. Accruals are now updated for One-Off Pays as well.