

How Leave Accruals are Impacted by EXO Payroll Setup

Exo Payroll Leave Accrual behaviour is governed by the Payroll Setting and how standard pays are setup. This document outlines these set up features to enable the company to accrue leave as required.

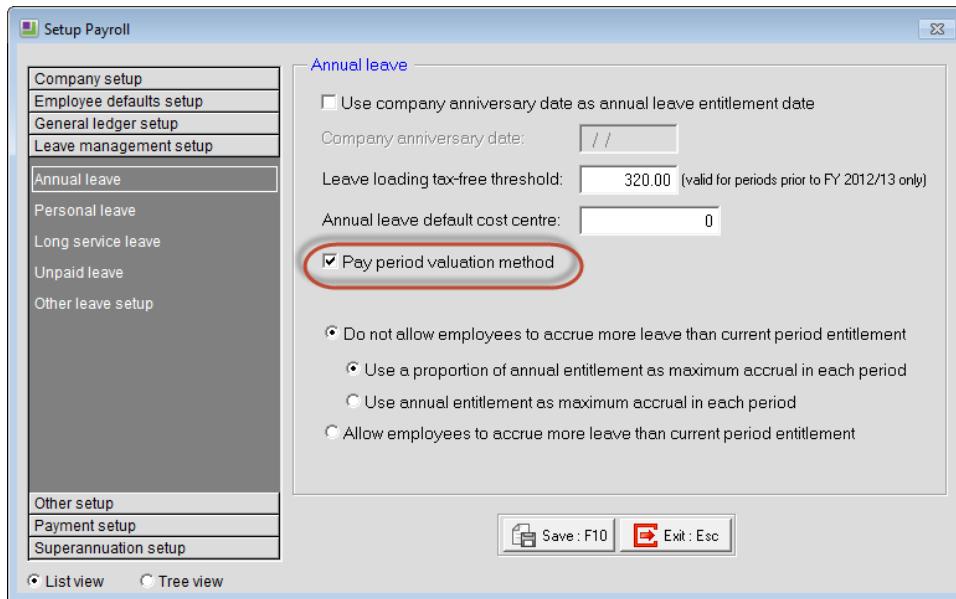
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1.1. Settings and Areas that Impact Leave Accruals

Pay Period Valuation Method setting – Exo Payroll Settings Annual Leave

This setting controls the accrual of leave, if ticked it will allow leave to be accrued even if equivalent hours haven't been worked. The calculation is based on the figure in Standard Pay – Hours Paid.



The screenshot shows the 'Setup Payroll' window with the 'Annual leave' section selected in the left-hand menu. The 'Annual leave' section contains the following settings:

- Use company anniversary date as annual leave entitlement date
- Company anniversary date: //
- Leave loading tax-free threshold: 320.00 (valid for periods prior to FY 2012/13 only)
- Annual leave default cost centre: 0
- Pay period valuation method (circled in red)
- Do not allow employees to accrue more leave than current period entitlement
- Use a proportion of annual entitlement as maximum accrual in each period
- Use annual entitlement as maximum accrual in each period
- Allow employees to accrue more leave than current period entitlement

At the bottom of the window, there are buttons for 'Save : F10' and 'Exit : Esc', and radio buttons for 'List view' and 'Tree view'.

If unticked, leave will calculate on actual hours worked as per the current pay run.

Standard Hours - Employee details

Caps the leave accrued from the Hours Paid. This is important as it is possible to alter Hours Paid during Pay Runs and you may want to control the maximum hours for leave accrual calculations.

This occurs either independently of hours paid when Pay Period Valuation Method is ticked or by default if Wages Hours is altered in the current pay with PPVM is not ticked.

Employee Maintenance

Employee Details | Leave Entitlements | Other | User Defined | Notes | Standard Pay

Required Information

Code: 1
Surname: Wallace
First Names: Edward James
Alpha Code: WALLACE
Start Date: 31/10/1997 Service: 17.9
Cost Centre: 2210 NSW/Accounts
Department: 2 Accounts

Pay Frequency: Weekly
Payslip Name: James Wallace
Address Line 1: 134 March Road
Address Line 2:
Suburb: Richmond
State: NSW Post Code: 3130
Country: Australia
Telephone: (02) 9223 9978
Mobile: 026-889-6557
Occupation: Accounts Clerk
 Apprentice

Tax Classification

TFN: 211212201 FTB: 0
Standard Employee
Medicare Exemption: None Scale 2
 Claim Tax Free Threshold
 Earnings are Not Liable for Payroll Tax
WorkCover: 3498 Use WorkCover rate
Male Full-time
Wage Permanent
Standard Hours: 38.00 per pay 7.60 per day
Birth Date: 18/01/1965 Age: 50.7
Due Back Date: //
Annual Review: //

Prev : F7 Next : F8 Find : F9 Save : F10 Delete : F6 Exit : Esc

Hours Paid - Standard Pay

When Pay Period Valuation Method is ticked, leave is accrued based on this figure and is capped by the Standard Hours.

This is important as Hours Paid can be altered during Pay Runs and you want to control the maximum hours for leave accrual calculations.

Employee Maintenance

Employee Details | Leave Entitlements | Other | User Defined | Notes | **Standard Pay**

Employee: 1 Wallace, Edward James

Wages
Allowances
Hourly Rates
Salary
Deductions
Non-Cash Benefits
Superannuation
Leave Management
Costing
PAYG
How Paid
Hours Paid
Default Payslip Note

Wages:	25,0000	900.00
Salary:		0.00
Allowance Taxable:		0.00
Deduction Pre-Tax:		200.00
Leave:		0.00
Gross Taxable:		700.00
PAYG: <input type="checkbox"/> Override		80.00
Allowance Non-Tax:		0.00
Deduction Post-Tax:		8.00
Rounding:		0.00
Net Pay:		612.00

Hours Paid: 40.00

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

Hours - Standard Pay Wages ordinary hours

If Pay Period Valuation Method is used, the Standard Pay Wages Hours controls the rate at which Leave Taken is calculated.

If this figure does not match Hours Paid then the hourly rate that leave taken is calculated on, will not be the same as the normal ordinary hours rate, it will be a pro-rata.

Hours	Rate	Amount	Pay Rate Description	Code	Cost Centre	Cost Centre Name
36.00	25.0000	900.00	Ordinary	1	2210	NSW/Accounts/Wages
0.00	25.0000	0.00	Time & Half	1	2210	NSW/Accounts/Wages
0.00	25.0000	0.00	Double Time	1	2210	NSW/Accounts/Wages

Total Hours : 36.00

If Hours is set to 0 then the Leave Taken rate will calculate from the Hours Paid figure.

When Pay Period Valuation is not used Leave Taken rate is based on the Standard Wages rate.

NOTE: In all instances if more than 1 rate applies to the employee, then it is calculated at Standard Rate 1 whether it is used in the current pay or not.

Capped Accruals per pay Period - Leave Groups

This caps the amount of leave accrued to the proportion of leave for the period, 1/52 of annual entitlement for weekly pay, 1/26th for fortnightly. This setting should be unticked where possible as eg 5 week months or 3 fortnight months will impact the accrual for the month.

Group Code: 38LL
 Description: 38 hours/week with Loading
 Method: Hours Leave Loading %: 17.50
 Cap Accruals Per Pay Period Full Time Hours Per Year: 1976

Months after start	Annual entitlement hours
0	152.00

1.2. Pay Period Valuation Method Switched on

It is very important to understand the impact of this setting and how it interacts with other areas before using it.

Here are some example settings:

All settings match

Current pay Wages Hours varied has no impact on accruals.

a.

Valuation Method	Ticked
Standard Hours	40 hours
Hours Paid	40 hours
Wages Hours	40 hours or 0
Cap Accruals per Period	Unticked
Current Pay Wages Hours	40 hours
Current Pay Hour Paid	40 hours
Leave accrued calculated at	40 hours
Leave Taken rated calculated at	40 hours

b.

Valuation Method	Ticked
Standard Hours	40 hours
Hours Paid	40 hours
Wages Hours	40 hours or 0
Cap Accruals per Period	Unticked
Current Pay Wages Hours	34 hours
Current Pay Hour Paid	40 hours
Leave accrued calculated at	40 hours
Leave Taken rated calculated at	40 hours

c.

Valuation Method	Ticked
Standard Hours	40 hours
Hours Paid	40 hours
Wages Hours	40 hours or 0
Cap Accruals per Period	Unticked
Current Pay Wages Hours	50 hours
Current Pay Hour Paid	40 hours
Leave accrued calculated at	40 hours
Leave Taken rated calculated at	40 hours

Wages hours set different to Hours Paid (not zero)

Impact is that the leave taken rate doesn't match rate accrued.

a.

Valuation Method	Ticked
Standard Hours	40 hours
Hours Paid	40 hours
Wages Hours	36 hours
Cap Accruals per Period	Unticked
Current Pay Wages Hours	40 hours
Current Pay Hour Paid	40 hours

Leave accrued calculated at	60 hours
Leave Taken rated calculated at	36 hours

b.

Valuation Method	Ticked
Standard Hours	40 hours
Hours Paid	40 hours
Wages Hours	36 hours
Cap Accruals per Period	Unticked
Current Pay Wages Hours	52 hours
Current Pay Hour Paid	40 hours
Leave accrued calculated at	60 hours
Leave Taken rated calculated at	36 hours

Current Pay Hours Paid Altered

Impact is leave accrued for this pay is based on Current pay Hours Paid

Valuation Method	Ticked
Standard Hours	40 hours
Hours Paid	40 hours
Wages Hours	40 hours or 0
Cap Accruals per Period	Unticked
Current Pay Wages Hours	52 hours
Current Pay Hour Paid	36 hours
Leave accrued calculated at	36 hours
Leave Taken rated calculated at	40 hours

Standard Hours Altered

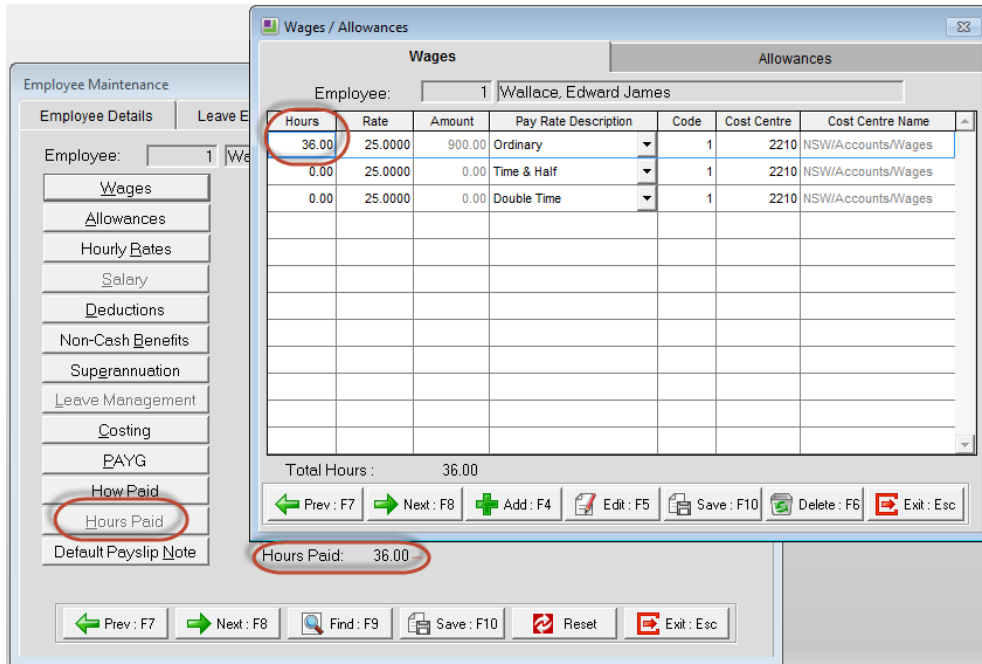
Impact is that leave accrued is capped at the Standard hours

Valuation Method	Ticked
Standard Hours	38 hours
Hours Paid	40 hours
Wages Hours	40 hours or 0
Cap Accruals per Period	Unticked
Current Pay Wages Hours	40 hours
Current Pay Hour Paid	40 hours
Leave accrued calculated at	38 hours capped
Leave Taken rated calculated at	40 hours

1.3. Pay Period Valuation Method Switched off

This option uses current paid hours to calculate the leave accruals.

Wages Hours and Hours Paid are linked, forced to be the same.



NOTE: Leave taken rate is at Wages Standard rate , if more than 1 rate applies to an employee, then it is calculated at Standard Rate 1 whether it is used in the current pay or not.

Here are some example settings:

All settings match

Current pay Wages Hours varied has no impact on accruals.

Valuation Method	Unticked
Standard Hours	60 hours
Hours Paid/ Wages Hours	60 hours
Cap Accruals per Period	Unticked
Current Pay Wages Hours	60 hours
Current Pay Hour Paid	60 hours
Leave accrued calculated at	60 hours

Current Pay Wages Hours less than Standard Hours

There is no impact to accruals

Valuation Method	Unticked
Standard Hours	60 hours
Hours Paid/ Wages Hours	60 hours
Cap Accruals per Period	Unticked
Current Pay Wages Hours/ Hour Paid	56 hours
Leave accrued calculated at	56 hours

Current Pay Wages Hours is more than Standard Hours

Impact is that accruals are capped at the Standard Hours.

Valuation Method	Unticked
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Standard Hours	45 hours
Hours Paid/ Wages Hours	60 hours
Cap Accruals per Period	Unticked
Current Pay Wages Hours/ Hour Paid	70 hours
Leave accrued calculated at	45 hours

1.4. Configuration Required

For clients so that leave accruals and rate for leave taken are correct. The following settings must be in place.

Pay Period Valuation Method	Ticked
Standard Hours	= Nominal agreed hours for leave accruals
Hours Paid	= Standard Hours
Wages Hours	= 0 or Standard Hours
Cap Accruals per Period	Unticked
Current Pay Wages Hours	Variable for current pay
Current Pay Hour Paid	= Standard Hours

1.5. Customisation Required

No customisation is required to support this process.

1.6. Change Management

Corrections need to be made to the existing payroll including leave already paid.

Training on how to set a new employee up correctly.

Training on how to check existing employees stay with correct settings.

1.7. Known Issues

There are no known issues that would impact this process.