# **Process Document General**

Document Type : Process Documentation					
Process :	Implications of delaying Termination of Employee's in MYOB EXO Payroll				
Note:	This document relates to the 'Pay Period Valuation Method' being switched on.				

Document Control							
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## 1.1. Settings Impacting 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.

Setup Payroll	83
Company setup Employee defaults setup General ledger setup Leave management setup Annual leave Personal leave Long service leave Unpaid leave	Annual leave Use company anniversary date as annual leave entitlement date Company anniversary date: 77 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
Other leave setup Other setup Payment setup Superannuation setup	<ul> <li>Do not allow employees to accrue more leave than current period entitlement</li> <li>Use a proportion of annual entitlement as maximum accrual in each period</li> <li>Use annual entitlement as maximum accrual in each period</li> <li>Allow employees to accrue more leave than current period entitlement</li> </ul>

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

### 1.2. Impact of Not Terminating an Employee Straight Away

As the Pay Period Valuation Method accrues leave each period without regard to the number of hours worked, if the employee has left and they haven't been terminated in EXO Payroll, they will continue to accrue leave and the liability will continue to be posted to EXO Business.

It is also important to note that if the employee is taking leave without pay and they are not under an Agreement or Award, leave doesn't need to be accrued. Refer Fair Work Australia National Employee Standards.



## 1.3. How to Identify Incorrectly Accrued Leave

- a. Difference between Leave Balances report when including and excluding Terminated Employees.
- b. Printing General Ledger Report and noticing that accruals are being posted without wages postings for either staff on unpaid leave or no longer working for the company.

Sort Order 1: Employee Code	So	rt Order 2:	Employee Code	
<ul> <li>Select report options</li> <li>Show employee totals         <ul> <li>Create a batch file</li> <li>Hide Leave Accruals</li> <li>Use Grossed up Value for Fringe Benefits</li> <li>Hide WorkCover</li> <li>Hide superannuation payment amounts</li> <li>Summary report type - show separate debits and credits for each GL</li> <li>When creating a batch file export</li> <li>All general ledger payments</li> <li>Export to accounting software</li> <li>None</li> <li>Report type</li> <li>Detail</li> <li>Select Pays Using</li> <li>Physical Pay Date</li> <li>Ext : Esc</li> </ul> </li> </ul>	account	   Exit: E	Pay Type: Current Selected Standard Pay Frequency: Weekly Options: Beport Options sc	

				Printed on: 01	September 2015 12:02:2
	The De	monstratio	on Comp	any	Page: 1
General Ledger Report					
Pay Period Ended: 15 July 2015 (Cur	rrent Pay)				
	Hours	Deb it	C red it	General Ledger	Description
1 Wallace, Edward James					
Annual Leave Accrued	0.00	69.23	0.00	9800-00	Wages Expense
Personal Leave Accrued	0.00	34.62	0.00	9800-00	Wages Expense
Long Service Leave Accrued	0.00	15.78	0.00	9600-00	Long Service Leave
Annual Leave Accrued	0.00	0.00	-69.23	9400-10	AL Provision
Personal Leave Accrued	0.00	0.00	-34.62	9400-20	Pers. Leave Provisio
Long S Leave Accrued	0.00	0.00	-15.78	9400-50	LSL Provision
	0.00	119.63	-119.63		
4 Smith, Sandra Olive					
Salary	0.00	1500.00	0.00	9800-00	Wages Expense
Deduction: 7 Social Club	0.00	0.00	-5.00	9900-60	Social Club
Direct Credit	0.00	0.00	-1139.00	9800-10	Net Pay Clearing
PAYG	0.00	0.00	-356.00	9900-20	PAYG Clearing
Long Service Leave Accrued	0.00	26.37	0.00	9600-00	Long Service Leave
Annual Leave Accrued	0.00	115.39	0.00	9800-00	WagesExpense
Personal Leave Accrued	0.00	57.71	0.00	9800-00	Wages Expense
Superannuation: 1 Industry Fund	0.00	142.50	0.00	9700-20	Employer Super
WorkCover	0.00	0.00	-24.64		
Annual Leave Accrued	0.00	0.00	-115.39	9400-10	AL Provision
Personal Leave Accrued	0.00	0.00	-57.71	9400-20	Pers. Leave Provisio
Long S Leave Accrued	0.00	0.00	-26.37	9400-50	LSL Provision
Superannuation(employer)	0.00	0.00	142.50	9700.00	Superannuation

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c. Leave accruals shows on Hours Paid History for employee for week that employee shouldn't have had accruals.

Uiew Hours Pa	aid History - (1	.) Wallace,Edw	ard James							23
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	A
▶										
6	03/07/2015	Weekly	One_Off	0.00	0.00	38.00	0.0000	0.0000	0.0000	
11	30/06/2015	Weekly	Current	0.00	36.00	38.00	2.7692	1.3846	0.6312	
10	23/06/2015	Weekly	Current	0.00	36.00	38.00	2.7692	1.3846	0.6312	
9	16/06/2015	Weekly	Current	900.00	36.00	38.00	2.7692	1.3846	0.6312	1
8	09/06/2015	Weekly	Current	900.00	36.00	38.00	2.7692	1.3846	0.6312	
7	02/06/2015	Weekly	Current	000.00	36.00	38.00	2 7602	1 39/6	0.6312	

# 1.4. How to Fix Incorrectly Accrued Leave

As a Result of Unpaid Leave

7 Robinson, Henry Karuso		$\bigcirc$		
Personal Leave Accrued	0.00	17.54	0.00 9800-00	Wages Expense
Long Service Leave Accrued	0.00	8.00	0.00 9600-00	Long Service Leave
Annual Leave Accrued	0.00	41.22	0.00 9800-00	Wages Expense
Annual Leave Accrued	0.00	0.00	-41.22 9400-10	AL Provision
Personal Leave Accrued	0.00	0.00	-17.54 9400-20	Pers. Leave Provisio
Long S Leave Accrued	0.00	0.00	-8.00 9400-50	LSL Provision
	0.00	66.76	-66.76	

Henry has not left the company, just taken unpaid leave.

- a. Go to the employee card Leave Entitlements page
- b. Add up the hours incorrectly accrued for each leave type from the Hours Paid History Page
- c. Go to the details page, select the current entitlement line and click edit at the bottom of the page.

Employee Maintenance				]	
employee mantenance	💵 Annual Leave Entitlem	ent (Current Period)			23
Leave Entitlement Annual Leave	Employee:	1 Wallace,Ed	dward James		
Employee: 1 Wallace	Start Date:	31/10/1997	End Date:	30/10/1998	
Carry Over: 0.00 YTD Accr	Group Code:	LL	Group Name:	A/L with Leave Loading	
	Annual Entitlement:	152.00	Leave Loading %:	17.50	
Start Date         End Date         Group         An Entity           31/10/1997         30/10/1998         LL         1	Leave Method:	Hours -			
	🔽 Cap Accruals Pe	r Pay Period	Full Time Hours:	1976	
	Hours Paid:	0.00	Adjusted Hours:		
	Calculated Accrual:	0.00	Adjusted Accrual:	-5.54	
	Actual Accrual:	5.54			
			🛉 Save : F10 💽 Ex	xit : Esc	
-		ΥI	D Totals:   0.00	0.00 0.00 5.54 5.54	
	1	1	-		
Copy Pay History	Change Group 📫 Ac	dd : F4 🕧 🚺 Edit :	F5 💽 Delete : F6	Delete All 💽 Exit : Esc	

d. Enter the adjustment amount and click Save





- e. Allow the recalculation so click Yes.
- f. Edit the other entitlements.
- g. These edits do put a note into the Employee Notes, I would however also add an additional note explaining the reason for the adjustments.

#### As a Result of Termination

To clear leave on terminated employees:

- a. Print the Leave History report with Terminated only to identify who requires fixing.
- b. Take note of their start and termination dates.
- c. Each employee needs to be reinstated at their original start date.

Employee Deta	Is Leave Entitlements Other User Defined Notes Standard Pay
Required Infor	mation Tax Classification
Code:	1 <u>B</u> einstate TFN: 211212201 FTB 0
Surname:	Wallace
First Names:	Edward James
Alpha Code:	WALLACE Medicare Exemption: None Scale 2
Start Date:	31/10/1997 Service: 17.8
Cost Centre:	2210 NSW/Accounts
Departmen	U Terminate/Re-instate Employee
Pay Frequen	te
Payslip Nam	Employee: 1 Wallace, Edward James
Address Line	
Address Line	Employee is currently: TERMINATED - On 15/07/2015
Suburb:	
State:	Re-instate Date: 31/10/1997
Country.	
Mobile:	Reinstate 🛛 💽 Exit : Esc
Decupation:	
Apprentice	Terminated: 15/07/2015



Yes to this question will clear the leave balances that remained after pervious termination.

Important	- check leave entitlement
<b></b>	Due to this employee has been reinstated, please review the employee's leave entitlements.
	This is to ensure that the correct accrual calculations are set for future pays.
	Do you wish to review the employee's leave entitlements now?
	Yes No

As you won't be keeping the reinstatement, No is ok to answer here.

- d. Check the Leave History including terminated report now matches the original on that excluded terminated.
- e. Re-terminate the employees at their original termination dates using One-off pays.

#### Check the Balance of the Leave History Report

Check against the balance of the Provision for Leave accounts in your accounting system, if they no longer match you will need to do adjusting journals in EXO Business.

### 1.5. Configuration Required

Consideration should be given to the importance of leaving Pay Period Valuation Method switched on.

#### 1.6. Customisation Required

No customisation is required to support this process.

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# 1.7. Change Management

Corrections need to be made to the existing payroll and EXO Business for leave accrual adjustment.

Training on correct process for departed employee.

#### 1.8. Known Issues

There are no known issues that would impact this process.

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