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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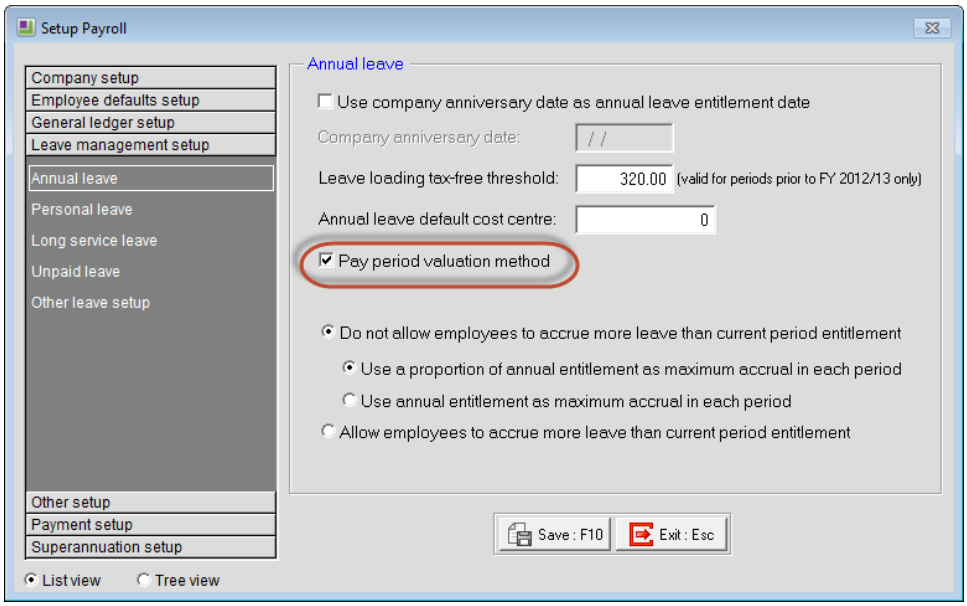
1.1. Settings Impacting Leave Accruals

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.



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

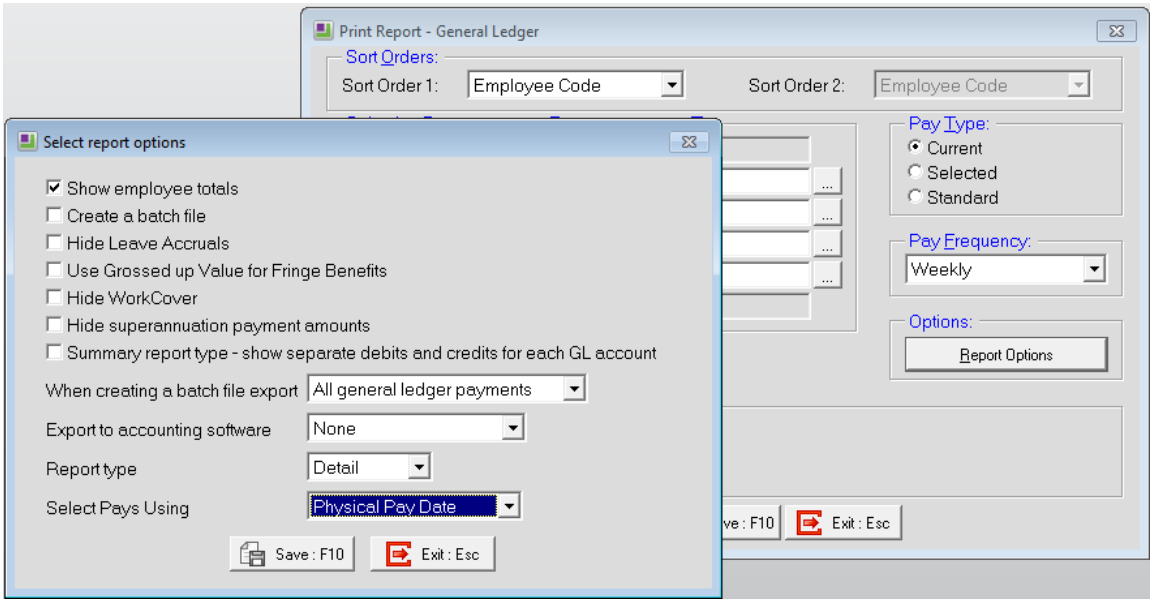
As the Pay Period Valuation Method accrues leave each period without regard to the number of hours worked, if the employee has left and they haven't been terminated in EXO Payroll, they will continue to accrue leave and the liability will continue to be posted to EXO Business.

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.



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The Demonstration Company

General Ledger Report

Pay Period Ended: 15 July 2015 (Current Pay)

	Hours	Debit	Credit	General Ledger	Description
T **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	Wages Expense
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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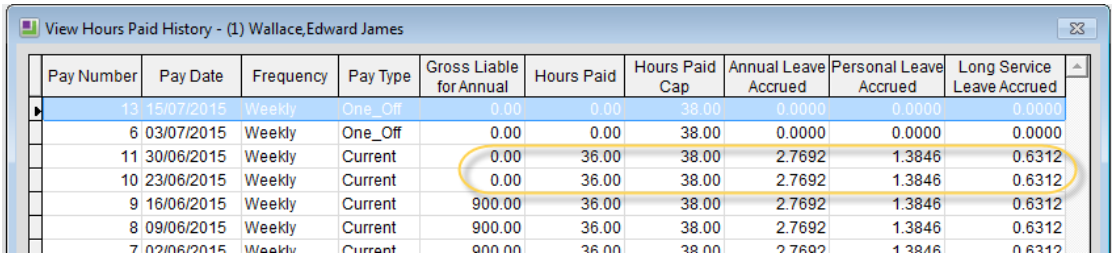
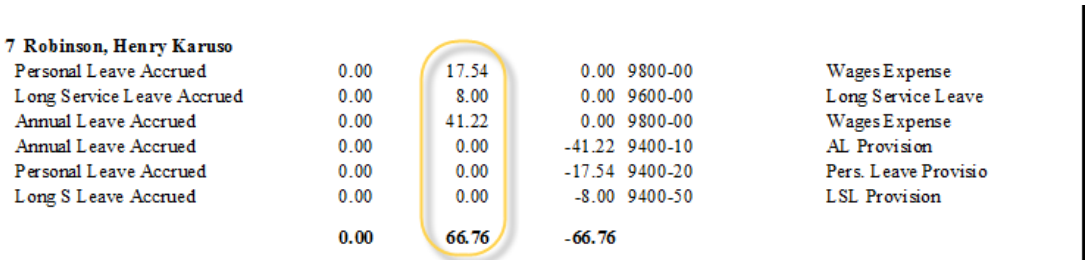
c. Leave accruals shows on Hours Paid History for employee for week that employee shouldn't have had accruals.



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
13	15/07/2015	Weekly	One_Off	0.00	0.00	38.00	0.0000	0.0000	0.0000
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
8	09/06/2015	Weekly	Current	900.00	36.00	38.00	2.7692	1.3846	0.6312
7	02/06/2015	Weekly	Current	900.00	36.00	38.00	2.7692	1.3846	0.6312

1.4. How to Fix Incorrectly Accrued Leave

As a Result of Unpaid Leave

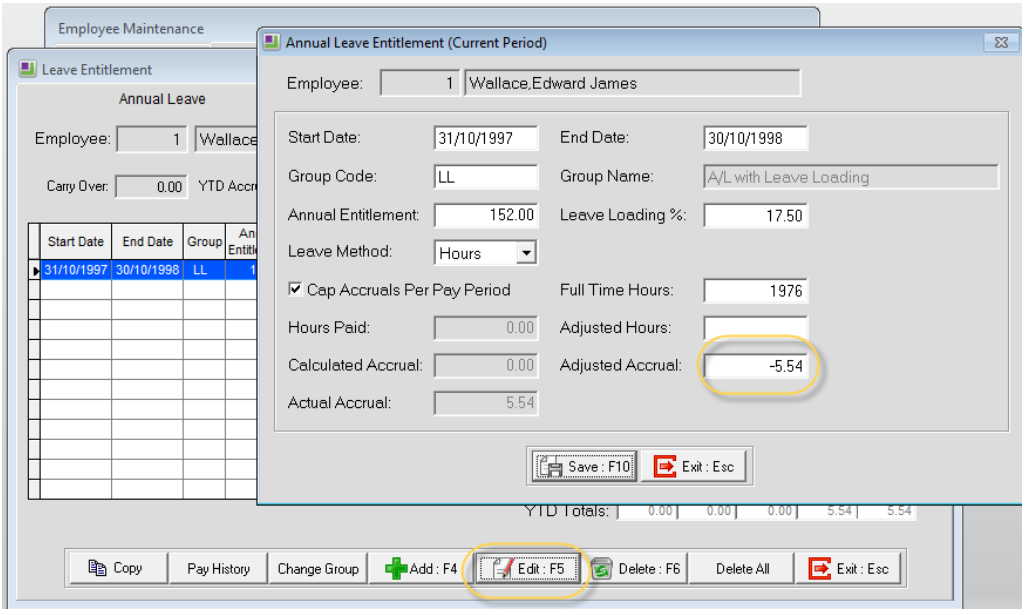


7 Robinson, Henry Karuso

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.



d. Enter the adjustment amount and click Save

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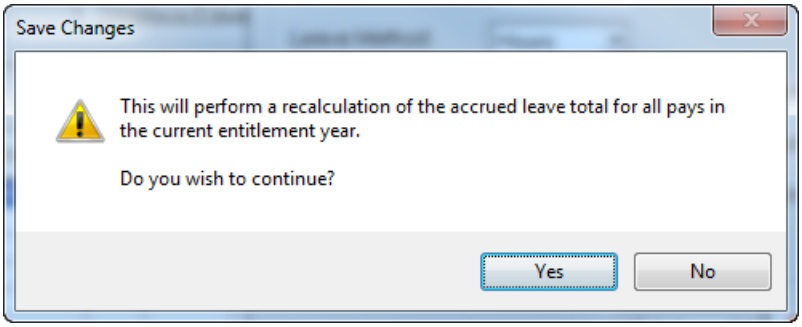
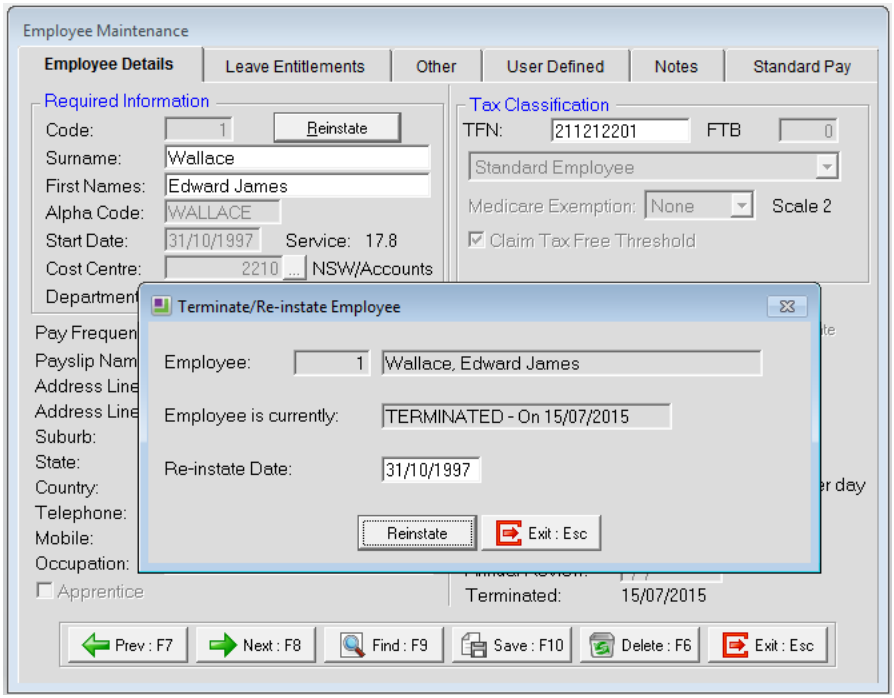


e. Allow the recalculation so click Yes.
f. Edit the other entitlements.
g. These edits do put a note into the Employee Notes, I would however also add an additional note explaining the reason for the adjustments.

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.



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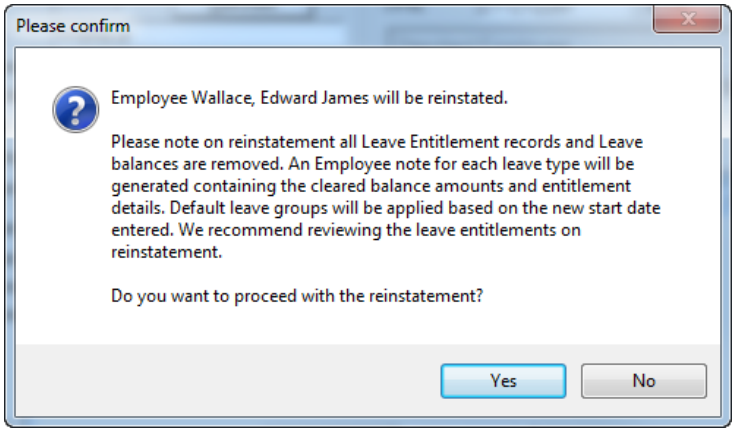
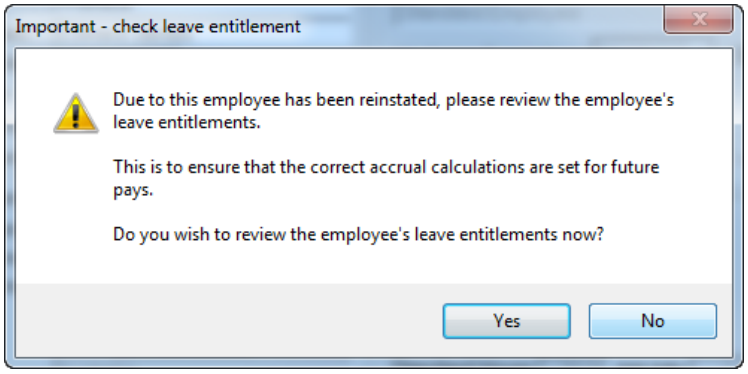


Yes to this question will clear the leave balances that remained after pervious termination.



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.

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.

Take your business to the next level