Leave Accrued Adjustment During JobKeeper Scheme

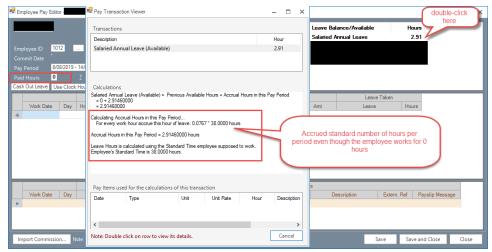
- 1 Understand the difference between standard and work-time leave type
 - 1.1 Standard Leave Type
 - 1.2 Work-time Leave Type
- 2 How to temporarily reduce the leave accrue in case the work hours is reduced?
- 3 What should I do if my employees are back to standard work hour?
- 4 What should I do if I decide to terminate my employees while they are working with reduced hours?

If you choose to reduce the number of work hours for some of the employees and decide to adjust the leave accrue accordingly, here are some of important notes and steps to help you along the way.

Understand the difference between standard and work-time leave type

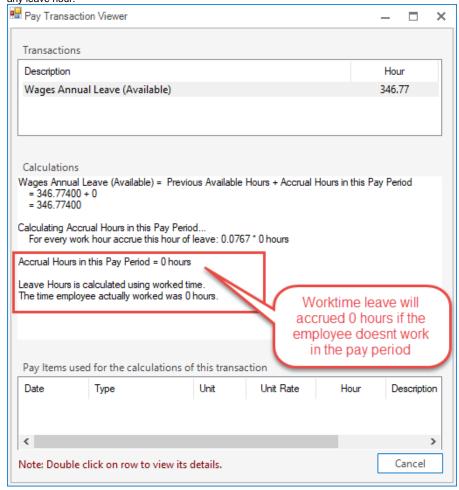
Standard Leave Type

This is the default leave type to use for all salaried employees. For a salaried employees, during a normal circumstance, they will be accrued a certain number of leave hours as long as they are in the payrun.
 In the following example, even you reduce the number of paid hour to 0, the accrued leave hour is still 20 days per year (work out to 0.0767 per work hour if that employee works 38 hours per week)



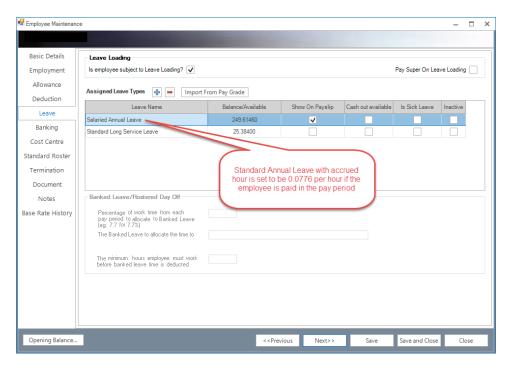
Work-time Leave Type

 The is the default leave type to use for all wages employees. The accrued leave hour will only calculated by their work hour. The following example is showing what happen if the employee did not work for the pay period, he/she will not accrued any leave hour.

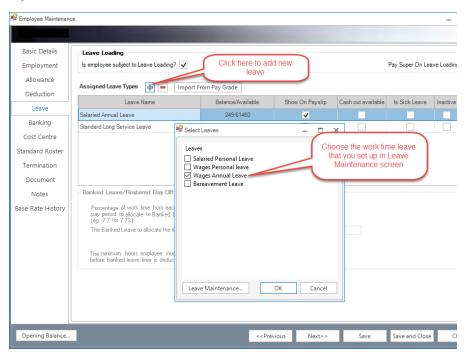


• How to temporarily reduce the leave accrue in case the work hours is reduced?

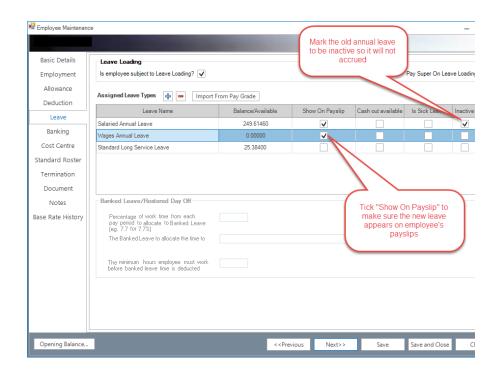
- In normal circumstance, reducing the work hour of salaried employees will be against FairWork rule. However, with the current crisis, FairWork has relaxed some rules regarding JobKeeper scheme.
 More information can be found here: https://coronavirus.fairwork.gov.au/coronavirus-and-australian-workplace-laws/flexibility-in-workplace-laws-during-coronavirus/jobkeeper-changes-to-the-fair-work-act.
- If you choose to reduce the work hour of your employees and wish to reduce their accrued leave hours during the time, here are the process to help you to achieve just that:
 - For a **salaried employee**, here is a very basic set up as an example:



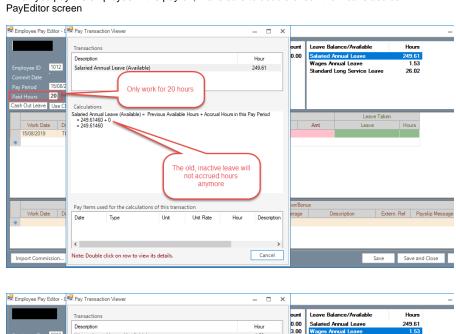
- If you pay with reduced hours for that employee, the normal accrued hour will apply. To reduce the accrued hours
 based on the work hour you given them, you will need to add a work time leave for them.
 - Option1: Using temporary work time leave to keep track of leave accrued using reduced hour for JopKeeper scheme:
 - Step 1: Add work time leave using employee maintenance screen before paying the employee in Payrun screen

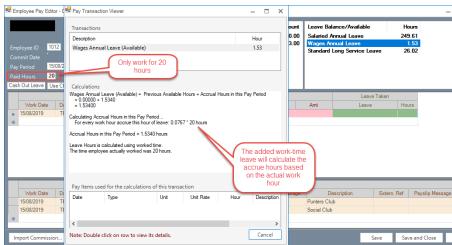


2. Change the added leave with recommended settings (you can choose your own setting if you wish)

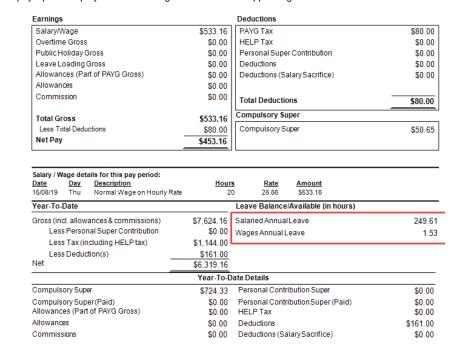


3. When you pay the employee in the payrun, make sure to double-check their leave accrual in PayEditor screen

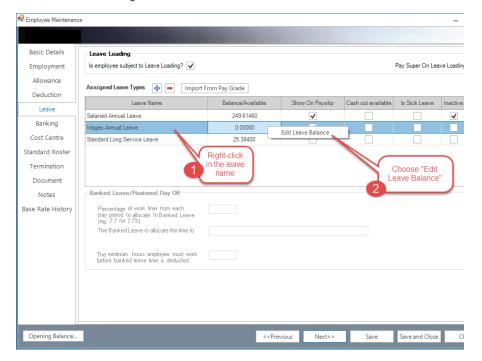


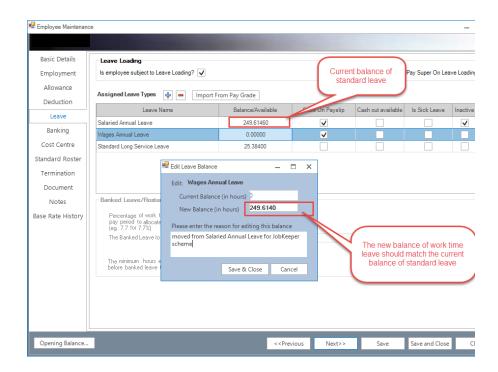


4. The payslip will display as the following with both leaves appearing:

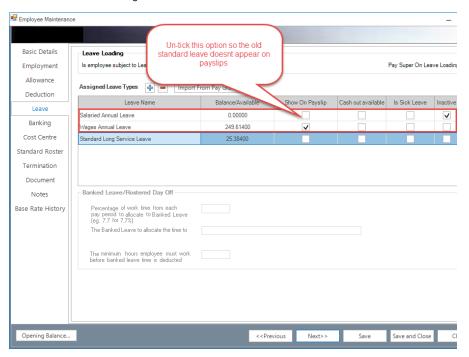


- Option 2: In case that you want to use only work time leave from now on, you need to do a few things before paying employees (un-pay them if they are paid in the current payrun)
 - 1. Repeat step 1 and 2 of the option1 if you havent already done.
 - Move the balance of the stand leave to the work time leave by editing leave balance in employee maintenace screen. Change the work-time leave balance to be the exact amount of standard leave:





3. The final screen after moving leave balance should be:



4. After you pay the employees with reduced hours, the payslip will only display the new work time leave.

Earnings		Deductions	
Salary/Wage	\$533.16	PAYG Tax	\$80.00
Overtime Gross	\$0.00	HELP Tax	\$0.00
Public Holiday Gross	\$0.00	Personal Super Contribution	\$0.00
Leave Loading Gross	\$0.00	Deductions	\$0.00
Allowances (Part of PAYG Gross)	\$0.00	Deductions (Salary Sacrifice)	\$0.00
Allowances	\$0.00		
Commission	\$0.00	Total Deductions	\$80.00
Total Gross	\$ 533.16	Compulsory Super	
Less Total Deductions	\$80.00	Compulsory Super	\$50.65
Net Pay	\$453.16		
Date Day 16/08/19 Description Fri Normal Wage on Hourly Rate Year-To-Date Year-To-Date	Hour 2		
	67.004.40	Wages Annual Leave	251.1
Gross (incl. allowances & commissions) Less Personal Super Contribution	\$7,624.16 \$0.00	wages Annuar Leave	201.1
Less Tax (including HELP tax)	\$1.144.00		
Less Deduction(s)	\$161.00		
Net	\$6,319.16		
	V T- D	ate Details	
	rear-10-D	ate Details	
Compulsory Super	\$724.33	Personal Contribution Super	\$0.00
Compulsory Super(Paid)	1001 10 0	Personal Contribution Super Personal Contribution Super (Paid)	\$0.00
	\$724.33	Personal Contribution Super	******
Compulsory Super(Paid)	\$724.33 \$0.00	Personal Contribution Super Personal Contribution Super (Paid)	\$0.00

5. Note: you can not delete the old standard leave in this payrun. However, you can delete the old standard leave out of the employee maintenance after the payrun has been committed if you wish.

• What should I do if my employees are back to standard work hour?

- If you use Option 1, you can just move the balance of the work time leave to standard leave and change the balance of work time leave to be 0. Everything will be back as it was before JobKeeper.
- If you use Option 2, you will need to add the standard leave back (if you deleted it) and move the balance from work time to standard leave.
- What should I do if I decide to terminate my employees while they are working with reduced hours?
 - For option 1, you will need to combine the balance of 2 leaves to 1 and pay that out during the termination process.
 - For option 2, you can use the current balance when paying out leave during the process the termination.