

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.

- o **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)

The screenshot displays the 'Employee Pay Editor' and 'Pay Transaction Viewer' windows. The 'Employee Pay Editor' shows Employee ID 1012, Commit Date, Pay Period 8/08/2019 - 14/08/2019, and Paid Hours 0. The 'Pay Transaction Viewer' shows the 'Salaried Annual Leave (Available)' transaction with 2.91 hours. The 'Calculations' section shows the formula: $\text{Salaried Annual Leave (Available)} = \text{Previous Available Hours} + \text{Accrual Hours in this Pay Period}$. The 'Accrual Hours in this Pay Period' is calculated as $0.0767 \times 38.0000 \text{ hours} = 2.91460000 \text{ hours}$. The 'Leave Hours is calculated using the Standard Time employee supposed to work. Employee's Standard Time is 38.0000 hours.' A red box highlights the 'Accrual Hours in this Pay Period' calculation. A red callout bubble points to the 'Salaried Annual Leave (Available)' transaction with the text 'double-click here'. Another red callout bubble points to the 'Accrual Hours in this Pay Period' calculation with the text 'Accrued standard number of hours per period even though the employee works for 0 hours'.

Description	Hour
Salaried Annual Leave (Available)	2.91

Leave Balance/Available	Hours
Salaried Annual Leave	2.91

Leave Taken	Amt.	Leave	Hours
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Date	Type	Unit	Unit Rate	Hour	Description
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Note: Double click on row to view its details.

- **Work-time Leave Type**

- This is the default leave type to use for all wages employees. The accrued leave hour will only be 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.

Pay Transaction Viewer

Transactions

Description	Hour
Wages Annual Leave (Available)	346.77

Calculations

Wages Annual Leave (Available) = Previous Available Hours + Accrual Hours in this Pay Period
 = 346.77400 + 0
 = 346.77400

Calculating Accrual Hours in this Pay Period...
 For every work hour accrue this hour of leave: 0.0767 * 0 hours

Accrual Hours in this Pay Period = 0 hours

Leave Hours is calculated using worked time.
 The time employee actually worked was 0 hours.

Pay Items used for the calculations of this transaction

Date	Type	Unit	Unit Rate	Hour	Description
< ————— >					

Note: Double click on row to view its details.

Cancel

◦ **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:

Employee Maintenance

Basic Details
Employment
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Leave Loading

Is employee subject to Leave Loading? ☒ Pay Super On Leave Loading ☐

Assigned Leave Types

Leave Name	Balance/Available	Show On Payslip	Cash out available	Is Sick Leave	Inactive
Salaried Annual Leave	249.61460	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Standard Long Service Leave	25.38400	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Banked Leave/Rostered Day Off

Percentage of work time from each pay period to allocate to Banked Leave (eg. 7.7 for 7.7%)

The Banked Leave to allocate the time to

The minimum hours employee must work before banked leave time is deducted

Opening Balance... <<Previous Next>> Save Save and Close Close

Standard Annual Leave with accrued hour is set to be 0.0776 per hour if the employee is paid in the pay period

- 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

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Leave Loading

Is employee subject to Leave Loading? ☒ Pay Super On Leave Loading ☐

Assigned Leave Types

Leave Name	Balance/Available	Show On Payslip	Cash out available	Is Sick Leave	Inactive
Salaried Annual Leave	249.61460	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Standard Long Service Leave		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Banked Leave/Rostered Day Off

Percentage of work time from each pay period to allocate to Banked Leave (eg. 7.7 for 7.7%)

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The minimum hours employee must work before banked leave time is deducted

Select Leaves

Leaves

☐ Salaried Personal Leave

☐ Wages Personal leave

☒ Wages Annual Leave

☐ Bereavement Leave

Leave Maintenance... OK Cancel

Opening Balance... <<Previous Next>> Save Save and Close Close

Click here to add new leave

Choose the work time leave that you set up in Leave Maintenance screen

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

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Leave Loading

Is employee subject to Leave Loading? ☒

Assigned Leave Types

Leave Name	Balance/Available	Show On Payslip	Cash out available	Is Sick Leave	Inactive
Salaried Annual Leave	249.61460	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Wages Annual Leave	0.00000	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Standard Long Service Leave	25.38400	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Banked Leave/Rostered Day Off

Percentage of work time from each pay period to allocate to Banked Leave (eg. 7.7 for 7.7%)

The Banked Leave to allocate the time to

The minimum hours employee must work before banked leave time is deducted

Opening Balance... <<Previous Next>> Save Save and Close

Mark the old annual leave to be inactive so it will not accrued

Tick "Show On Payslip" to make sure the new leave appears on employee's payslips

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

Employee Pay Editor - Pay Transaction Viewer

Employee ID: 1012
Commit Date: 15/08/2019
Pay Period: 15/08/2019
Paid Hours: 20
Cash Out Leave: Use C

Transactions

Description	Hour
Salaried Annual Leave (Available)	249.61

Calculations

Salaried Annual Leave (Available) = Previous Available Hours + Accrual Hours in this Pay Period
 $= 249.61460 + 0$
 $= 249.61460$

Pay Items used for the calculations of this transaction

Date	Type	Unit	Unit Rate	Hour	Description
Note: Double click on row to view its details.					

Cancel

Only work for 20 hours

The old, inactive leave will not accrued hours anymore

Leave Balance/Available Hours

Leave Balance/Available	Hours
Salaried Annual Leave	249.61
Wages Annual Leave	1.53
Standard Long Service Leave	26.02

Employee Pay Editor - Pay Transaction Viewer

Employee ID: 1012
Commit Date: 15/08/2019
Pay Period: 15/08/2019
Paid Hours: 20
Cash Out Leave: Use C

Transactions

Description	Hour
Wages Annual Leave (Available)	1.53

Calculations

Wages Annual Leave (Available) = Previous Available Hours + Accrual Hours in this Pay Period
 $= 0.00000 + 1.5340$
 $= 1.53400$

Calculating Accrual Hours in this Pay Period
 For every work hour accrue this hour of leave: 0.0767×20 hours
 Accrual Hours in this Pay Period = 1.5340 hours
 Leave Hours is calculated using worked time.
 The time employee actually worked was 20 hours.

Pay Items used for the calculations of this transaction

Date	Type	Unit	Unit Rate	Hour	Description
Note: Double click on row to view its details.					

Cancel

Only work for 20 hours

The added work-time leave will calculate the accrue hours based on the actual work hour

Leave Balance/Available Hours

Leave Balance/Available	Hours
Salaried Annual Leave	249.61
Wages Annual Leave	1.53
Standard Long Service Leave	26.02

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

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					

Salary / Wage details for this pay period:						
Date	Day	Description	Hours	Rate	Amount	
15/08/19	Thu	Normal Wage on Hourly Rate	20	26.66	\$533.16	

Year-To-Date		Leave Balance/Available (in hours)	
Gross (incl. allowances & commissions)	\$7,624.16	Salaried Annual Leave	249.61
Less Personal Super Contribution	\$0.00	Wages Annual Leave	1.53
Less Tax (including HELP tax)	\$1,144.00		
Less Deduction(s)	\$161.00		
Net	\$6,319.16		

Year-To-Date Details			
Compulsory Super	\$724.33	Personal Contribution Super	\$0.00
Compulsory Super (Paid)	\$0.00	Personal Contribution Super (Paid)	\$0.00
Allowances (Part of PAYG Gross)	\$0.00	HELP Tax	\$0.00
Allowances	\$0.00	Deductions	\$161.00
Commissions	\$0.00	Deductions (Salary Sacrifice)	\$0.00

- 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)
 - 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 maintenance screen. Change the work-time leave balance to be the exact amount of standard leave:

Employee Maintenance

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Leave Loading

Is employee subject to Leave Loading? ☒ Pay Super On Leave Loading

Assigned Leave Types

Leave Name	Balance/Available	Show On Payslip	Cash out available	Is Sick Leave	Inactive
Salaried Annual Leave	249.61460	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Wages Annual Leave	0.00000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Standard Long Service Leave	25.38400	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1 Right-click in the leave name

2 Choose "Edit Leave Balance"

Banked Leave/Rostered Day Off

Percentage of work time from each pay period to allocate to Banked Leave (eg. 7.7 for 7.7%)

The Banked Leave to allocate the time to

The minimum hours employee must work before banked leave time is deducted

Opening Balance... <<Previous Next>> Save Save and Close

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Leave Loading

Is employee subject to Leave Loading? ☒

Assigned Leave Types

Leave Name	Balance/Available	Show On Payslip	Cash out available	Is Sick Leave	Inactive
Salaried Annual Leave	249.61460	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Wages Annual Leave	0.00000	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Standard Long Service Leave	25.38400	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Pay Super On Leave Loading

Edit Leave Balance

Edit: **Wages Annual Leave**

Current Balance (in hours)

New Balance (in hours)

Please enter the reason for editing this balance
moved from Salaried Annual Leave for JobKeeper scheme

Opening Balance... <<Previous Next>> Save Save and Close C

Current balance of standard leave

The new balance of work time leave should match the current balance of standard leave

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

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Leave Loading

Is employee subject to Leave Loading? ☒

Assigned Leave Types

Leave Name	Balance/Available	Show On Payslip	Cash out available	Is Sick Leave	Inactive
Salaried Annual Leave	0.00000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Wages Annual Leave	249.61400	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Standard Long Service Leave	25.38400	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Pay Super On Leave Loading

Banked Leave/Rostered Day Off

Percentage of work time from each pay period to allocate to Banked Leave (eg. 7.7 for 7.7%)

The Banked Leave to allocate the time to

The minimum hours employee must work before banked leave time is deducted

Opening Balance... <<Previous Next>> Save Save and Close C

Un-tick this option so the old standard leave doesnt appear on payslips

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		

Salary / Wage details for this pay period:						
Date	Day	Description	Hours	Rate	Amount	
16/08/19	Fri	Normal Wage on Hourly Rate	20	26.66	\$533.16	
Year-To-Date			Leave Balance/Available (in hours)			
Gross (incl. allowances & commissions)		\$7,624.16	Wages Annual Leave			
Less Personal Super Contribution		\$0.00				251.1
Less Tax (including HELP tax)		\$1,144.00				
Less Deduction(s)		\$161.00				
Net		\$6,319.16				
Year-To-Date Details						
Compulsory Super		\$724.33	Personal Contribution Super			\$0.00
Compulsory Super(Paid)		\$0.00	Personal Contribution Super (Paid)			\$0.00
Allowances (Part of PAYG Gross)		\$0.00	HELP Tax			\$0.00
Allowances		\$0.00	Deductions			\$161.00
Commissions		\$0.00	Deductions (Salary Sacrifice)			\$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.