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)

📟 Employee Pay Editor -	Pay Transaction Viewer	– 🗆 ×		double-click
	Transactions		Leave Balance/Available	Hours
	Description	Hour	Salaried Annual Leave	2.91
Employee ID 1012	Salaried Annual Leave (Available)	2.91		
Commit Date				
Pay Period 8/08/2019 - 14/				
Paid Hours 0 2				
Cash Out Leave Use Clock Hou	Calculations			
Work Date Day Ho	Salaried Annual Leave (Available) = Previous Available Hours + Accrual Hours in = 0 + 2.91460000 = 2.91460000	this Pay Period	Leave Taken	Hours
*	Calculating Accrual Hours in this Pay Period For every work hour accrue this hour of leave: 0.0767 * 38.0000 hours Accrual Hours in this Pay Period = 2.91460000 hours Leave Hours is calculated using the Standard Time employee supposed to work. Employee's Standard Time is 38.0000 hours.	Arperio	ccrued standard number of ho d even though the employee thours	burs per works for 0
Work Date Day	Pay Items used for the calculations of this transaction Date Type Unit Unit Rate Hi	our Description	s Description Exter	n. Ref Payslip Message
	<	>		
Import Commission Note:	Note: Double click on row to view its details.	Cancel	Save	Save and Close Close

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.

😾 Pay Transaction Viewer	– 🗆 ×
Transactions	
Description	Hour
Wages Annual Leave (Available)	346.77
Calculations Wages Annual Leave (Available) = Previous Available Hours + Accrual Hours = 346.77400 + 0 = 346.77400	in this Pay Period
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. Workt	ime leave will
accrue employe	d 0 hours if the
in the	e pay period
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:

Basic Details Employment Allowance Deduction Leave Banking Cost Centre Standard Roster Termination Document	Leave Loading Is employee subject to Leave Loading? Assigned Leave Types Leave Name Salaried Annual Leave Standard Long Service Leave	rom Pay Grade Balance/Available 249.61460	Show On Payslip	Cash out available	Pay Super On Lea	ve Loading
Allowance Deduction Leave Banking Cost Centre Standard Roster Termination Document	Assigned Leave Types <table-cell-columns> 🔲 Import Fr Leave Name Salaried Annual Leave Standard Long Service Leave</table-cell-columns>	rom Pay Grade Balance/Available 249.61460	Show On Payslip	Cash out available		
Leave Banking Cost Centre Standard Roster Termination Document	Leave Name Salaried Annual Leave Standard Long Service Leave	Balance/Available 249.61460	Show On Payslip	Cash out available		
Banking Cost Centre Standard Roster Termination Document	Salaried Annual Leave Standard Long Service Leave	249.61460		outri out available	Is Sick Leave	Inactive
Cost Centre Standard Roster Termination Document		25.38400				
Notes Base Rate History	Banked Leave/Rostered Day Off Percentage of work time from each pay period to allocate to Banked Leave (gr 77 for 7.73) The Banked Leave to allocate the time to The minimum hours employee must work before banked leave time is deducted	Standard Ann hour is set to b employee is	ual Leave with acc e 0.0776 per hour paid in the pay pe	prued if the riod		

- 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

🖷 Employee Maintenand	ce						-
Basic Details Employment Allowance	Leave Loading Is employee subject to Leave Loading? Assigned Leave Types	Import Fre	Click here to add leave	d new		Pay Super On Lea	ive Loadin;
Leave	Leave Name		Balance/Available	Show On Payslip	Cash out available	Is Sick Leave	Inactive
Banking Cost Centre Standard Roster Termination Document Notes Base Rate History	Salaried Annual Leave Standard Long Service Leave Banked Leave/Rostered Day Off Percentage of work time from eac pay period to allocate to Banked L [eg. 77 or 772] The Banked Leave to allocate the ti The minimum hours employee mus before banked leave time is deduc	Leaves Leaves Sala Wag Wag Bere	249 61460 eaves eaves es Personal Leave es Annual Leave avement Leave	OK Cancel	x oose the work tin that you set up in Maintenance sc	ne leave Leave reen	
Opening Balance			< <prev< th=""><th>ious Next>></th><th>Save</th><th>Save and Close</th><th>CI</th></prev<>	ious Next>>	Save	Save and Close	CI

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

Employee Maintenance Basic Details Employment	Leave Loading Is employee subject to Leave Loading?		Mark the old to be inactive acc	annual leave e so it will not rued	Pay Super On Lea	- ve Loadin
Allowance	Assigned Leave Types 👍 😑 Import F	rom Pay Grade				
Logue	Leave Name	Balance/Available	Show On Payslip	Cash out available	Is Sick Leave	Inactive
	Salaried Annual Leave	249.61460	\checkmark			~
Banking	Wages Annual Leave	0.00000	~			
Cost Centre	Standard Long Service Leave	25.38400				
Termination Document Notes Base Rate History	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			Tick "Show C make sure th appears on pays	On Payslip" to he new leave employee's slips)
Opening Balance		< <pre>re</pre>	evious Next>>	Save	Save and Close	C

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



🖷 Employee Pay Editor - D	😾 Pay Transaction Viewer	- • >	:			-
	Transactions		ount	Leave Balance/Av	ailable	Hours
	Description	Hour	0.00	Salaried Annual Le	ave	249.61
Employee ID 1012	Wages Annual Leave (Available)	1.53	3.00	Standard Long Ser	ve vice Leave	26.02
Commit Date						20.02
Pay Period 15/08/2	Only work for 20					
Paid Hours 20	nours					
Cash Out Leave Use C	Calculations					
	Wages Annual Leave (Available) = Previous Available Hours + Accrual Hours in	n this Pay Period			Loose Talas	
Mark Data D	= 0.00000 + 1.5340			Ant	Leave Taken	Union
15/09/2010	= 1.53400			Amt	Leave	Hours
► 15/06/2015 11	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.	The added w	ork-tim	ie 💧		
		leave will calc	ulate th	ne		
		accrue nours	Dased			
		bour	WUK			
Mark Data D	Pay Items used for the calculations of this transaction	Hour		Description	Cuture D	. Develop Manager
15/02/2019 TI	Date Type Unit Unit Rate H	lour Description	craye	Description Busters Club	Extern. R	et Payslip Message
15/08/2019 T				Social Club		
				oodiar olab		
*	<	>				
Import Commission	Note: Double click on row to view its details.	Cancel			Save	Save and Close
	L					

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		

Date Day Description 15/08/19 Thu Normal Wage on Hourly Rate	Hour 2	<u>s Rate</u> 0 26.66	<u>Amount</u> \$533.16	
Year-To-Date		Leave Balance	/Available (in hours)	
Gross (incl. allowances & commissions) Less Personal Super Contribution	\$7,624.16 \$0.00	Salaried Annual Wages Annual L	Leave .eave	249.61 1.53
Less Tax (including HELP tax) Less Deduction(s) Net	\$1,144.00 <u>\$161.00</u> \$6,319.16			
	Year-To-D	ate Details		
Compulsory Super	\$724.33	Personal Contr	ibution Super	\$0.00
Compulsory Super (Paid) Allowances (Part of PAYG Gross)	\$0.00 \$0.00	Personal Contr HELP Tax	ibution Super (Paid)	\$0.00 \$0.00
Allowances Commissions	\$0.00 \$0.00	Deductions Deductions (Sa	larySacrifice)	\$161.00 \$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)
 1. Repeat step 1 and 2 of the option1 if you havent already done.
 2. 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:

🖷 Employee Maintenance	e					-
Basic Details	Leave Loading					
Employment	Is employee subject to Leave Loading?				Pay Super On Lea	ive Loading
Allowance	Assigned Leave Types 👘 💻 Import F	rom Pay Grade				
Leave	Leave Name	Balance/Available	Show On Payslip	Cash out available	Is Sick Leave	Inactive
- Covic	Salaried Annual Leave	249.61460	~			\checkmark
Banking	Wages Annual Leave	0.00000	Edit Leave Balance			
Cost Centre	Standard Long Service Leave	25.38400				
Standard Roster Termination Document	1	Right-click in the leave name			Choose "Edit eave Balance	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Notes	Banked Leave/Rostered Day Off			2		
Base Rate History	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		< <pre>re</pre>	vious Next>>	Save	Save and Close	CI



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

🖫 Employee Maintenan	Ce					-
Basic Details Employment Allowance	Leave Loading Is employee subject to Lea	ve doesnt appear on oayslips			Pay Super On Lea	ve Loadin
Deduction	Leave Name	Balance/Available	Show On Payslip	Cash out available	Is Sick Leave	Inactive
Leave	Salaried Annual Leave	0.00000				~
Banking	Wages Annual Leave	249.61400	 Image: A start of the start of			
Cost Centre	Standard Long Service Leave	25.38400				
Termination Document Notes Base Rate History	Banked Leave/Rostered Day Off Percentage of work time from each pay period to allocate to Banked Leave (eg. 7.7 for 7.73) The Banked Leave to allocate the time to The minimum hours employee must work before banked leave time is deducted					
Opening Balance		< <prev< td=""><td>rious Next>></td><td>Save</td><td>Save and Close</td><td>C</td></prev<>	rious Next>>	Save	Save and Close	C

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	e/Available (in hou	irs)
Gross (incl. allowances & commissions)	\$7,624.16	Wages Annua	Leave	251.1
Less Personal Super Contribution	\$0.00			
Less Tax (including HELP tax)	\$1,144.00			
Less Deduction(s)	\$161.00			
Net	\$6,319.16			
	Year-To-D	ate Details		
Compulsory Super	\$724.33	Personal Cor	tribution Super	\$0.00
Compulsory Super (Paid)	\$0.00	Personal Cor	tribution Super (Pa	d) \$0.00
Allowances (Part of PAYG Gross)	\$0.00	HELP Tax		\$0.00
Allowances	\$0.00	Deductions		\$161.00
Commissions	\$0.00	Deductions (S	SalarySacrifice)	\$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.