

Holiday Pay...done

We would like to wish everyone a very Merry Christmas and a great summer break.



Christmas Payroll

We're often asked how payroll should be processed for the Christmas period.

Legally, employees are entitled to receive their holiday pay before they go on leave.

However, with their agreement you can process pays using regular pay cycles instead and schedule the direct credits to occur on their regular pay day.

One Big Pay

Determine exactly how many regular hours, public holiday days and annual leave weeks are to be paid out and make those entries.

SmoothPay will suggest an appropriate adjustment to the number of pay periods the employee is receiving so that the tax and any period-based allowances and deductions get calculated correctly.

Try to work to a usual period end cycle if you can, the one before staff return to work is ideal. Your direct credit should occur on the last day of work or on the regular payday.

Multiple Pays

Process each pay period as usual by substituting Annual Leave and Public Holidays as appropriate and estimating ordinary time if necessary.

As each pay period is completed upload the direct credit file and **MAKE SURE** that the value date is on the correct pay day.

Caution: some banking systems default to today's date rather than the pay date embedded in the direct credit file.

Terminations and Public Holidays

Termination pays near Public Holidays may mean payment is required for those days as well.

Any leave remaining unused from the employee's annual accruals (NOT their estimated or pro-rated or percentage accrual) casts a "shadow" from their last day - if that shadow covers any eligible Public Holiday then the employee should be paid for that public holiday (**refer page 3**)

Thank you

to our very loyal customers and welcome to all our new ones. We look forward to working with you all in 2017.

This newsletter re-iterates the importance of processing your annual leave and public holidays correctly - and we've loads of handy guides for all types of leave on our website too - just click Help, Documentation.

SmoothPay HelpDesk will be closing midday on Fri 23 December, re-opening Monday 9 January.

If you need us urgently during the holiday period, please email or call and leave a message - we'll contact you as soon as we can.

Our website is chock-full of documentation covering leave processing, and everything from **ANZ to Xero** - just click the Help icon in SmoothPay's toolbar.

In this issue:

Christmas Payroll	1
Terminations and Public Holidays	1
Xmas closedown, Parental leave	2
Public Holiday payment chart	3
The Pay Process	4
ir-Filing the easy way	5

Christmas Closedowns

We're often asked if new staff are entitled to be paid over a company Christmas closedown period.

The short answer is Yes. The Holidays Act permits for payment of 8% of earnings and a change of anniversary date (in the first year of employment). You can do this in SmoothPay, however it's really not necessary as you can easily determine an employee's anticipated leave balance (use *Reports..Leave..Leave settings (or-right-click the employee's name and choose Leave balances)*).

If you close for 2 weeks then you could pay up to 1.2 weeks annual leave (or less) plus 4 days public. You must not pay out all the employee's leave if it's more than the actual period of leave (except for a 1 week cash-up)

Irregular hours staff

If you have staff working irregular hours, then it's critical that you flag them in *Contract..Misc..Irregular* so that the correct calculation for Ordinary Weekly Earnings is performed.

Parental Leave

Smoothpay is one of few (if any) payroll systems that cater correctly for Parental Leave - and it's easy to use too! Just set the Parental Leave status and dates in *Employee..Contract..Misc..LWOP/Parental*, and that's it.

Any annual leave accruals that occur within 12 months following the designated return-to-work date will be flagged as accruing during Parental Leave and when such leave is consumed it is valued according to special valuation and payment rules.

Our comprehensive Parental Leave Guide is available from our website.

One word of advice is: Do NOT pay more than the employee's current leave balance before they go on Parental Leave - we're commonly seeing staff paid "estimated to date" (anticipated) leave balances (or more) which are far more costly than if the anticipated leave had been paid out under Parental Leave rules.

NZ Leave Rules in a nutshell

Unprecedented publicity about employees being paid incorrectly saturated the news for a couple of weeks this year.

SmoothPay is one (if not the only one) of New Zealand's Holidays Act and Parental Leave compliant payroll systems. For more info see this guide:

https://www.smoothpaygold.com/public_html/files/gold/man/NZ_Leave_Primer.pdf

Christmas and New Year 2016/17

Employees are entitled to up to four public holidays over the festive season, depending on their work or shift pattern.

Monday to Friday workers

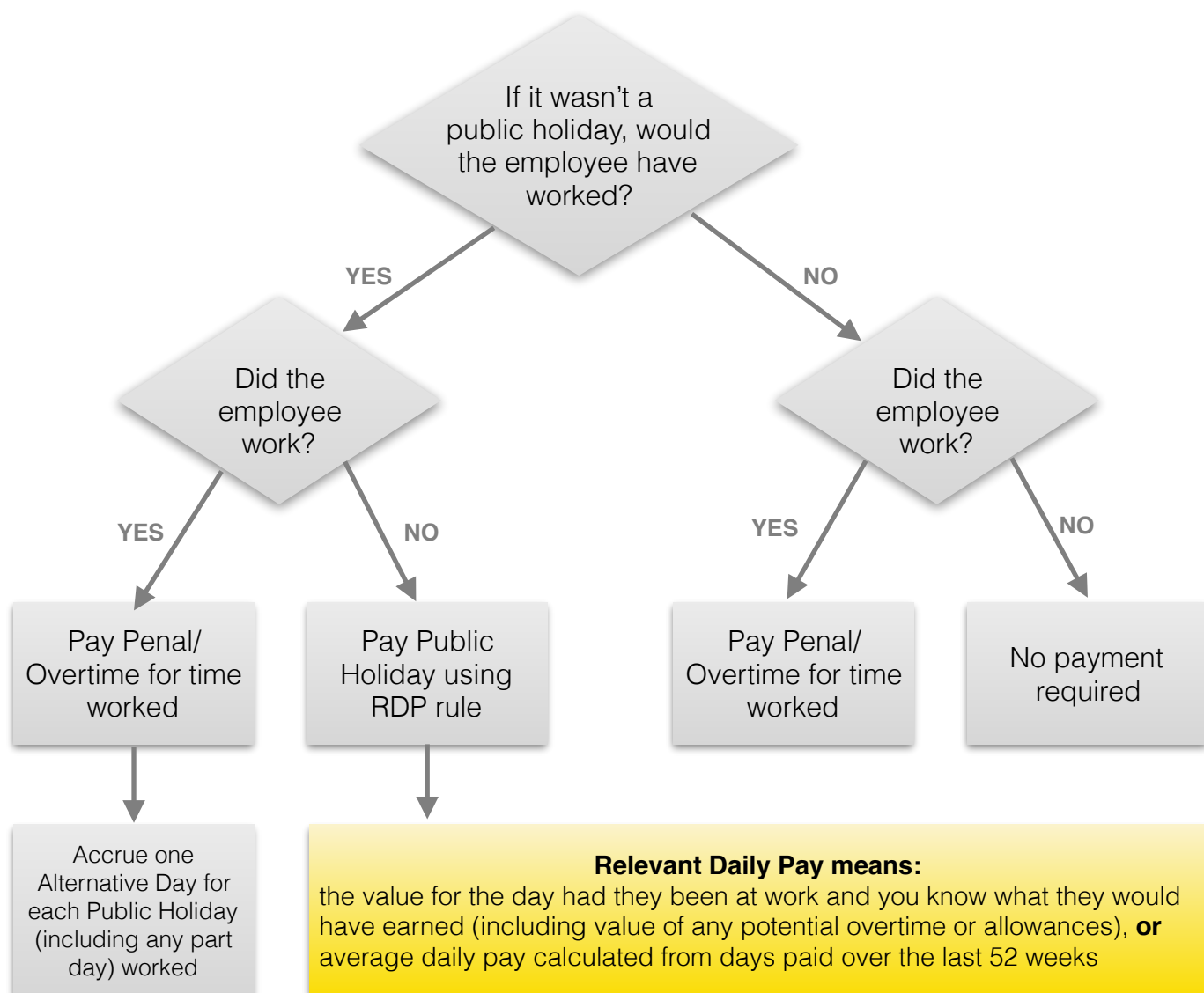
Christmas Day and New Year's Day fall on weekends this year, so both days transfer to the following Monday/Tuesday. If an employee normally works on the actual Christmas or Boxing day (25th/26th) then they are observed on those days instead - they DO NOT get double public holidays.

Transferring public holidays

An employer and employee can agree to transfer a public holiday from the day listed in the Holidays Act 2003 to another day. This must be with the agreement of both the employee and the employer and must be made in writing.

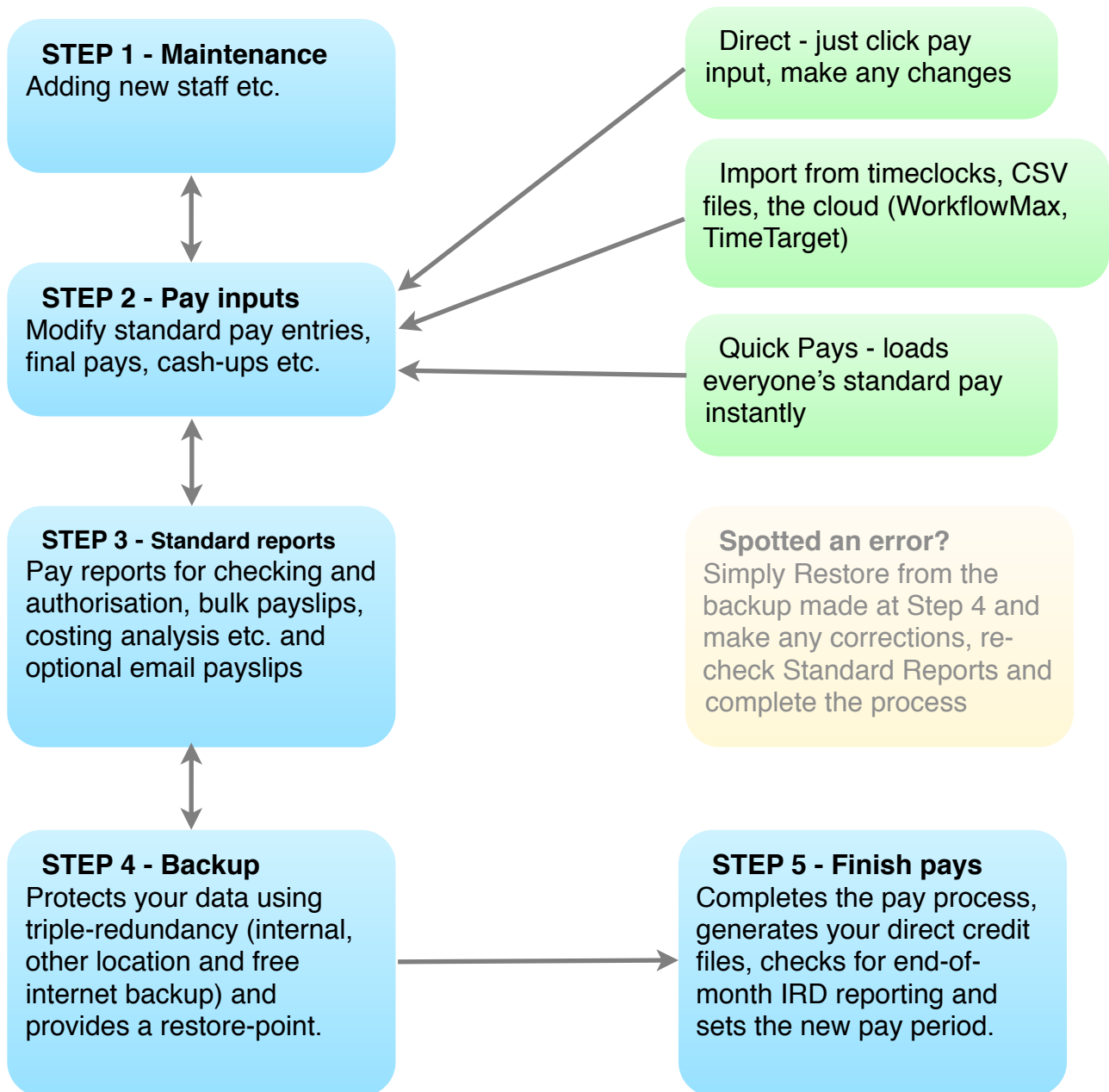
For more information on transferring public holidays, or on employee entitlements during Christmas and New Year please contact MBIE..(aka Dept of Labour) on 0800 20 90 20.

Here is a handy chart you can use to check an employee's Public Holiday entitlement



SmoothPay's easy 5-step pay process

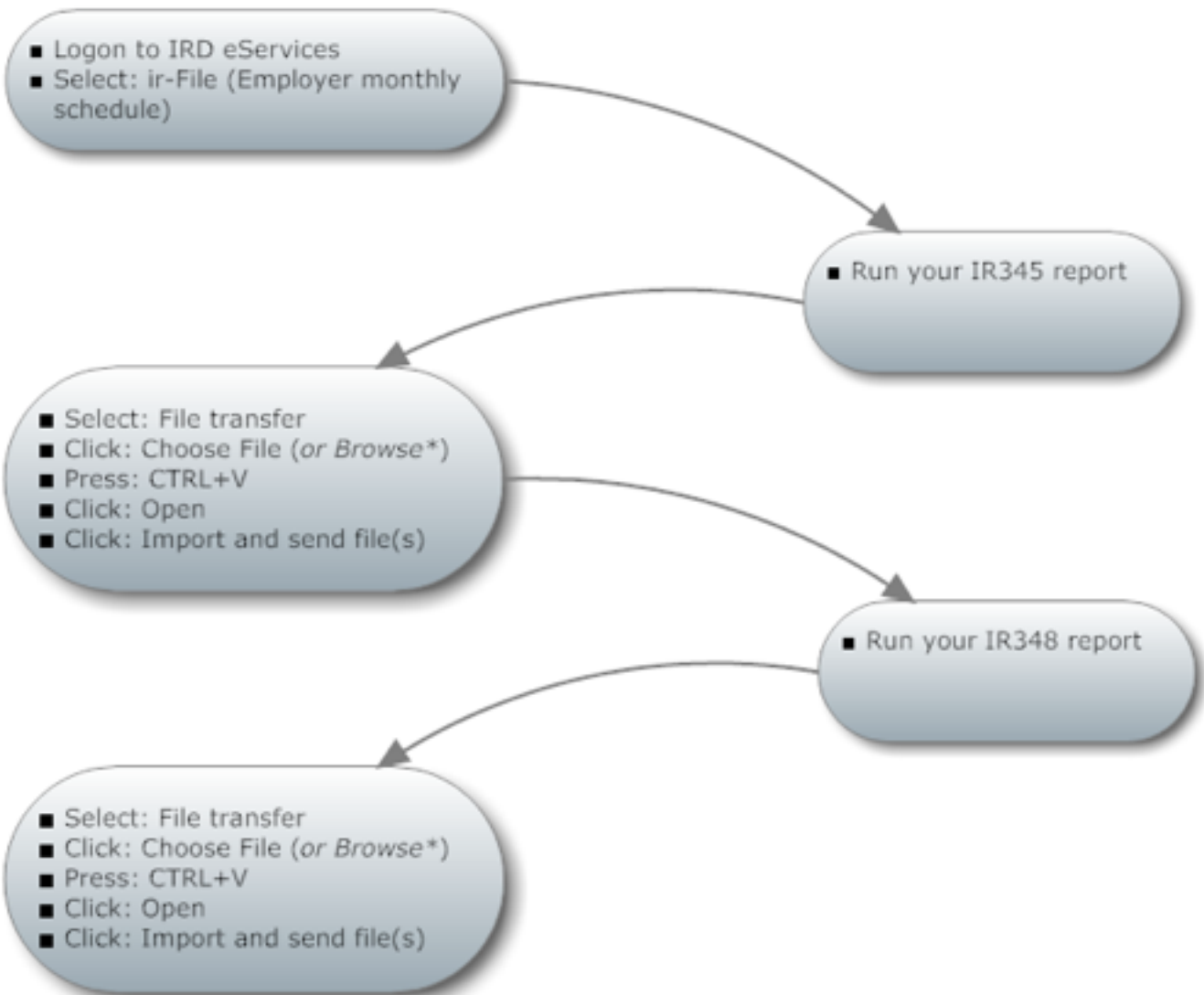
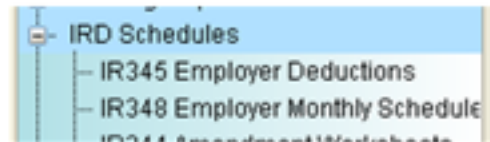
Hang this on the wall to remind you of the correct process



At all times you are welcome to call our helpdesk and request assistance, ask questions and get additional training. Just call:

(06) 353 6462

ir-Filing the Easy Way



* IRD's website is not consistent with content across different browsers