

Hi there,

Welcome to our infrequent newsletter - we really don't like to bother you unless it's important. We hope you find the content useful in your understanding of payroll issues and how you can utilise SmoothPay better - let us know of any particular issues you're having and we'll help out.

If you're new to SmoothPay please call us and we'll provide you with a free training session to get you up to speed quickly.

Our Christmas edition will be published next month in plenty of time for that sometimes awkward part of the payroll year.

In brief

Processing a correction to an employee's pay

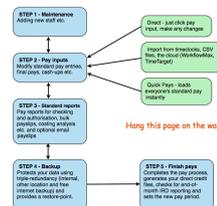
You've completed the pay process and then find out an employee hasn't completed their timesheet correctly, or they are due a sick day that wasn't entered. The fix is easy, but depends on what has happened since the pay was completed.

You must not process a separate pay for the extra pay entry - the tax calculated on the total pay received for the period will be incorrect!

If you haven't done anything since the pay was processed then simply Restore, correct the entries, run the pay reports and finish the pay. If you have already paid everyone, just pay the employee the difference in their net pay.

If you have processed pays or done maintenance since the pay was processed then you can select his pay history entry for reprocessing (you need a password from the HelpDesk to do this), make the corrections and complete as above. The password is required as the pay period may already have been reported to IRD, making the process a bit more complicated, but we'll guide you through that process as well.

SmoothPay's easy 5-step pay process



Non-compliance

Sites using non-compliant leave methods with SmoothPay (*esp. annual leave not in weeks*) are advised that staff with those methods **cannot have pay processed beyond 31 March 2017**. Migration to SmoothPay Gold payroll is also unavailable until the settings have been corrected.

If you need help to correct your payroll settings, please call the helpdesk.

We can help you calculate the amounts owed to terminated staff and adjust balances or calculate backpay for current staff.

Charges apply for this service.

Parental Leave

We have noted a number of occurrences of employers overpaying staff for leave before they go on Parental Leave.

If you have staff about to go on Parental Leave, please make sure:

- you enter the start and return dates in the *Employee..More..Parental Leave* form
- DO NOT pay out any more than the employee's accrued leave balance (*not the "to date" balance or anything in advance of their entitlement*)

Piece-workers

A recent decision by the Court of Appeal (*Lean Meats Oamaru Ltd v NZ Meat Workers Union [2106] NZCA 495*) has an immediate effect on payments to piece-workers (*orchards, vineyards, container de-vanning etc.*)

Paid Rest Breaks are to be shown as a separately identifiable part of the employee's earnings and must be paid at the employee's existing pay rate (*determined from the total taxable earnings divided by total hours worked*). It is not sufficient to state the employee's rate "includes breaks", as that does not make it separately identifiable.

If you employ piece-workers, and you're not paying a separate rest break allowance then please discuss with your time-keeping system provider, or chat with Matt at our HelpDesk to discuss your options.

Agency Payments (Courts, IRD, WINZ etc)

We've encountered a lot of confusion lately (*and IRD's poorly worded letters don't help*) about how to correctly deal with the various garnishee orders from government agencies.

IRD have orders for SLCIR (order to pay extra Student Loan), TaxArrears (though you wouldn't know because their letter doesn't say that's what it is) and other letters for altering student loan repayment percentages, tax percentages and more. These each have very special rules and are dealt with in different ways:



- SLCIR - complete the form in Pay Input..Tax/Salary/CS..SLCIR
- Student Loan rate (e.g. 5% until 31 December) or a special tax rate - enter the special rate in the employee's tax settings

Tax arrears (the code ARR will be seen on the second page of the letter...), Court fines, WINZ payments etc need to be processed as an agency payment.

Basically, you **set up an agency record** (*just one per agency is required, not one per employee making payments*) in Payroll Codes..Agencies, along with the payee's bank account and if the amounts are to be itemised in the direct credit schedule (*Yes, they do*).

You can then **create a deduction code** in Payroll Codes..Deductions that is "linked" to the agency.

When the deduction code is used on an employee's pay input you need to complete the extra details required for an agency payment (the total amount owed, the amount to pay each period, the reference to identify the payment to the payee, and if the agency payment is to a government agency). **Save the employee's Standard Pay** and the deductions will continue until the amount owed is paid off.

Timeclocks

The special offer of a timeclock for only \$150+GST is still available for a short time.

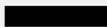
These clocks track attendance by fingerprint or RFID card. Simply export the collected data to a USB stick and import into SmoothPay. The process can save hours of tedious timesheet input.



Prices must increase in December.

About Us

SmoothPay provides NZ's #1 compliant payroll software
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