

Change to holiday pay details on payslips

Introduction

When to use	Use these guidelines to understand the new information that will be displayed on payslips when you take annual leave.
Role	<p>All employees whose annual leave is held in the HRMIS payroll system and recorded in the Employee Kiosk.</p> <p>Note: The system change does not include employees whose annual leave is held in the SMS system. Employees who fall into this category are mainly firefighters, officers and Communication Centre employees.</p>

Guidelines

Background	<p>Changes have been made to our payroll system to ensure we are fully compliant with the Holidays Act 2003. This has resulted in changes to your payslip.</p> <p>It's important to know how your pay is worked out. This guide will help you to understand the information shown on your payslip.</p>
Payment of annual leave under the Act	<p>In the past, when leave was requested and approved, the leave record was only displayed in the Employee Kiosk information. Annual leave will now be calculated to meet the Holidays Act requirements and the results will be displayed in the employee's payslip, viewed from the Kiosk.</p> <p>The Holidays Act requires that annual leave is paid at either the average weekly earnings for the last 52 weeks or the current ordinary weekly pay, whichever is greater.</p> <p>The payroll system has been configured to calculate the value of annual leave taken. When annual leave is approved and falls within the current pay period, the system will automatically calculate the annual leave at the greater of the last 52 weeks' average rate or current ordinary weekly pay.</p>
What changes will you see?	<p>Affected employees will notice some changes to their payslip when they next take annual leave.</p> <ul style="list-style-type: none"> Annual leave will appear as a separate line in your payslip, along with normal pay. The total units for these payments will add up to your normal working fortnightly value (e.g. 10 days, or the number of days you work in a fortnight if you work part time). Regular and permanent allowances will be reduced in value by the number of annual leave days taken, e.g. when taking two days' annual leave, the fortnightly value of allowances will be reduced by two tenths and added to the annual leave value, as shown in example 1B below. Regular and permanent allowance values will be included in your annual leave daily rate.

Examples

1. Employee with a higher duties allowance

A: Normal fortnightly pay – no annual leave

Normal Pay: 1 – 10 days	2,500.00	
Higher Duties	200.00	
Total Gross	2,700.00	

B: Normal fortnightly pay – two days annual leave taken

Normal Pay: 8 days	2,000.00	
Higher Duties	160.00	
Annual Leave: 2 days	540.00	See note 2.
Total gross	2,700.00	

Note:

1. Employee has an average daily rate not higher than normal daily rate of \$250.
2. Annual leave calculated using the daily rate of \$250, plus the daily rate for Higher Duties ($\$20 \times 2 = \540).

2. Employee with overtime and a higher duties allowance

A: Normal fortnightly pay – no annual leave

Normal Pay: 1 – 10 days	2,500.00	
Higher Duties	200.00	
Overtime	150.00	
Total gross	2,850.00	

B: Normal fortnightly pay – two days annual leave taken

Normal Pay: 8 days	2,000.00	
Higher Duties	160.00	
Overtime	150.00	
Annual Leave: 2 days	735.00	See note 4.
Total gross	3,045.00	

Note:

3. Employee has a higher daily average rate (overtime and allowances paid in the last 12 months).
4. Annual leave calculated using the daily rate inclusive of higher duties and overtime ($\$250 + \$20 + \$97.50 = \367.50).

Definitions

Daily rate	The value of base salary and regular allowances paid on a daily basis.
Average daily rate	A daily average of gross earnings over the past 52 weeks. This can be higher if an employee worked overtime and received additional payments.
Regular allowance	Allowance(s) paid every fortnight in addition to your base salary, i.e. higher duties, out of hours, etc.

If you have any questions about the changes outlined in this guideline, or anything on your payslip, please contact the Payroll team at NHQP payroll@fireandemergency.nz (NHQ Payroll – Work & Enquiries in Outlook).