

PAYROLL INFORMATION

Ensuring we are fully compliant with the Holidays Act, recent changes have been made to our payroll system. This has resulted in changes to your Payslip.

It's important to know how your pay is worked out, in this guide we'll help you understand your Payslip.

APPLYING FOR LEAVE

In the past when leave was requested and approved, the leave record was only displayed in the Employee's Kiosk information.

Annual Leave will now be calculated to meet the Holiday's Act requirements and the results will be displayed in the employee's Payslip, viewed from the Kiosk.

PAYMENT OF ANNUAL LEAVE UNDER THE HOLIDAY'S ACT

The Holidays Act requires that annual leave is paid at the greater of the last 52 weeks average weekly earnings or current ordinary weekly pay.

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.

AFFECTED EMPLOYEES

- (i) All employees whose annual leave is held in the HRMIS payroll system and recorded in the Employee Kiosk.
- (ii) 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.

WHAT CHANGES WILL I SEE?

1. You will notice some changes to your Payslip, when you next take Annual Leave.
 - Annual Leave will appear as a separate line in your payslip, along with Normal Pay. The total units for these payments will total 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. by taking two days annual leave, the fortnightly value of the allowance will be reduced by 2/10^{ths} and added to the annual leave value as shown below in Payslip Example 1 - Normal Fortnightly Pay when 2 Days Annual Leave is taken.
 - Regular and permanent allowance values will be included in your Annual Leave daily rate.
2. The Holiday's Act change will not change the payslip format for employees whose annual leave balances are held in the SMS system. These are mainly Firefighters, Officers and Communication Centre employees.

Payslip Example 1:

An employee with a higher duties allowance.

Normal Fortnightly Pay – No Annual Leave

Normal Pay 1 – 10 Days	2,500.00
Higher Duties	<u>200.00</u>
Total Gross	2,700.00

Normal Fortnightly Pay when 2 Days Annual Leave is taken:

Normal Pay 8 Days	2,000.00	
Higher Duties	160.00	
Annual Leave– 2 Days	<u>540.00</u>	
Total Gross	2,700.00	Average rate is not higher than normal daily rate of \$250

In this example, annual leave is calculated using the daily rate of \$250, plus the daily rate for Higher Duties of \$20 x 2 = \$540.

Payslip Example 2:

An employee with overtime and a higher duties allowance.

Normal Fortnightly Pay – No Annual Leave

Normal Pay 1 – 10 Days	2,500.00
Higher Duties	200.00
Overtime	<u>150.00</u>
Total Gross	2,850.00

Normal Fortnightly Pay when 2 Days Annual Leave is taken:

An employee has a higher daily average rate (overtime/allowances paid in last 12 months).

Normal Pay 8 Days	2,000.00
Higher Duties	160.00
Overtime	150.00
Annual Leave– 2 Days	<u>735.00</u> – Employee's average daily rate (\$367.50)
Total Gross	3,045.00

In this example, annual leave is calculated using the average daily rate, inclusive of higher duties and overtime. ($\$250 + \$20 + \$97.50 = \367.50)

KEY INFORMATION:

Regular Allowance	Allowance/s that is paid every fortnight in addition to your base salary, i.e. higher duties, out of hours, etc.
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 worked overtime and received additional payments.

Questions?

If you have any questions about the process change outlined in this email or anything on your payslip, please contact the Payroll team at NHQPayslip.fireandemergency.nz (NHQ Payroll – Work & Enquiries in Outlook).