

You might ask, why do you need to record when an employee is not at work?

The answer, legislation provides for the moving of an employee's anniversary date forward by the number of whole weeks of absence in certain situations, and to do so without recorded details may cause problems in the future. It also lets you record absences for subsequent analysis if required (eg via leave reports).

Leave Without Pay recording

To record this (despite not paying the employee any money, and for the zero hours they were at work), it is suggested you follow this procedure:

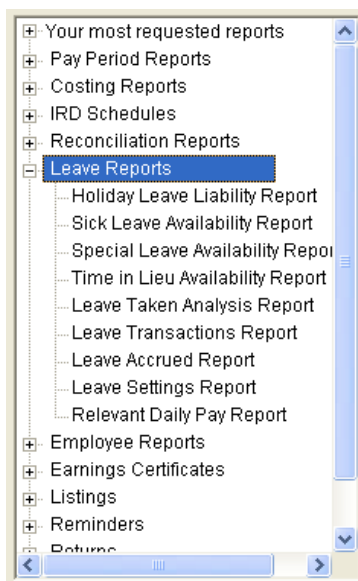
- Make sure you have (or create) a Special Leave Description (Payroll Codes..Special Leave) for Leave Without Pay (and make sure it is set to "self-balancing"). There is also a flag indicating this is a "Leave without pay" description which must also be ticked - this forces all such entries to have zero hours and value, so as not to dilute annual leave calculations.
- In Pay Input, create an entry for Special Leave, sub-type Leave Without Pay, and set the days as required (the employee worked zero hours, and therefore gets no pay)
- If you wish, record how long the employee is away for in the comment field

Under no circumstances should you enter Leave Without Pay as hours, as this serves only to dilute the employee's Relevant Daily Pay and annual leave average calculations.

Leave Reports

SmoothPay provides a great range of leave reports that provide you not only with management information (Leave Liability etc), but a solid and consistent record of leave, settings, transactions and values.

These reports can be selected from the reports list:



Individual employee leave records for each type of leave can also be produced from the Employee leave setup screens.

Related topics and resources

Pay clerking is not a simple job! It requires knowledge of an enormous amount of legislation, generally accepted principles developed over decades, and it's easy to be misled and end up with your leave processing and records in a real shambles.

SmoothPay provides a complete range of guides and tutorials for all aspects of the software (available on our CD and website), and our help desk provides expert advice on using SmoothPay whenever you need it.

Forms, publications and websites

The best source of information is the Department of Labour (you should always record the date, time and name of the person you speak to regarding any clarification or determination).

The Department of Labour website can assist greatly with online preparation of employment contracts, guides and information for employers: www.ers.dol.govt.nz

Some (not all) Employers Associations are worth their weight in gold, especially when it comes to employment procedures. For definitive advice, you must refer to the Department of Labour, though sometimes an Employers advocate can provide practical and cost saving advice.

A form (*Annual Leave Balance Worksheet*) is available to assist you to establish the correct opening leave balances and methods of entitlement, and is available from the Employee..Leave setup screens, or from the SmoothPay CD, or from the publications section of our web-site.

The *Holidays Act* (and amendments) is the legislation which determines how leave should be applied, and is available from government bookstores and online.

CCH Ltd produce two superb reference guides, *New Zealand Employment Law Guide* and *Guide to Holidays and Leave*. These can be ordered by calling CCH on 0800 500 224, or visit their website www.cch.co.nz

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