
MYOB IMS Payroll

Annual Leave with Piece Rates

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Annual Leave and Piece Rates

You can use piece rates with Annual Leave in MYOB IMS Payroll. To do this, you will need to set up a specific Payment for piece rates, and use it when processing pays for employees.

Setting up a Payment

In the examples in this document, the payment is called "Commission". Average and Ordinary leave accumulation are both ticked for the commission payment in this instance. If you have an irregular larger amount of payments, you may only want the **Average Gross** ticked.

The screenshot shows the 'PAYDAY Demo - MYOB IMS Payroll' window. The 'Company' tab is selected, and the 'Payment' section is active. The description is 'Commission piece rates' and the data entry code is 'COMMISSION'. The 'Calculation Method' is set to 'Fixed' with a value of '\$0.0000'. The 'Tax Type' is 'Taxable'. The 'Earnings Type' is 'Allowance'. The 'Accumulates Into' section has several options checked, including 'ACC Liable Earnings', 'KiwiSaver Employee Contribution Earnings', 'KiwiSaver Employer Contribution Earnings', 'Compliant Employee Contribution Earnings', and 'Compliant Employer Contribution Earnings'. The 'Leave Accumulation' section is highlighted with a red box, showing 'Average Gross' and 'Ordinary Gross' checked, and 'Include In Current Rate' unchecked. The status bar at the bottom right shows 'Entered'.

Processing Annual Leave

Set Hours

On the Employee > Leave tab, set the employee's **Annual Leave Type** setting to "Set Hours" and the Annual Leave In setting to "Days".

When processing the pay use the piece rate Payment ("Commission" in this example) with 1 in the Quantity column and the dollar value in the Rate column. You would then need to alter the **Days Paid For** field from one to five.

Payment or Deduction	Quantity	Rate	Costing Code	Costing Description	Date 1	Date 2
Commission	1	1000.0000	1	1		
P.A.Y.E.	1		M			
*						

Days Paid For:
Standard: 5.00
Holiday Rate: 5
Average Daily Pay: 5

This would in effect take the dollar value amount and divide it by five days to get a daily figure for Annual Leave. This means the Annual Leave daily dollar amount will change from week to week, but will give them an accurate value, based on a "Commission" piece rate payment.

Set Hours with Annual leave in Weeks

The daily dollar value for Annual Leave will be calculated as Average Weekly Earnings divided by Agreed Definition of a Week in days. Therefore, the Daily AWE rate won't fluctuate unless the number of agreed worked days per week is updated. What is added in the Timesheet won't affect the rate anymore.

Variable Hours

Note: It is recommended to use Set Hours.

The alternative option is to set the employee's **Annual Leave Type** setting to "Variable Hours" and the Annual Leave In setting to "Hours".

This would be processed by using the piece rate Payment ("Commission" in this example) with 1 in the Quantity column and the dollar value in the Rate column, and another line with an "Ordinary Time" Payment on it, with the number of hours worked in the Quantity column, with no dollar value in the Rate column.

Payment or Deduction	Quantity	Rate	Costing Code	Costing Description	Date 1	Date 2
Commission	1	1000.0000	1	1		
Ordinary Time	25	0.0000	1	1		
P.A.Y.E.	1		M			
*						

Days Paid For:
Standard: 5.00
Holiday Rate: 3.25
Average Daily Pay: 3.25

This means the Annual Leave will accrue based on the number of hours worked; the employee's Annual Leave will also be in hours rather than days. This means the Annual Leave "hours" value will change from week to week but have an accurate value, based on the amount paid and the hours actually worked.