

MYOB Essentials Payroll

Alternate Holiday allocated for every Public Holiday worked

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Contents

- Introduction 2
 - Background 2
- What is changing 2
 - Preparing for the change 2
 - After the change 3
- Software Changes 3

Introduction

The complexity of the Holidays Act 2003 is universally acknowledged, and issues of implementation are an ongoing challenge for businesses across New Zealand.

MYOB Essentials Payroll is committed to helping employers meet their obligations under the Act. The latest release of MYOB Essentials Payroll includes an update which requires a review of your payroll system process, and/or employee set up and evaluation of your compliance with the Holidays Act. This document provides an overview of the software updates to the system and what you should consider before implementing any changes.

This update will apply to you if you have employees who work on public holidays. It is important to update the product as described in the document to ensure your compliance with the Holidays Act 2003. Not doing this could result in your employees not have their correct entitlement to Alternative Holidays when they work on a Public Holiday.

Disclaimer: This document provides guidance on how to manage leave entitlements within our product. We recommend that you read the MBIE document "*Holidays Act 2003: Guidance on annual holidays, domestic violence, leave, bereavement leave, alternative holidays, public holidays and sick leave*" to understand how to meet your obligations as an employer under the Holidays Act 2003. If you have further questions or are in doubt, it is best to seek legal advice to ensure you are meeting your obligations.

MBIE Website: [Otherwise working day](#)

Background

If your employee works a public holiday that falls on a day they would otherwise have worked, they are entitled to an alternative holiday. For help determining an otherwise working day, see the MBIE website: [Otherwise working day](#)

If your employee is only employed to work on public holidays, then they are not entitled to an alternative holiday. Please note in both cases you must still pay time and a half for the hours they work on a public holiday.

What is changing

Prior to this change, when paying public holidays in MYOB Essentials Payroll, an alternative holiday was given in all cases. This could mean that if you have employees who are only employed only to work on Public Holidays, they will have more alternative holidays than they are entitled to.

The changes in this release allow you to determine whether an employee is given an alternative holiday, when working a public holiday.

Preparing for the change

If you have previously paid public holidays, employees would have received alternative holidays unless you processed a manual adjustment to remove them. If

you would like to make an adjustment to correct this for employees who are not entitled:

- You will need to review your employees' alternative holiday balances to ensure they are correct.
- You can manually update the alternative holiday balance using the **Opening balance** field on the **Leave** tab in an employee's record. [See this help topic](#) for details.

We recommend you refer to MBIE or seek legal employment advice before decreasing an employee's alternative holiday balance.

After the change

Essentials Payroll will no longer automatically allocate an alternative day holiday when you pay a public holiday. When paying public holidays, you will need to make the choice to apply an alternate day at the time using the new **Alternative holidays to apply** field. The value entered here will increase the employee's alternative holiday balance.

Software Changes

When paying public holidays during a pay run, a new field called **Alternative holidays to apply** has been added to the Public holiday worked calculator. It is important that you update this field if your employee is entitled to an alternative holiday to ensure they are given their correct entitlement under the Holidays Act 2003. For details, see our help topic about [Paying leave](#).

Public holiday worked calculator

Adam Jones

- Public holidays worked**
 days
- Alternative holidays to apply**
 days
- Select a daily rate**
 - Relevant daily pay**
You can adjust the public holiday rate if required.

Description	Rate \$	Qty/day	Amount
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Alternative holidays entitlement

If an employee works on a public holiday and the day is an otherwise working day for them, they are entitled to an alternative holiday (unless they are employed to work only on public holidays). [Learn more on the Employment New Zealand website.](#)

Choosing the right calculation

The goal here is to pick the calculation that's closest to the amount they would normally get on the day they worked, which MYOB Essentials will then multiply by 1.5 because it was a public holiday.