MYOB Essentials Payroll

Managing Leave Type Changes

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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 Holidays Act 2003. There are areas of the Act which require manual intervention with MYOB Essentials Payroll to ensure compliance and avoid under or over payments for certain leave types.

This document provides an overview of the manual intervention required and what employers may need to consider when managing paid leave types.

Manual intervention will be required by you if you have employees who require a change from one paid leave type to another. For example, an employee who was sick during a period of annual leave.

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 Guidance Document: [Holidays act 2003 guidance](#)

Background

The Holidays Act 2003 sets out the relationship between Annual Holidays and other leave entitlements, details can be found in the MBIE Guidance document above. If you need to change your employees Annual Holidays for another type such as Family Violence, Sick or Bereavement Leave, you will need to make manual adjustments to your employees leave balances. This is because MYOB Essentials Payroll does not automate this process so there are some steps you'll need to complete.

Managing the Software

If changing leave types, for example changing Annual Holidays to Sick Leave, you can use the adjustment fields on the **Leave** tab in the employee's record to correct the balances. In this example you would need to reinstate the Annual Holidays hours you had paid and reduce sick leave days by the number you are paying. See Managing your employees' leave for details.

Available balance:	0.00	hours
Available balance adjustment:	0.00	hrs
Estimated leave accrued since anniversary:	12.31	hours
Estimated leave accrued adjustment:	0.00	hrs
Opening balances		show help
Opening available balance:	0.00	hrs
Opening estimated leave accrued since anniversary:	0.00	hrs

If the rate for the changed leave type is different (Annual Holidays has a different rate calculation than FBAPS Leave), this will mean the employee may have been overpaid or underpaid. Therefore, you will also need to set up a new pay item to add or deduct the difference.

Reviewing required changes

If you have not manually adjusted pay and entitlements where your employees' leave has changed, you will need to review the affected pays and make the necessary adjustments.