

MYOB Exo Payroll

FBAPS Leave Rate Calculations

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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 Exo 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 Exo 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 you may need to consider when making payments using Relevant Daily Pay (RDP) such as: Family Violence Leave, Bereavement Leave, Alternative Holidays, Public Holidays or Sick Leave (these leave types are typically referred to as FBAPS).

Manual intervention will be required by you if you have employees whose work pattern varies from day to day or who have regular overtime or regular allowances paid to them.

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 [Relevant daily pay and average daily pay](#)

Background

The Holidays Act 2003 provides that FBAPS (Family Violence, Bereavement, Alternative Days, Public Holidays & Sick) leave is to be paid in days using Relevant Daily Pay (RDP) or in certain circumstances, Average Daily Pay (ADP) i.e. the Act states that ADP should only be used when it is not "possible or practicable" to determine RDP or if the employees daily pay varies within the pay period where the holiday or leave falls. Please refer to the MBIE website for full details on paying ADP.

The Holidays Act 2003 defines RDP as "*the amount of pay that the employee would have received had the employee worked on the day concerned*".

Unlike some other types of Holidays, there isn't a specific formula used to derive RDP. Instead it needs to be determined based on the circumstances, and this will often require your judgement.

What is Required

Managing RDP cannot be automated in Payroll software and requires you to manually process it at the time you are paying FBAPS Leave.

You will need to check that the correct hours and payment items are included. If your employee's hours vary from day to day you will need to enter the number of hours your employee would have actually worked on the day.

In addition, you will need to ensure that on top of any base wage or salary rate, you include any other relevant payments that your employee would have received had they worked. This could include:

- productivity or incentive payments, including commission or piece rates; if the employee would have received those payments had they worked (this needs to be considered carefully and we recommend you seek advice if you are unsure of your obligations)
- overtime payments
- the cash value of board and lodgings provided
- allowances for the day or shift (i.e. higher duties) should continue to be paid

We recommend you review previous FBAPS payments if you haven't manually determined what should be paid to your employee based on what would have been paid had they been at work. If the correct hours and payment items were not included, there is a chance some leave entitlements may have been underpaid.

We understand that reviewing these changes is complex and we recommend you engage your accountant or your employment relations advisor prior to conducting this review if you think you have employees who may be affected.

Managing the Software

In Exo Payroll, there are four options available to choose from to calculate FBAPS Leave Payments:

- Standard Pay
- Average Daily Pay (ADP)
- Hourly Rate
- Special Rate

You will need to assess each employee's working pattern and situation to determine the best method. If your employee changes their work pattern, you will need to re-assess their RDP method and update accordingly.

For more information please refer to [MYOB Exo ES FBAPS Rate Management](#)