



COVID-19 Government Stimulus Package setup options

In a bid to protect the Kiwi economy against one of the most significant threats to business in recent times, the government has launched a stimulus package that includes wage subsidies, business tax breaks, money for low-income families, healthcare support and more.

Managing your team and your payroll through this time is especially important.

This document provides you with some information to manage payments in IMS Payroll.

Before you start:

You will need to access the online guidance available regarding managing the wage subsidies, and eligibility criteria. This document is processing guidance only – you will need to make some choices as a business as to how you wish to manage this.

Government resource websites:

<https://covid19.govt.nz/>

<https://www.workandincome.govt.nz/products/a-z-benefits/covid-19-support.html>

For any assistance with the following IMS Payroll setup options, check in with our Support and/or Professional Services teams: <https://www.myob.com/nz/payroll-software/ims-payroll/contact-us>

| Version | Date | Changes |
|---------|---------------|---|
| V2 | 31 March 2020 | <ul style="list-style-type: none"> • Additional note Before you Start on payment options • Removal of leave subsidy • Addition of top up processes |
| V3 | 03 April 2020 | <ul style="list-style-type: none"> • Re Addition of the Leave Subsidy for Essential Workers • Addition of the variable hours calculation – link provided |

Wage Subsidy

The Wage subsidy is a weekly payment and is to be treated like Salary and Wages for the purpose of the Holidays Act 2003. This means the payment is considered Gross Earnings and the subsidy contributes to the Gross KiwiSaver. It is subject to Student Loan deductions.

If you are eligible to claim the Wage Subsidy, we suggest you record the payment separately. This will allow you to track it separately for management and reporting.

Please see an example below on how to setup within MYOB IMS Payroll. Of course, you can choose a different description to make it easier for you and your employees.

The screenshot shows the MYOB IMS Payroll setup interface for a 'Covid-19 Wage payment'. The 'Description' is 'Covid-19 Wage payment' and the 'Data Entry Code' is 'WAGE PAYME'. The 'Calculation Method' is set to 'Hourly' at '100% of Employee Hrly Rate'. The 'Tax Type' is 'Taxable'. The 'Earnings Type' is 'Ordinary Time'. The 'Factor' is '1.0000' and the 'Sequence' is '1'. The 'Costing Code' is set to 'Use Employee's Default'. The 'Accumulates Into' section includes 'ACC Liab Earnings', 'KiwiSaver Employee Contribution Earnings', 'KiwiSaver Employer Contribution Earnings', 'Compliant Employee Contribution Earnings', and 'Compliant Employer Contribution Earnings'. The 'Leave Accumulation' section includes 'Average Gross' and 'Ordinary Gross'.



You would enter the number of hours you are paying the employee, and their standard hourly rate will default into the rate field. Example below:

To pay the top-up setup a separate payment code.

Covid 19 - Top up

Company | Pay Points | Costing Codes | **Payments** | Deductions | General Ledger

Description: Covid 19 - Top up Data Entry Code: COVID 19 -

Calculation Method
 Fixed: Default Qty: I
 Hourly: 100 % of Employee Hrly Rate
 % Earnings % of
 Annual Leave / Holiday Pay
 Apply Average Daily Pay?

Factor: 1.0000 Sequence: 1

Costing Code
 Fixed:
 Use Employee's Default
 No Default - Entered at Transaction Input

Accumulates Into Special Total
 GST Special Total 4
 Special Total 2 Special Total 5
 Special Total 3

Tax Type
 Taxable Extra Pay Scheduler - Tax Override: %
 Non-Taxable Reimbursing

Earnings Type
 Ordinary Time Annual Leave Family Violence Leave
 Overtime Sick Leave Other Leave
 Penal Time Alternative Holiday Annual Leave Cash Up
 Allowance Time in Lieu

Accumulates Into
 ACC Liab Earnings
 Company Superannuation Contrib Earnings
 Apprentice Hours
 KiwiSaver Employee Contribution Earnings
 KiwiSaver Employer Contribution Earnings
 Compliant Employee Contribution Earnings
 Compliant Employer Contribution Earnings

Leave Accumulation
 Average Gross
 Ordinary Gross
 Include In Current Rate
 Unpaid Leave
 Accumulate Holiday Rate
 Units For: Average Daily Pay

ASHTON, Bronwyn

Emp # 1022 Management

1-Open | 2-Timesheets | 3-Check Input | 4-Calculate | 5-Preview | 6-Reports | 7-Bank | 8-Backup | 9-Close

| Payment or Deduction | Quantity | Rate | Costing Code | Costing Description | Date 1 |
|------------------------|----------|---------------|--------------|---------------------|--------|
| Covid- 19 Wage payment | 23.43 | 25.0000 | 1000 | Management | |
| Covid 19 - Top up | 8.57 | 25.0000 | 1000 | Management | |
| P.A.Y.E. | 1 | M | | | |
| KiwiSaver | 1 | 8% | | | |
| Social Club | 1 | 7.0000 | | | |
| * | | | | | |

In this example, Bronwyn normally does 40 hours per week, 80 percent of 40 hours is 32 hours.

For the Covid- 19 payment, take the total \$585.80 subsidy (remember if you are using the part time payment use the \$350.00 for this calculation instead) divide by the hourly rate, in



this case \$25.00. $\$585.80 / \$25.00 = 23.43$ hours. (This may round due to the decimal points)

To calculate the remainder hours. $32 - \text{the calculated Covid hours } 32 - 23.43 = 8.57$ hours, which would then go into the quantity of the topup hours. The payments are calculated this way to ensure the leave rates for future are not distorted.

To work out the number of hours for a variable hours employee.

Please see the link below for working out the number of hours for a variable hours employee.

<https://www.workandincome.govt.nz/products/a-z-benefits/covid-19-support.html#null>

Listed under the question – What can you get

The leave Subsidy Setup for Essential Workers Payment

Essential workers who take leave from work to comply with public health guidance are being supported with a leave scheme to ensure they will continue to receive income. Certain essential businesses are still operating but are facing a significant loss of business.

“We are ensuring that essential workers have the ability to take leave and are not feeling pressured to come to work if they are vulnerable, sick or otherwise unable to work. The essential workers leave scheme will enable them to self-isolate and continue to receive an income in these circumstances” says Workplace Relations and Safety Minister Iain Lees-Galloway.

For more information please access the hyper link below.

How do I setup the individual leave payments?

The leave subsidy is a weekly payment and is to be treated like Salary and Wages for the purpose of the Holidays Act 2003. That means the payment is considered Gross Earnings and the subsidy contributes to the Gross, KiwiSaver and is subject to Student Loan deductions.

The best way to keep track of the individual payments for employees is to setup two different payments – one for Part time hours and one for Full time hours. This will allow you to track them separately for management and reporting.

To setup the individual payments you need to go into the Company Controls, Payments tab and select New Record. We have two examples below of the options you should select when setting up this leave type. Of course, you can choose a different description to make it easier for you and your employees.

Please note: If you are using IMS Online, these may need to be handled directly within MYOB IMS Payroll.

Part time leave example:

The screenshot shows the 'Payments' tab in MYOB IMS Payroll. The record is titled 'COVID-19 PT Lve Payment' with a 'Data Entry Code' of 'COVID PART'. The 'Calculation Method' is set to 'Hourly' at '100% of Employee Hrly Rate'. The 'Tax Type' is 'Taxable'. The 'Earnings Type' is 'Other Leave'. The 'Accumulates Into' section includes 'ACC Liab Earnings', 'KiwiSaver Employee Contribution Earnings', 'KiwiSaver Employer Contribution Earnings', 'Compliant Employee Contribution Earnings', and 'Compliant Employer Contribution Earnings'. The 'Leave Accumulation' section includes 'Average Gross' and 'Ordinary Gross'.

Full time leave example:

COVID-19 FT Lve Payment

Company | Pay Points | Costing Codes | **Payments** | Deductions

Description: COVID-19 FT Lve Payment Data Entry Code: COVID FULL

Calculation Method

Fixed: Default Qty: 1

Hourly: 100 % of Employee Hrly Rate

% Earnings: % of

Annual Leave / Holiday Pay

Apply Average Daily Pay?

Factor: 1.0000 Sequence: 1

Costing Code

Fixed:

Use Employee's Default

No Default - Entered at Transaction Input

Accumulates Into Special Total

GST Special Total 4

Special Total 2 Special Total 5

Special Total 3

Tax Type

Taxable Extra Pay Scheduler - Tax Override: %

Non-Taxable Reimbursing

Earnings Type

Ordinary Time Annual Leave Family Violence Leave

Overtime Sick Leave Other Leave

Penal Time Alternative Holiday Annual Leave Cash Up

Allowance Time in Lieu

Accumulates Into

ACC Liable Earnings

Company Superannuation Contrib Earnings

Apprentice Hours

KiwiSaver Employee Contribution Earnings

KiwiSaver Employer Contribution Earnings

Compliant Employee Contribution Earnings

Compliant Employer Contribution Earnings

Leave Accumulation

Average Gross

Ordinary Gross

Include In Current Rate

Unpaid Leave

Accumulate Holiday Rate

Units For: Average Daily Pay

How do I pay the employees using the new payments?

If you are wanting to pay the government amount, we suggest adjusting the quantity when paying the leave to the number of hours or days relating to the payment.

When paying the above payments, if your Annual Leave (AL) is currently in hours you will need to adjust your hours, and if your AL is in days you will need to adjust the days.

As an example, $\$585.80 / \$222.00 = 2.68$ days

BLOXHAM, Peter

Emp# 1012 Office Period Ending: 29/03/2020

1-Open | 2-Timesheets | 3-Check Input | 4-Calculate | 5-Preview | 6-Reports | 7-Bank | 8-Backup | 9-Close

| Payment or Deduction | Quantity | Rate | Costing Code | Costing Description | Date 1 | Date 2 | Comment |
|-------------------------|----------|----------|--------------|---------------------|--------|--------|---------|
| COVID-19 FT Lve Payment | 2.68 | 222.0000 | 1002 | Clerical | | | |
| P.A.Y.E. | 1 | | M | | | | |



As an Example, AL in hours total amount / hourly rate

$$\$585.90 / \$21.00 = 27.9 \text{ hours}$$

| BLUE, Wendy | Office | Period Ending: 29/03/2020 | | | | | |
|---|----------|---------------------------|--------------|---------------------|--------|--------|---------|
| Emp# 1051 | Office | Period Ending: 29/03/2020 | | | | | |
| 1-Open 2-Timesheets 3-Check Input 4-Calculate 5-Preview 6-Reports 7-Bank 8-Backup 9-Close | | | | | | | |
| Payment or Deduction | Quantity | Rate | Costing Code | Costing Description | Date 1 | Date 2 | Comment |
| COVID-19 FT Lve Payment | 27.9 | 21.0000 | 1002 | Clerical | | | |
| P.A.Y.E. | 1 | M | | | | | |
| KiwiSaver | 1 | 3% | | | | | |
| * | | | | | | | |