MYOB PayGlobal: Purchased Leave Options

Private and Confidential

What is Purchased Leave

Purchased (or Buyable) leave is a benefit that allows employees to buy additional leave on top of their standard annual leave entitlements. This is typically done by reducing their salary proportionally over a period of time, to cover the cost of the extra leave days.

Benefits to Employees

1. Increased Flexibility: Employees can take more time off for personal reasons, travel, or rest, which can help improve work-life balance.

2. Reduced Burnout: Additional leave can help employees recharge and reduce the risk of burnout, leading to better mental and physical health.

3. Personal Time: Employees can use the extra leave for important life events or to spend more time with family and friends.

Benefits to the Business

1. Employee Satisfaction: Offering purchased leave can increase overall job satisfaction and morale, making employees feel valued and supported.

2. Retention: Employees who have the flexibility to take additional leave are more likely to stay with the company, reducing turnover rates.

3. Productivity: Well-rested employees are generally more productive and engaged when they return to work, which can positively impact overall business performance.

4. Attract Talent: This benefit can make the company more attractive to potential hires who value work-life balance.

Purchased Leave Options

The base configuration required to manage purchased leave is managed manually by the Payroll team. The business may have an option for request/submission of purchased leave via an internal form (outside of Payroll/Employee Self Service) that partially automates the process.
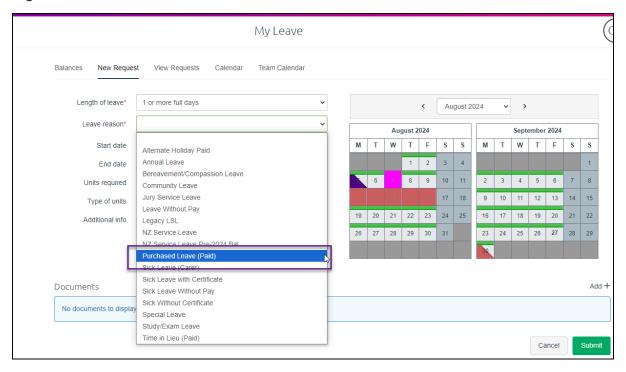
This option will typically suit 'trialling' the application of Purchased Leave and/or with a small number of employees expected to take it up initially. An automated workflow can be considered in future if the process becomes burdensome.

+ EMPLOYEE SELF SERVICE

Option 1 – Leave Payment Workflow

Utilising Employee Self Service (ESS) allows the business to seamlessly automate the submission, approval and payment of Purchased Leave.
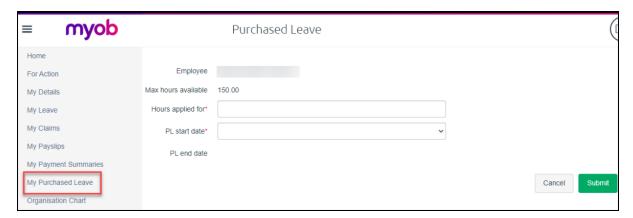
E.g.

Option 2 – Leave Request Workflow

Adding the ability for an employee to also *request* purchased leave* – as above, ESS can also handle the workflows for submission, approval and subsequent update of the employee record to initiate the deductions in Payroll.

E.g.

*Requires an available (unused) workflow.

Things to Consider

TYPICAL PAYROLL SETUP

Due to the potential for a variety of requirements from different businesses, we will utilise PayGlobal's flexible configuration; with a Leave Credit at the core, user-defined fields and payroll rules to drive the tracking, accrual and payments of purchased leave.

The typical setup of purchased leave will:

On the Employee

- Have a start and end date (per employee) based on the agreed time to accrue (e.g. 12 months)
- Specify the total hours requested/to accrue
- Specify the hourly rate to be used as the basis for the deduction from gross, and payment when the leave is taken
- Values are stored against the employee for reporting purposes

In Transaction View

- Generate a leave credit for the employee over the agreed amount of time to accrue the agreed balance (per pay cycle)
- Generate a deduction to reduce the employees gross pay based on the agreed rate amount (per pay cycle)
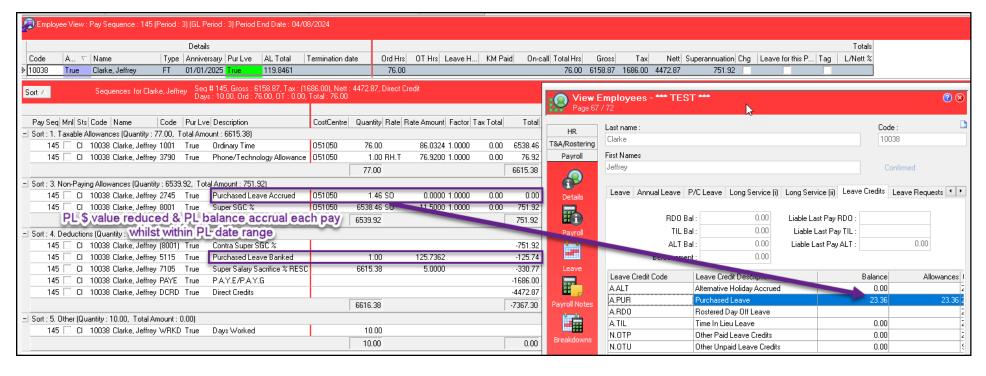
Optional

- Balance/Rate in Days (may not be recommended for variable employees)
- Grid layout changes in TV
- Employee Grid & Query setup
- Warnings in pay (e.g. PL taken when AL balance exists, terminating employee with PL balance etc.)

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Example in Transaction View

- **Purchased Leave Accrued** = Leave Credit auto-generated based on employee settings that updates the employee balance on pay close
  - E.g. 38hrs over 12 months for a F/N pay = 1.46 hours per F/N
- **Purchased Leave Banked** = Deduction from Gross pay
  - E.g. 86.0324 (rate) * 38hrs / 26 periods = 125.74 per F/N

*Varies per employee based on rate & timeframe of accrual.

- Who needs to know what?
    - This determines what workflow emails are configured and their content/recipients.
- Compliance, i.e. Warnings/Errors e.g.
    - Prevent a leave request from being submitted where there is not enough balance available
    - If you want any info/messages on-screen when a certain leave type is selected
- What Workflow should the request follow? (i.e. who approves/how many levels of approval etc.)
    - This determines the effort required by your Consultant, particularly if there are any specific requirements that do not follow your typical leave request workflows.

POLICY CONSIDERATIONS
Eligibility

- What employee types are eligible to apply for purchased leave (e.g. FT/PT only)
- Existing leave balance minimum/maximums (e.g. must have less than 4wks AL available)
- Can an employee request more purchased leave if they still hold a balance?

Usage/Payment

- Does the employee have to use the purchased leave before other leave types once it is available to them?
- Does the employee have to use a minimum amount/all of the balance at the same time?
- Will the leave be paid back if not used within a specified period?
- Rate of pay? E.g.
    - the rate as at engagement of accruing purchased leave,
    - an average over the period of accrual,
    - or their current rate as at time of payment?

OTHER CONSIDERATIONS
Process

- What does the business workflow look like?
- Who needs to know & action what/when?
- How does Payroll manage the setup and payments?

Documentation

- The business workflow should be documented
- The payroll process should be documented, including detail about the configuration and where any manual updates/check may be needed
- Are there any auditing or reporting requirements?

Pricing

Refer to the following table for the price per module:

PRICING ESTIMATES		
PG Online	**On-Premise**	**Deliverables**
Payroll Only $4,000	**Payroll Only** $4,800	Scope & Design session Configuration for a single unit type (hours or days) One Leave Credit & Gross pay deduction setup Payroll rules to generate Leave Credit accrual & Gross pay deduction Rate type of either: • Employee default rate (date effective) • Specified set rate (UDF) Walk-through of solution
+ ESS Option 1 $1,000	**+ ESS Option 1** $1,200	All the above plus: Leave Credit (Purchased Leave) can be selected in the ESS Leave Workflow (i.e. "My Leave/Employee Leave") Standard workflow emails per existing leave types
+ ESS Option 2 (Pricing subject to Scope and Design)		All the above plus: *We will need to review your current ESS configuration first before providing an estimate (as part of the scope & design session)*
Customer defined extras		Your requirements will be reviewed by one of our team in the scope & design session, after which, any additional/specific functionality requested outside the above options can be estimated (assuming we are able to achieve the requirement/s).

*Any changes in addition to the Deliverables outlined above, will be completed on a time and materials basis and subject to scope and design.

*Pricing and inclusions are subject to change based on customer and business requirements.

INCLUSIONS
- Configuration in Test database
- Configuration Go-Live post User Acceptance Testing (UAT) sign-off

EXCLUSIONS
- Customer specific process documentation
- Custom report modifications

Checklist for Work Order

If you're interested in setting up Purchased Leave in PayGlobal, please complete the following checklist and provide this back to us via your Account Manager/Support so we can get the work underway.

Please attach any existing policy/requirements documentation you may already have.

CHECKLIST			
Item	Options	Notes	
1	Payroll Only		☐
2	+ ESS Option 1		☐
3	+ ESS Option 2*		☐
4	Customer defined extras*		☐

*Pricing subject to scope and design.

Preparing for Scope & Design

You can use the following checklist to prepare for the scope & design session, so we can get the most out of this time and get to work on your solution.

NOTES FOR SCOPE & DESIGN	
Payroll	
Units to pay in (hours or days)	
How many hours/days/weeks of Purchased Leave can be requested? (any requirements)	
What timeframe will employees accrue Purchased Leave over?	
What rate will be used for liability/accrual & payment?	
What do you want the leave to be called? E.g. "Purchased" or "Buyable" leave	
ESS	
Do you require any change to your current leave workflows for Purchased Leave?	
Do you require any specific messages or workflow emails to be configured?	
Other	
Any other requirements specific to your business that you'd like to discuss?	
Do you have any questions you'd like to ask?	