



Leave Loading

This step-by-step guide shows you how to establish and apply automatic leave loading in SmoothPay Gold Payroll.

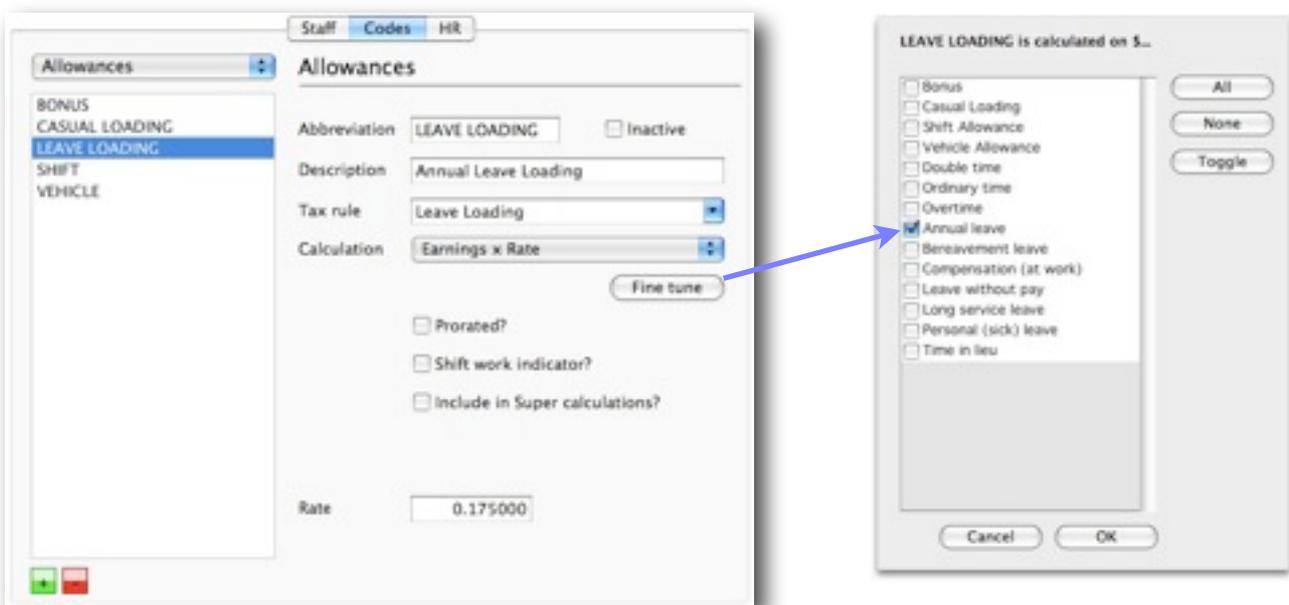


NOTE: Leave Loading tax-free rebate (currently \$320) applies only if the employee is taxed at Scale 2 rates - must be an Australian Resident, claim the Tax Free threshold and be eligible for Leave Loading. See *Staff..Personal..Tax details..More* for these settings.

In all other cases the leave loading calculation will still occur, however no rebate will be applied.

Leave Loading allowance code

Create a leave loading allowance code by selecting *Codes..Allowances* and select (if it exists) or add a new code and make sure it is established as shown below:



The important points are:

- **Tax rule:** Leave Loading
- **Calculation:** Earnings x Rate
- **Fine tune:** set the earnings types that are to be included in the calculation (in this case Annual Leave)
- **Rate:** 17.5% is entered as 0.175

Now that your Leave Loading allowance code is established, it can be used as an allowance in pay input entries.

It's value will be calculated automatically on any Annual Leave payments.

Using the allowance

Select the employee, then choose *Staff..Pay..Allowances* (shortcut F6)

Add the allowance entry (example below)

We suggest you save the entry as part of the employee's standard pay (QuickPay) settings, so that it takes effect automatically any time Annual Leave is taken.

The screenshot shows the 'Allowances [F6]' tab in the SmoothPay software. The 'Annual Leave Loading' allowance is selected. The form displays the following fields:

Date	29.05.2009
Type	LEAVE LOADING Annual Leave Loadi...
Units	232.500
Rate	0.175000
Value	40.69 Earnings x Rate
Cost centre	750 Payroll:Gross
Job	None
Activity	None
Comment	

At the bottom left, there is a checkbox labeled 'Hold / Don't pay'.

Points to note:

- **Units:** This is grayed out, and set automatically to the value of annual leave entered in *Pay..Leave Taken*
- **Rate:** 17.5% is entered as 0.175

SmoothPay will automatically check the total value of leave loading allowances paid during the tax year and exclude amounts up to the total tax-free threshold (currently \$320 per year) from the tax calculation.

Note that the rebate is only available to employees on Scale 2.

Feedback

We're always keen to do better!

Any and all feedback is appreciated and if you feel we could include better examples, provide more explanation, provide references to additional information, make a process easier to use, or you spot something that isn't working the way it's supposed to - please let us know.