

Leave and Bonus Processing

During this time of year, a lot of clients are getting ready to put their employees on leave and to pay out the Bonus's or 13th Cheques. This is what you need to know regarding Leave and Bonus processing on Sage Business Cloud Payroll



Statement question or Scenario	Answer or Knowledge base article
How do I put my Monthly employees on leave?	<u>Knowledgebase Article: Annual Leave-Monthly Employees</u>
How do I put my Weekly/Bi-Weekly employees on leave?	<u>Knowledgebase Article: Weekly/ Bi-Weekly: How do I Active Leave Pay?</u>
How do I process the Bonus for my employee?	<u>Knowledgebase Article: How do I process a Bonus?</u>
I setup bonus transactions in March, but the company can't afford to pay out bonuses this year?	<p>It does occasionally happen that you setup a bonus payment in March, but come December time the company can't afford to Pay out bonuses, to remove the bonus line you will:</p> <ul style="list-style-type: none"> • Locate the Annual Bonus line on earnings line of this employee's pay slip, and double click on it. • The 'You are making changes to Annual Bonus' section will appear on the left-hand side - double click on the item line for the month the Bonus will be paid • Tick the "I do not want to pay this value anymore" check box, and if provisional tax was setup also the box that reads "I do not want to make Provision for tax on this bonus anymore". • Click on ok. • This will remove the annual bonus line from the pay-slip.

My employee came back early from leave, but I can't access their pay slip?

If your employee comes back early from on leave, you can deactivate their leave pay by clicking on the "Deactivate Leave Pay" button on the Pay-slip of this employee, however, by doing this you need to be aware of the following:

- This employee has already been paid for this period; you will have to take this into consideration when arranging with your employee.
- You will have to manually adjust values to coincide with the arrangement that you agreed to with your employee?
- The tax will be higher, as the original tax calculation that was done before this employee went on leave has already included the Leave Pay Period
- You will have to manually correct leave transactions that were captured when you activated Leave Pay

Can I do a Separate Pay-slip to pay out the bonus?

No, unfortunately SBCP does not offer the functionality to allow clients to do a Separate pay-slip for the Bonus run

I know that SBCP doesn't have a separate run for the bonus, but last year you helped me with a work around?

As mentioned above, the system doesn't allow for separate pay-slips in a period, but some companies still want to pay Bonus's on the 15th, and salaries on the 25th, we do have a work around that will allow you to do this, however, you need to follow the steps to the letter to ensure that you don't end up paying your employee, or the employees tax incorrectly. This is what you do:

I want to pay the bonus first (on the 15th):

1. On the Pay-slip tab of this employee, double click on the Basic Salary. The Adjustment section will open, select the last option - 'I do not want to pay this Basic salary this month' and click on ok.
2. The annual bonus should still display with the amount, keep the item line as is. If the bonus was never added, please added as per the above section:

Earnings		Deductions		Company Contributions	
Basic salary	0.00	Tax	509.66	Unemployment insurance fund	148.72
Annual bonus	20,000.00	Unemployment insurance fund	148.72	Skills development levy	275.00
				Total	423.72
				Fringe Benefits	
				Residential accommodation	7,500.00
Total	20,000.00	Total	658.38	Total	7,500.00
Nett Pay					19,341.62

3. Generate the Pay-slip for the 15th, showing only the Annual Bonus:
 - a. Navigate to Reports
 - b. Select Pay-slips
 - c. Filter the report to suit your needs, you can change the date on the pay-slip in the "select the date to print on the pay-slip" section or add Pay-slip message right at the bottom:

Earnings	Units	Amount	Deductions	Opening balance	Amount
Annual bonus		20 000,00	Tax		509,06
			Unemployment insurance fund		148,72
Total earnings	20 000,00		Total deductions		658,38
			Nett pay		19 341,62
Company Contributions					
		Amount	YTD Totals		Amount
Unemployment insurance fund		148,72	Taxable earnings		50 000,00
Skills development levy		275,00	Taxable company contributions		0,00
Fringe Benefits		Amount	Taxable fringe benefits		7 500,00
Residential accommodation		7 500,00	Provision for tax on annual bonus		0,00
			Tax paid		6 795,00
Leave Type					
				Closing Balance	
Annual Leave					3,7500

4. Generate your bank (ACB) file in order to do the payment for the bonus.
5. We will now add back in the Basic Wage:
 - a. On the Pay-slip tab of this employee, double click on Basic Salary and scroll down - select "I do not want to make an adjustment this month" and click on ok.
 - b. The Pay-slip will automatically load your usual basic salary.
 - c. Click on the back to pay-slip button on the bottom right -hand side

6. DO NOT REMOVE THE ANNUAL BONUS or change the amount of the annual bonus.
7. Click on the + next to deduction and select Advance:
 - a. Enter the amount of the NET PAY as per 3.c in the "I want to deduct" block
 - b. Enter 1 to the pay frequency block:

Earnings	Deductions	Company Contributions
Basic salary	Tax	Unemployment insurance fund
Annual bonus	Unemployment insurance fund	Sick development levy
	Advance	
		Total
		Fringe Benefits
		Residential accommodation
Total	Total	Total
Net Pay		

8. Generate the Pay-slip
9. Generate the Bank (ACB) file in order to do the payments
10. Once you have done the two payments, and given the pay-slips to the employees, you need to do the final step - and that is to remove the Advance:
 - a. On the Pays-lip tab of the employee, click on Advance under deduction and select the line item on the left- hand side.
 - b. Scroll to the bottom and select "I do not want to deduct this value anymore" and click on OK
 - c. This will remove the line for the pay-slip and show the true reflection of what was paid in total to the employee (The Total Net-pay from the first Payslip:19341.62 + The total net-pay of the second pay-slip: R10417.00 = R29758.62):

Earnings	Deductions	Company Contributions
Basic salary	Tax	Unemployment insurance fund
Annual bonus	Unemployment insurance fund	Sick development levy
		Total
		Fringe Benefits
		Residential accommodation
Total	Total	Total
Net Pay		

Thank you!

