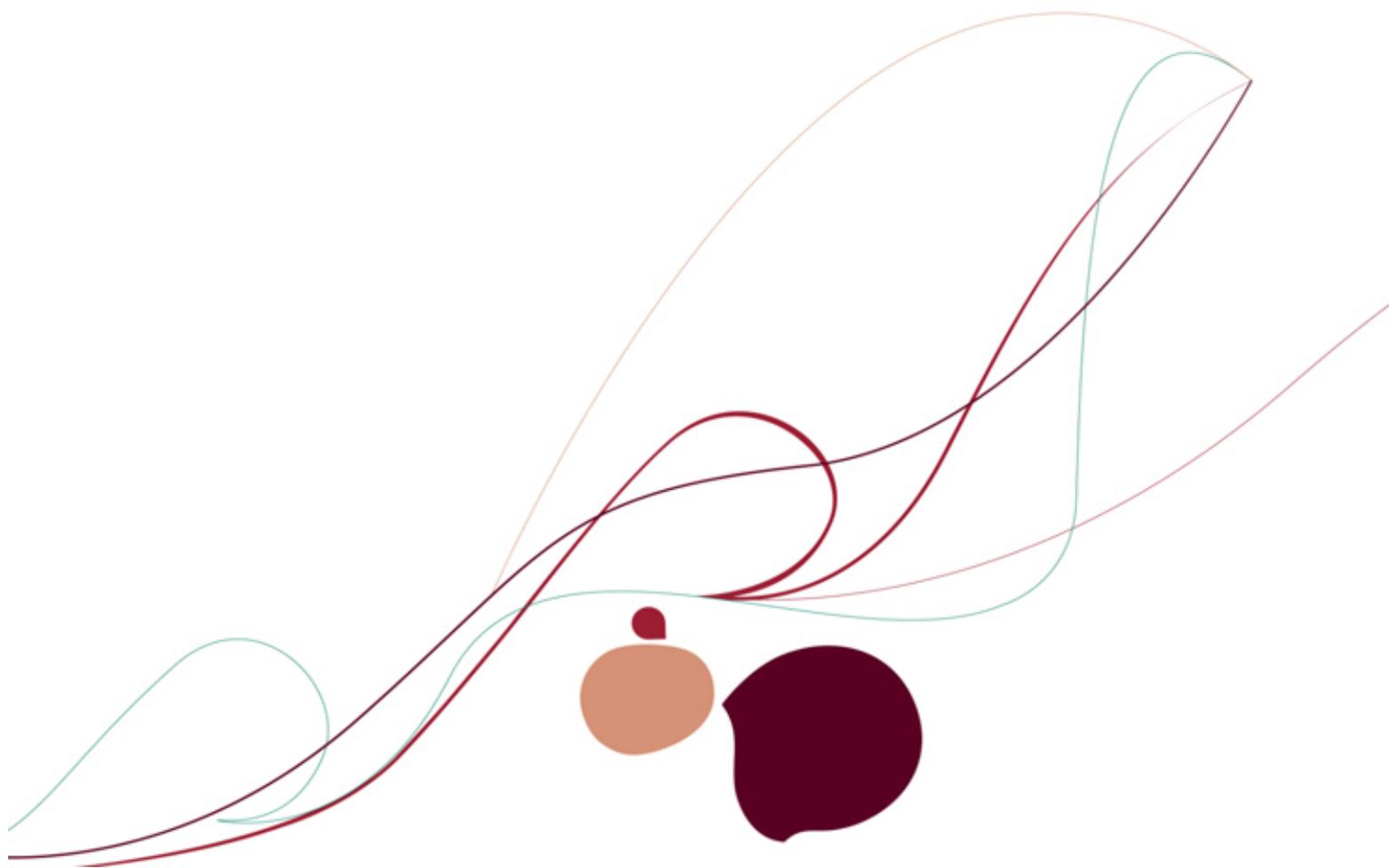


Dealing with holidays in Sage 50 Payroll



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Introduction

Disclaimer

The features and functionality described in this guide relate to the latest release of the software. If any of the functionality described here is different to that which appears in your software and you need further help, refer to [Ask Sage](#), call Technical Support on 0845 11 55 55, or check your software's F1 Help. Alternatively, if you want to use the new functionality, contact Sales on 0800 33 66 33 to upgrade. To find out which version of Sage 50 Payroll you are using, open your software and choose Help > About.

Offering a good holiday package, for example by providing additional holidays over and above the statutory minimum or increasing an employee's entitlement as a reward for long service, can help employers to attract, motivate and retain employees and strengthen their reputation as an employer. Holidays can help improve morale and keep stress to a minimum.

In addition to holidays, employers should consider how they are going to manage requests for time off for family commitments, parental reasons, maternity and antenatal leave, paternity and adoption leave, career breaks, jury duty and so on.

A well thought-out holiday policy, as well as flexible approaches to these other types of leave, is increasingly valuable as more importance is placed on obtaining a healthy work/life balance.

Sage 50 Payroll offers a range of features to make managing employees' holidays easier. Use your software to record details of your company's holiday schemes, record employees' leave, maintain holiday funds, and pay your employees when they take holiday.

Your employees' rights

Most workers are entitled to paid holidays. This right starts on the employee's first day of employment with your company, and should not be subject to any minimum period of employment.

In addition to allowing your employees to take paid leave, there is a minimum statutory entitlement that you must ensure you adhere to. This minimum entitlement can include national holidays.

It's essential that you include details of an employee's paid holiday entitlement in their contract of employment.

Q What are workers entitled to?

A Workers have the right to:

- The minimum statutory paid holiday entitlement (see the following question and answer).
- Payment for any statutory holiday that remains untaken if and when their employment is terminated.

These rights apply for part-timers and most agency and freelance workers, as well as full-time employees.

Q What is the current statutory holiday entitlement?

A Under the Working Time Regulations 1998, workers are entitled to 5.6 weeks' paid leave each year (that is, 28 days for employees who work five days a week).

The 5.6 weeks' minimum entitlement can include bank and public holidays if your company chooses to do so. Your company can offer more paid leave than this if it wants to, but this is the legal minimum required.

Q My employees work six days a week. Are they entitled to more than 28 days' holiday a year?

A No. Statutory entitlement is capped at 28 days.

Even though the 5.6 weeks' entitlement would work out as 33.6 days for an employee working six days a week, these workers are still only entitled to 28 days' holiday.

Q Where can I find out more?

A For more information about the legislation surrounding working hours and time off, refer to the Directgov website at www.direct.gov.uk.

Employee holidays in Sage 50 Payroll

When you employ people who work varying hours or shifts, it can become complex working out holiday entitlement and managing multiple holiday schemes. With Sage 50 Payroll you can calculate average pay and the holiday payment due for staff working both regular and irregular hours.

You can set up a number of different holiday schemes to suit your company's needs and then assign the relevant scheme to your employees. When your employees book and take holiday, your software calculates what they are entitled to and how much holiday they have left.

If your company runs a holiday payment scheme, you can also record and pay from the funds that have been built up.

Q What can my software do?

A Using Sage 50 Payroll, you can:

- Let your software calculate what holidays your employees are entitled to, or manually enter their entitlement.
- Change the calculated entitlement for individual employees.
- Specify how your employees accrue holiday; their entitlement will be adjusted accordingly. For example, you can specify an annual entitlement, but allow employees to accrue holidays on a daily basis.
- Record the amount of holiday an employee carries forward into a new scheme. This gives you the flexibility to change from schemes using different types of entitlement, for example hours to days.
- Enter the details of an increase in holiday entitlement in advance, such as an increase given as a reward for long service to the company. Your software will automatically increase the entitlement at the right time.

Setting up Sage 50 Payroll to deal with employees' holidays

Before you can record employees' holidays and process holiday pay, you need to set up your software so you have all of the schemes and other details available and ready to use.

To get started with managing holidays in Sage 50 Payroll, refer to the following sections. The Holidays checklist below provides a useful reference point to help you with your preparations.

Holidays checklist

- Step 1: Set up the correct holiday year. See [Setting up your company holiday year](#).
- Step 2: Check your national holidays. See [Checking your national holidays](#).
- Step 3: Enter the details of your company's holiday schemes. See [Setting up holiday schemes](#).
- Step 4: Set up your working day patterns. See [Setting up working day patterns](#).
- Step 5: Assign working day patterns to your holiday schemes. See [Assigning working day patterns to holiday schemes](#).
- Step 6: Set up any holiday payment fund details for your holiday schemes. See [Setting up payment funds for a holiday scheme](#).
- Step 7: Assign holiday schemes to your employees. See [Assigning holiday schemes to employees](#).
- Step 8: Record your employees' holidays when they book them. See [Recording holidays booked and taken](#).
- Step 9: Pay your employees any holiday pay they are due, including any pay from an accrued holiday fund. See [Paying employees' holiday pay](#).
- Step 10: Print the relevant reports on your employees' holidays. See [Reporting on holidays](#).

Setting up your company holiday year

To calculate your employees' holiday entitlement correctly, your software needs to know when your holiday year starts. This ensures that your employees accrue the right amount of holiday entitlement.

Q What date should I use as the start of my holiday year in Sage 50 Payroll?

A The date you need to enter is the actual start date of your company's holiday year. Your software can then begin to accrue your employees' holiday entitlement accurately, once you have set up and assigned your working day patterns and holiday schemes.

Q How do I set my company holiday year?

A Click Company > Settings > Absence. In the Holiday Year section, enter the start date of your company's holiday year. For example, if your holiday year runs from the beginning of January 2012 to the end of December 2012, enter 01/01/2012.

Company Settings

Details | Bank | Coinage | **Absence** | Analysis | Tax Funding | Statutory Funding | HMRC Payments | Documents

SSP/Holiday Working

Sunday - Saturday
NQQQQQN
NQNNNNN
NQQNNNN
NQQQNNN
NQQQNNN
QNNNNNQ
QNNNNNQ
NQNNNNQ
NNNNNNN
QQQQQQQ

Absence Year

Start of Year: 01/01/2012 [Calendar] [Advance Year]

Holiday Year

Start of Year: 01/01/2012 [Calendar] [Advance Year]

Custom Absence Reasons

Ref	Description
1	Doctor's App
2	Dentist's App
3	Flexitime
4	Training
5	Customer visit
6	Off site meeting
7	Custom 7
8	Custom 8

OK | Cancel | Help

Type the start of your holiday year in here, or use the Calendar button to enter the date.

Q Can I change the details of standard national holidays?

A No. If you want to use different dates specific to your company, you need to create your own holiday list using the Custom option in Holidays > National Holidays. For more details, refer to the F1 Help in Sage 50 Payroll.

Checking your national holidays

National holidays are customary holidays such as public or bank holidays, for example Christmas Day.

Sage 50 Payroll provides you with the national holiday patterns for England, Scotland, Wales and Northern Ireland. You can choose which national holidays you want to use, depending on your region.

You can also add your own custom statutory holidays, if you need to. For example, you may need to add a day's holiday if an extra public holiday is announced.

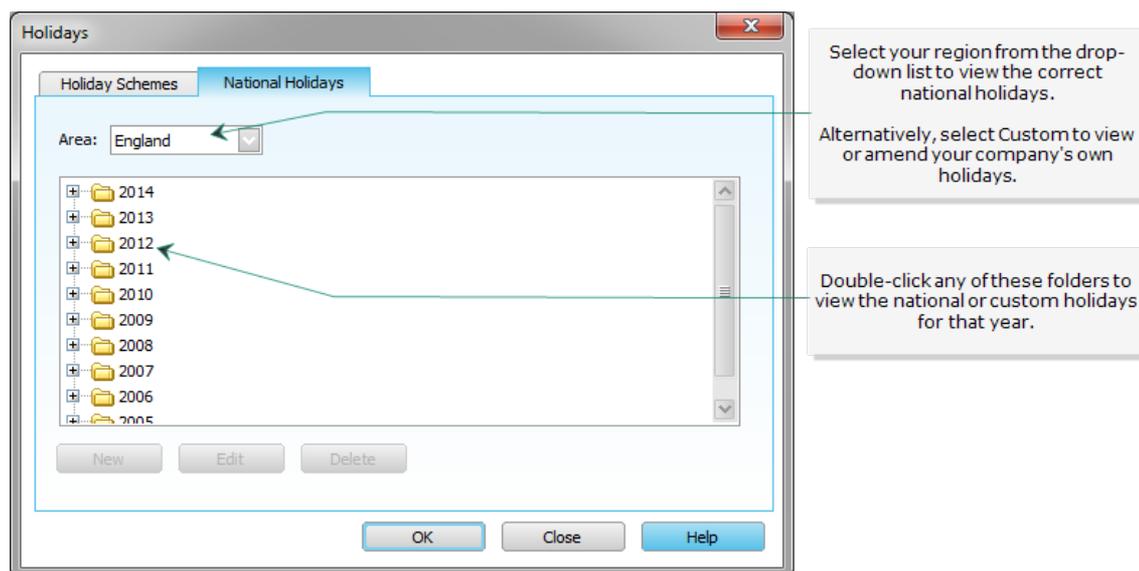
When you create employee records, your software applies the appropriate national holidays and displays the dates on the employee's absence diary. If an employee is set to use a holiday scheme that does not include national holidays, national holidays that fall during that period are not deducted from their entitlement when the employee takes holiday.

Q Are employees entitled to paid leave on national holidays?

A There is no statutory right to paid leave on national or public holidays. Whether your employees are paid for this time off is at the company's discretion, and should be stated in their terms of employment. In addition, national holidays can be counted towards employees' statutory annual leave of 5.6 weeks, or counted separately - again, this is up to the individual company.

Q How do I check the national holidays in my software?

A Click Company > Holidays > National Holidays.



Setting up holiday schemes

Using your software, you can set up a number of different holiday schemes to suit your company's needs, and then assign the relevant scheme to each employee. When employees book and take holiday, your software calculates what they are entitled to and what holiday they have left.

If your company runs a holiday payment scheme, you can also record and pay from the funds that have been built up.

There are ten holiday schemes already set up in your software. You can edit these to suit your requirements, or add more schemes if you need to.

Q How do I set up or change a holiday scheme?

A To set up or amend your holiday schemes, click Company > Holidays.

You can either customise one of the ten templates included in your software to suit your holiday scheme, or set up a completely new one.

To edit an existing scheme, or customise one of the templates, select the relevant scheme in the list and click Edit.

Alternatively, to create a new scheme, click New.

Complete the information in the Holiday Schemes window, and click OK to save your changes.

Q What is holiday in hours, or hourly holiday accrual?

A For employees who work part-time or irregular hours, accruing their holidays in hours, instead of days or weeks, ensures that they receive the minimum number of holidays allowed under the European Working Time Directive.

To do this in your software, you must use a holiday scheme set to calculated entitlement, the employee must be paid by the hour in Enter Payments, and the relevant Pay Elements must have the Include in Weekly Averages check box selected.

Specified and calculated entitlement schemes

You can set up holiday schemes as a specified amount of hours, days or weeks. This is known as a 'specified entitlement' holiday scheme and is useful if you want to be able to state how many hours, days or weeks holiday an employee receives.

In a specified entitlement scheme, you can accrue holiday entitlement daily or calendar monthly.

Alternatively, you can set schemes up which calculate the employee's entitlement using an average of the hours worked over a set period of weeks prior to either the start of the holiday year or the start of the employee's pay period. This is referred to as a 'calculated entitlement' scheme.

In a calculated entitlement scheme, holiday entitlement is always accrued hourly.

To set up a holiday scheme: The Entitlement tab

1. Click Company > Holidays.
2. To create a new scheme, click New and enter a scheme number and name. Alternatively, to make changes to an existing scheme, select the relevant scheme in the list and click Edit.
3. In the Entitlement tab, select the Specified Entitlement or Calculated Entitlement option, depending on the type of scheme you want to set up.
4. Complete the remaining information in the Entitlement tab, as follows:

Specified entitlement schemes

The screenshot shows the 'Holiday Schemes - Edit Scheme 1' dialog box. The 'Entitlement' tab is selected. The 'Scheme Number' is 1 and the 'Scheme Name' is 'Holiday Scheme : 1'. Under 'Entitlement Basis', 'Specified Entitlement' is selected, and 'Entitlement of' is set to '28.0 Days'. Under 'Entitlement Accrual', 'Accrue Holiday' is set to 'Daily' and 'Display Excess Entitlement Warning' is checked. Under 'Entitlement Settings', there are several unchecked checkboxes: 'Include National Holidays in Entitlement', 'Allow Entitlement B/F From Previous Year', 'Include Starting Pay Month', 'Minimum Employment (Months)' (set to 0), 'Allow Entitlement Advanced From Next Year', and 'Include Current Pay Month'. Callout boxes provide instructions: 'Type the entitlement in the first box, and select whether this is in Hours, Days or Weeks in the second box.' (pointing to '28.0 Days'), 'Select how you want the holiday entitlement to accrue. Choose from Daily or Calendar Monthly.' (pointing to 'Daily'), and 'To see a warning when an employee exceeds their entitlement, select the Display Excess Entitlement Warning check box.' (pointing to the checked checkbox).

Calculated schemes

5. Complete the remaining options in the Entitlement Settings section:

<p>Include National Holidays in Entitlement</p>	<p>If your company grants paid statutory bank holidays in addition to their holiday entitlement, leave this box blank.</p> <p>If bank holidays are included in the employee's entitlement, select this check box.</p>
<p>Allow Entitlement B/F From Previous Year</p>	<p>If you allow employees to carry over any holidays from the previous holiday year, select this check box.</p>
<p>Include Starting Pay Month (Specified Entitlement schemes only)</p>	<p>If a new starter begins part-way through the current pay period, select this check box to accrue holiday for the month.</p> <p>Note: This check box is only available if you have selected to accrue holiday on a calendar monthly basis.</p>

Minimum Employment (Months)

The legislation surrounding holiday entitlement has recently changed. The entitlement for all employees should begin as soon as they start their employment. This means that when dealing with holidays in your software, you should not complete this box. For more information about the legislation surrounding working hours and time off, refer to the Directgov website at www.direct.gov.uk.

Allow Entitlement Advanced From Next Year	If you allow employees to take holiday from next year's entitlement, select this check box.
Include Current Pay Month (Specified Entitlement schemes only)	Select this check box if you process an employee's payroll part-way through a month, and want to accrue holiday for the month. Note: This check box is only available if you have selected to accrue holiday on a calendar monthly basis.

6. To save your settings and return to the Sage 50 Payroll desktop, click OK > OK.

We'll look at how to complete the Settings and Payments tab of the Holiday Schemes window later.

Setting up working day patterns

An employee's working day pattern means the days of the week they normally work. Your software needs to know this information in order to correctly calculate their holiday entitlement and outstanding holidays.

In your software, working days are referred to as 'qualifying days', and non-working days as 'non-qualifying days'. These are represented by a Q and an N, respectively.

The most common working day patterns are already set up for you, but you can add your own if you need to.

Q How does my software use working day patterns?

A Sage 50 Payroll uses the working day patterns you set up to calculate an employee's holiday entitlement, and how much holiday they have left to take.

Your software needs to know the employee's normal working pattern before it can work out their entitlement.

For example, an employee works Monday to Friday, and you have assigned this working day pattern to the employee. The employee then takes two weeks' holiday. When you record the holiday in your software, it automatically recognises that Saturday and Sunday are not normal working days for the employee, and does not deduct them from their holiday entitlement.

Sage 50 Payroll also uses working day patterns when calculating Statutory Sick Pay (SSP).

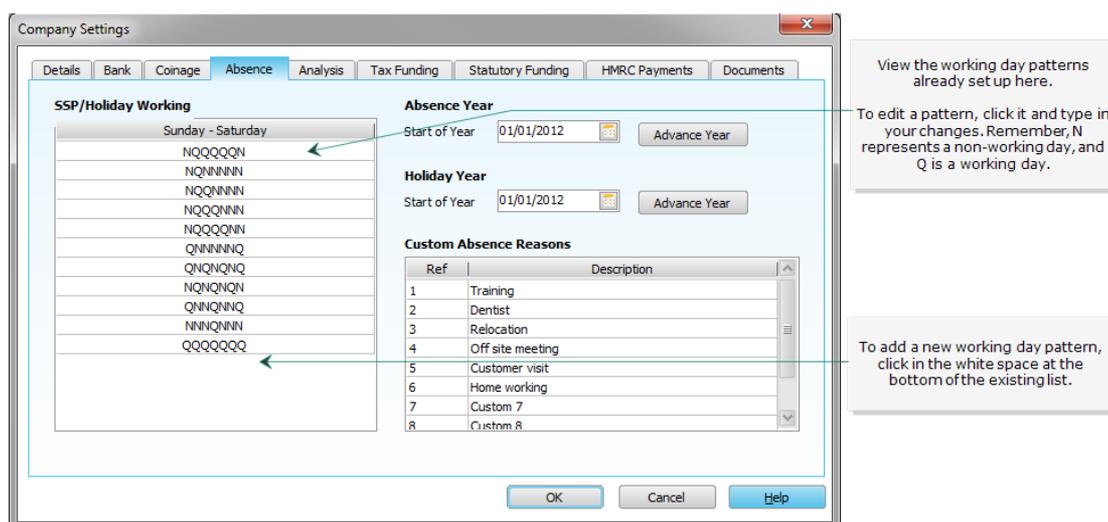
Q My employees work lots of different shift patterns. How many working day patterns can I set up?

A You can set up as many as you need.

There are 11 patterns set up for you already. You can either keep these as they are and add more if you need to, or edit the standard patterns to work with your company's shifts, if these don't fit.

To set up a working day pattern

1. Click Company > Settings > Absence.
2. View or amend the working day patterns to suit your company:



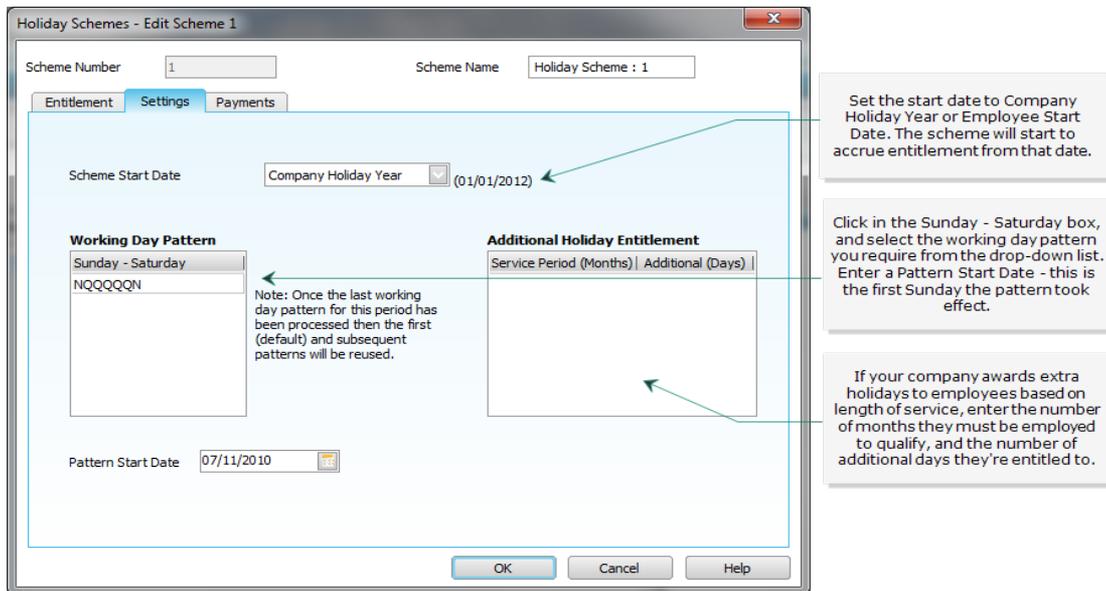
3. When you have finished, click OK.

Assigning working day patterns to holiday schemes

Once you've set up working day patterns, you need to assign them to your holiday schemes. You also need to associate a start date with your schemes, and enter any additional entitlement. The following section details how to do this.

To set up a holiday scheme: The Settings tab

1. Click Company > Holidays.
2. Select the relevant scheme in the list and click Edit. For example, this might be the scheme you started setting up in [To set up a holiday scheme: The Entitlement tab](#).
3. Click the Settings tab.
4. Enter your holiday scheme's settings information, as follows:



- To continue setting up your holiday scheme by entering holiday fund details, click the Payments tab. Alternatively, to save your settings and return to the Sage 50 Payroll desktop, click OK > OK.

For information about what to enter on the Payments tab, see the following section.

Q What if the working day pattern I want to use doesn't appear in the drop-down list?

A If the working day pattern you want to use is not available from the list, you can set up the pattern you need here.

However, patterns you set up within individual holiday schemes will not appear in Company > Settings > Absence. If you want to create a pattern that's available at company level and to all employees, you'll need to return to Company > Settings > Absence and set it up there.

Q Can I assign more than one working day pattern to a holiday scheme?

A Yes, you can. For example, you might need to do this for shift workers.

If you assign more than one pattern to a scheme, your software uses the Pattern Start Date to ensure that holidays are correctly calculated for the first week the pattern applies to, and any subsequent weeks.

Q I've entered details for additional long service-related entitlement. Do I need to add the additional days onto the entitlement anywhere?

A No. Your software automatically adds the additional days onto the employee's entitlement, if they qualify.

Setting up payment funds for a holiday scheme

Holiday funds are monetary funds accrued over time to cover the cost of employees' holidays.

The employee or the employer can make contributions to the fund and when the employee takes holiday, the accrued money from the fund is used to top up their salary. Alternatively, if the employer is making the contribution, the fund can be used to pay the employee's wages.

Employee contributions to the fund can be deducted before or after tax and national insurance, and can be subject to pension contributions too.

You can choose which pay elements are subject to holiday fund contributions and which aren't. You can also specify that the holiday fund contribution is a percentage of the employee's holidayable gross pay.

Q How do I specify which pay elements are subject to holiday fund contributions?

A You need to set this up in Company > Pay Elements. In Pay Elements Settings, select the pay element you want to include for holiday fund contributions, and click Edit.

Click OK to save the change. Repeat this procedure for all pay elements you want to include in your employees' holiday fund accrual.

Q What does 'holidayable gross pay' mean?

A An employee's holidayable gross pay is the total of all the pay elements that have the Include for Holiday Accrual check box selected.

The previous question and answer shows how to set this up.

Q Can I change any of the payment details once I've assigned a scheme to an employee?

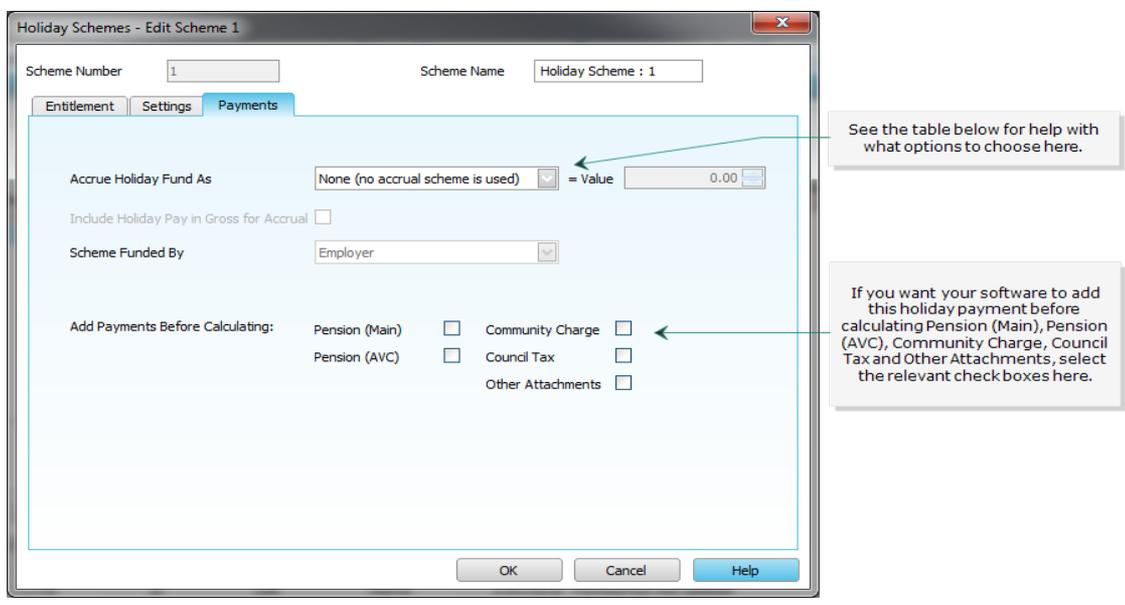
A Yes. You can set up holiday payment information so it's appropriate to most of your employees, and then change details for individual employees.

When you assign a holiday scheme to an employee, the holiday payment scheme associated with it is also assigned to their record. However, you can change the amount or percentage an employee contributes within their individual employee record.

To set up a payment fund for a holiday scheme

Note: If you have just added holiday scheme settings as detailed in [To set up a holiday scheme: The Settings tab](#), the Holiday Schemes > Payments tab may already be open in your software. If this is the case, ignore steps 1 to 3, and start from step 4 below.

1. Click Company > Holidays.
2. Select the scheme you want to add payment details to and click Edit.
3. Click the Payments tab.



4. Complete the Accrual Details settings as follows:

Accrue Holiday Fund As	Use the drop-down list to select how the fund is to be accrued. You can choose to accrue holiday fund as an amount, or as a percentage. If you select A Percentage of Holidayable Gross, the holiday fund will only be accrued from those pay elements that have the Include Accrual check box selected, when you set them up in Company > Pay Elements.
= Value	If the value of the holiday fund accrual is standard for most employees who'll be assigned to the scheme, enter a percentage or amount in the = Value box. If the value of the accrual changes for each employee, leave the value at 0.00.
Include Holiday Pay in Gross for Accrual	Select this check box if you want to include holiday pay being paid from the fund to the employee when accruing a percentage of gross pay.
Scheme Funded By	Select how the holiday payments are funded: by the employer, or by the employee.

<p>Deduct From Employee's (Employee-funded schemes only)</p>	<p>Select how the holiday payment should be deducted from the employee's pay. You can choose to take the payment from either the gross or the net pay.</p> <ul style="list-style-type: none"> ■ If you deduct holiday contributions from the employee's gross pay (before tax and NI are calculated), the holiday payment will be subject to tax and NI when it is paid back to the employee. ■ If you deduct the contributions from the employee's net pay (after tax and NI have been calculated), holiday payments will not be subject to tax and NI when it is paid back to the employee.
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5. Complete the Add Payments Before Calculating settings as described in step 3 above.
6. When you have finished, click OK > OK.

Assigning holiday schemes to employees

You have now set up your holiday scheme. Your next step is to assign the scheme to the employees who will use it.

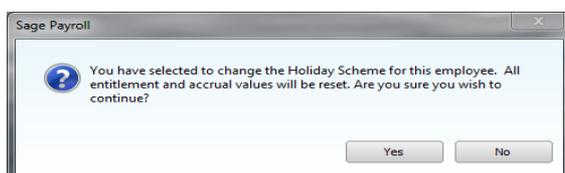
To assign a holiday scheme to an employee

1. Select the relevant employee from the employee list, then click Employee > Employee Record > Absence.
2. Click Holiday.

The holiday scheme information appears for the selected employee.

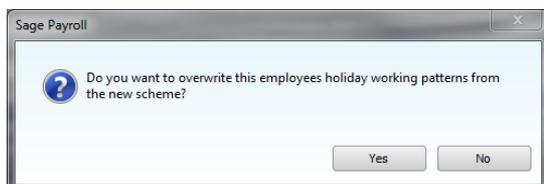
3. From the Scheme Number drop-down list, select the scheme you want to assign to your employee and click OK.

A confirmation message appears:



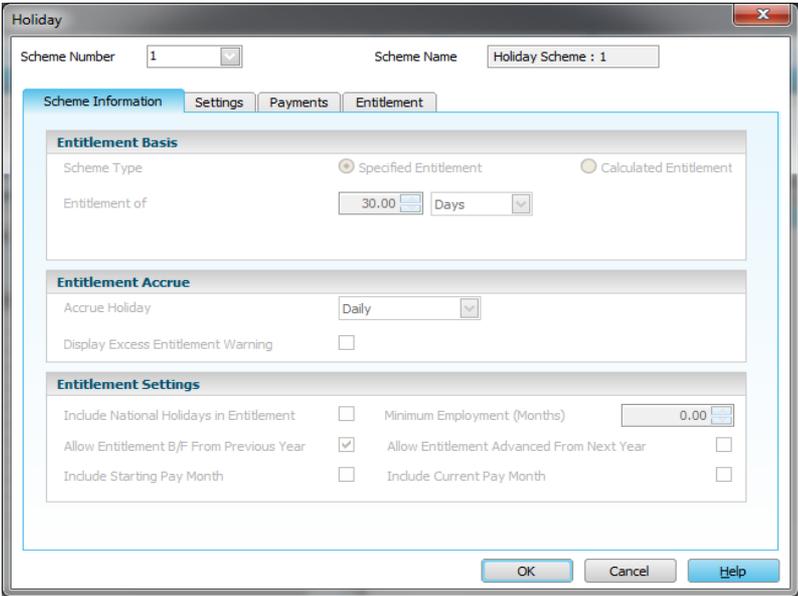
4. Click Yes to continue.

A second confirmation message appears:



5. To overwrite the employee's existing working day pattern and replace it with the pattern from the holiday scheme, click Yes. To keep the employee's existing working day pattern, click No.

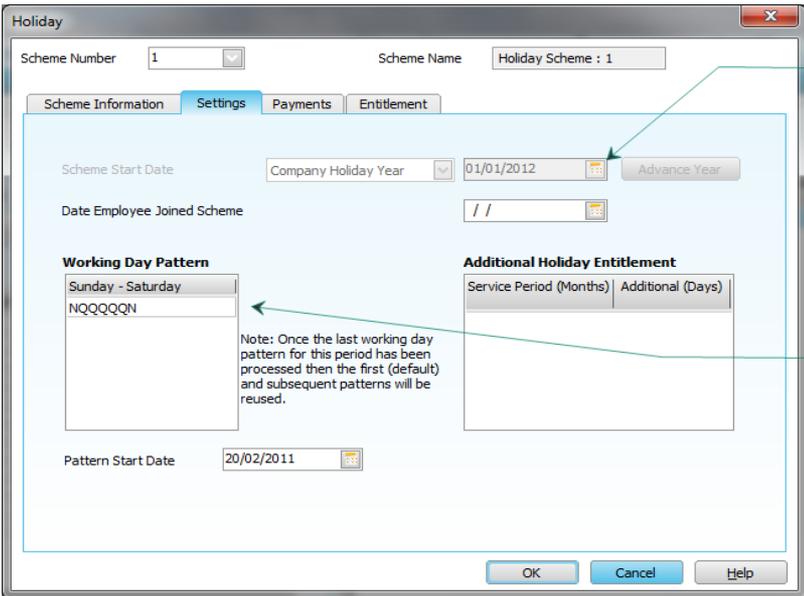
The details of the holiday scheme you selected appear:



This information is set in Company > Holidays. These are the details entered when the holiday scheme was set up. You can't change these details here.

6. Enter the details relevant to the selected employee using the remaining tabs:

The Settings tab



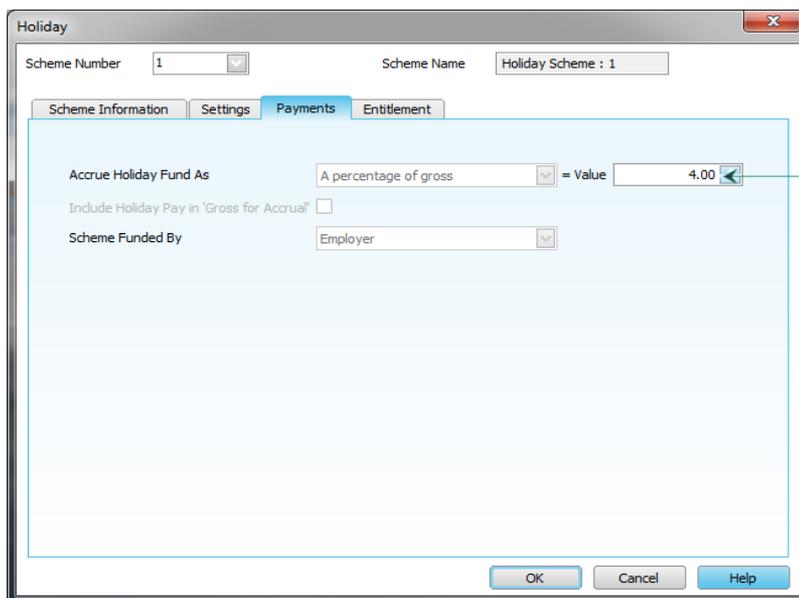
Enter the date the employee joined the scheme. This could be the date they started working for you, or the date the change took effect if they're changing schemes.

The working day pattern shown is the one you set up when you created the holiday scheme. You can make changes to this here, if you need to. You can also specify the start date for the working day pattern here.

Note: Any changes you make to the pattern or start date here only affect the selected employee.

You can't change any other settings here. To make changes to the scheme start date or additional holiday entitlement, you'll need to amend the scheme in Company > Holidays.

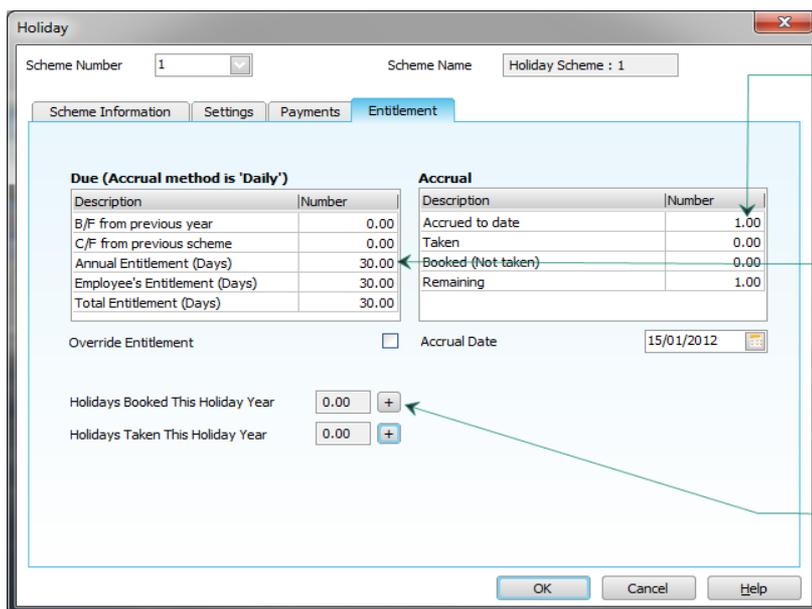
The Payments tab



The Payments tab shows the holiday fund details associated with the holiday scheme, if you set them up.

You can change the holiday fund accrual value for this employee.

The Entitlement tab



This shows the amount of holiday entitlement the employee has accrued up to the accrual date. The accrual date is the same as the process date.

View the entitlement calculated for this employee using the settings you entered when you created the holiday scheme.

You can't change any of the entitlement settings here, unless you select the Override Entitlement check box. Select this check box to change the Employee's Entitlement value.

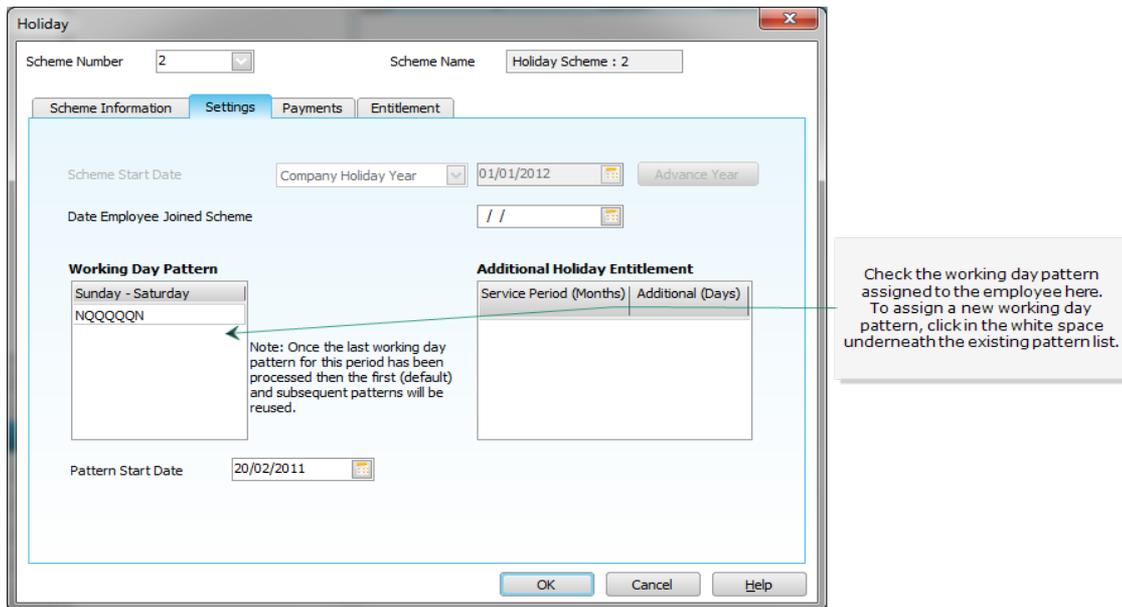
If you selected the Allow Entitlement B/F From Previous Year check box when setting up the holiday scheme, you can enter a value in the B/F from previous year box.

Click the + button to see a breakdown of holidays booked but not yet taken, or of holidays already taken.

7. When you have finished, click OK.

Q How do I review an employee's working day pattern?

A You can check the working day pattern assigned to an employee, and also assign a working day pattern directly if you choose, in an individual employee's record. Select the employee in the employee list, then click Employee > Employee Record. Click the Absence tab, then click Holiday > Settings.



Tip: To assign the same working day pattern to several employees at the same time, it is easier to use the Global Changes option. Refer to the F1 Help in your software for more information.

Q What is the purpose of the Pattern Start Date?

A Occasionally, an employee may change their contracted working days.

When this happens, you need to enter the employee's new working day pattern in your software. Sage 50 Payroll uses the Pattern Start Date associated with the new pattern as the date on which to make the change to the employee's days, so as not to incorrectly amend any previously-entered holidays.

Q Can I change an employee's entitlement once I've assigned a holiday scheme to them?

A Yes. In Employee Record > Absence > Holiday, select the Entitlement tab and select the Override Entitlement check box. You can then manually amend the amount in the Employee's Entitlement box.

Note: Because an employee's holiday entitlement appears on their Statement of Employment, you will need to reissue this if you change their entitlement.

Q Can an employee change holiday scheme part way through the holiday year?

A Yes, they can, as long as they don't have any accrued holiday fund.

To change an employee's holiday scheme, click Employee > Employee Record > Absence > Holiday. In the Entitlement tab, take note of the information displayed in the B/F from previous year, Taken, Booked (Not taken) and Remaining boxes.

To change to the new holiday scheme, select the relevant scheme from the Scheme Number drop-down list and click OK.

The 'Holiday' dialog box has the following structure:

- Scheme Number:** 2 (indicated by a callout: "Choose the employee's new holiday scheme from the drop-down list.")
- Scheme Name:** Holiday Scheme : 2
- Entitlement Tab:**
 - Due (Accrual method is 'Daily'):**

Description	Number
B/F from previous year	0.00
C/F from previous scheme	0.00
Annual Entitlement (Days)	28.00
Employee's Entitlement (Days)	28.00
Total Entitlement (Days)	28.00
 - Accrual:**

Description	Number
Accrued to date	1.00
Taken	0.00
Booked (Not taken)	0.00
Remaining	1.00
 - Override Entitlement:**
 - Accrual Date:** 15/01/2012
 - Holidays Booked This Holiday Year:** 0.00 (+)
 - Holidays Taken This Holiday Year:** 0.00 (+)
- Buttons:** OK, Cancel, Help

Click the Settings tab and enter the date the employee joined the scheme. If required, in the Entitlement tab enter a value in the C/F from previous scheme box.

To save your changes, click OK > Save > Close.

Q Can an employee change scheme when they have an outstanding amount in their holiday fund?

A No, they can't. If you need to change an employee's holiday scheme when they have an outstanding amount in their holiday fund, you'll need to clear the fund and then re-enter it after changing to the new scheme.

To do this, open the Employee Record > Employment > YTD Values > Other YTD.

The 'Year to Date values for Tax Year 2011/2012' dialog box has the following structure:

- Other YTD Tab:**
 - Pension:** Pensionable Gross (0.00), Pension (Main) (0.00), Pension (AVC) (0.00), Employer's Pension (0.00).
 - Other:**
 - Holiday Fund:** 6133.50 (indicated by a callout: "Make a note of the value shown in the Holiday Fund box, then change this value to 0.00.")
 - Advanced Pay: 0.00
 - Total Net Pay: 14007.58
 - Student Loan: 0.00
 - Cash Rounding C/F: 0.19
 - Loan Repayments: 0.00
 - Widows & Orphans Fund: 0.00
- Buttons:** OK, Cancel, Help
- Footer:** Important: The Year to Date values shown are for the 2011/2012 Tax Year.

Make a note of the value shown in the Holiday Fund box, then change this value to 0.00.

Click OK, then click Save on the Employee Record.

Change the employee's holiday scheme in their Employee Record > Absence > Holiday, as described in the Q&A above. You'll then need to re-enter their accrued holiday fund value in Employee Record > Employment > YTD Values > Other YTD.

Q Is there a quick way to assign the same holiday scheme to several employees at once?

A Yes, you can do this using Global Changes. First, select the employees you want to assign a scheme to from the Employee List. From the Tasks menu, choose Global Changes > Holidays > Assign Employee(s) to Scheme Number.

Select the scheme you want to assign to the employees from the drop-down list and click OK. Confirm the number of employees you have selected by clicking Yes when prompted. Finally, click OK when you see the message confirming that the selected employees have been updated.

Processing employee holidays

You've now set up your holiday year, created working day patterns and holiday schemes, added holiday fund details where required, and assigned schemes to your employees. Now you're ready to process your employees' holidays.

Use your software to manage your employees' holiday bookings, keep a check on how much holiday they have taken and their remaining entitlement, and process their holiday pay.

Recording holidays booked and taken

You can use your software to record holidays both booked and taken.

To manage each employee's holidays and ensure they do not take more than they are entitled to, you should record the time taken or booked by each employee on their absence diary. You can do this in one of two ways: diary entry, or 'click and drag'. 'Click and drag' means using your mouse to enter a range of dates directly on an employee's Absence tab.

To record an employee's holidays using diary entry

1. Select the employee you want to record holidays for in the Employee List, and click Employee > Employee Record > Absence > Diary Entry.

The Absence Entry window appears.

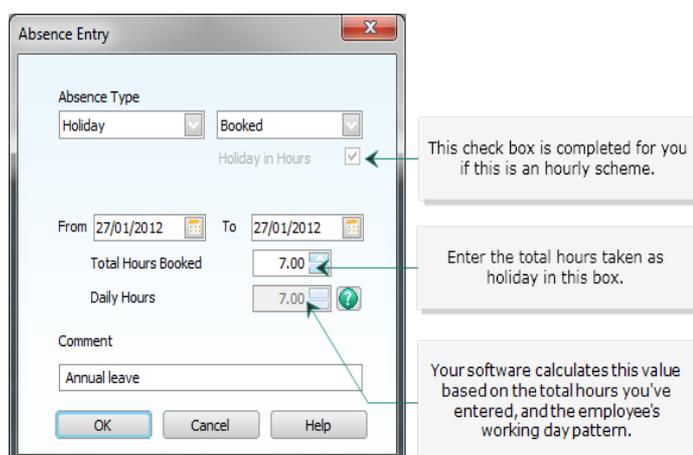
2. In the Absence Type section, select Holiday from the first drop-down list.

The screenshot shows the 'Absence Entry' dialog box. It has a title bar with a close button (X). The main area contains the following fields:

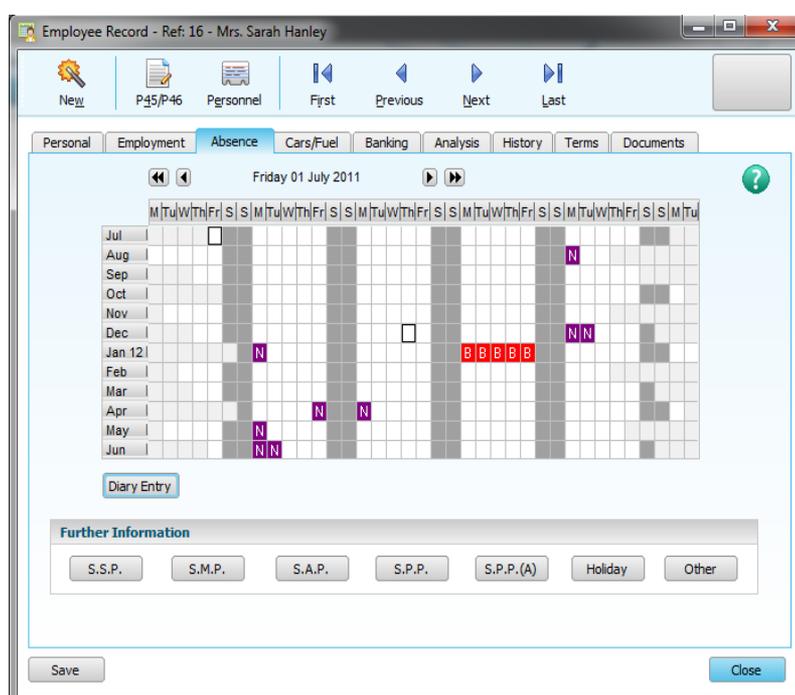
- Absence Type:** A section with two drop-down menus. The first is set to 'Holiday' and the second is set to 'Booked'. A callout box points to the second menu with the text: "Select Taken or Booked from this drop-down list."
- From:** A field with a time drop-down (set to 'AM') and a date field (set to '16/01/2012'). A callout box points to the date field with the text: "Enter the date range of the holiday period here."
- To:** A field with a time drop-down (set to 'PM') and a date field (set to '20/01/2012').
- Comment:** A text input field containing the text 'Annual leave'. A callout box points to this field with the text: "Enter any comments or additional information about the holiday period here."

At the bottom of the window are three buttons: 'OK', 'Cancel', and 'Help'.

3. If this is an hourly holiday scheme, select the Holiday in Hours check box.



4. When you have finished, click OK. Holidays appear as either B for booked or H for taken:



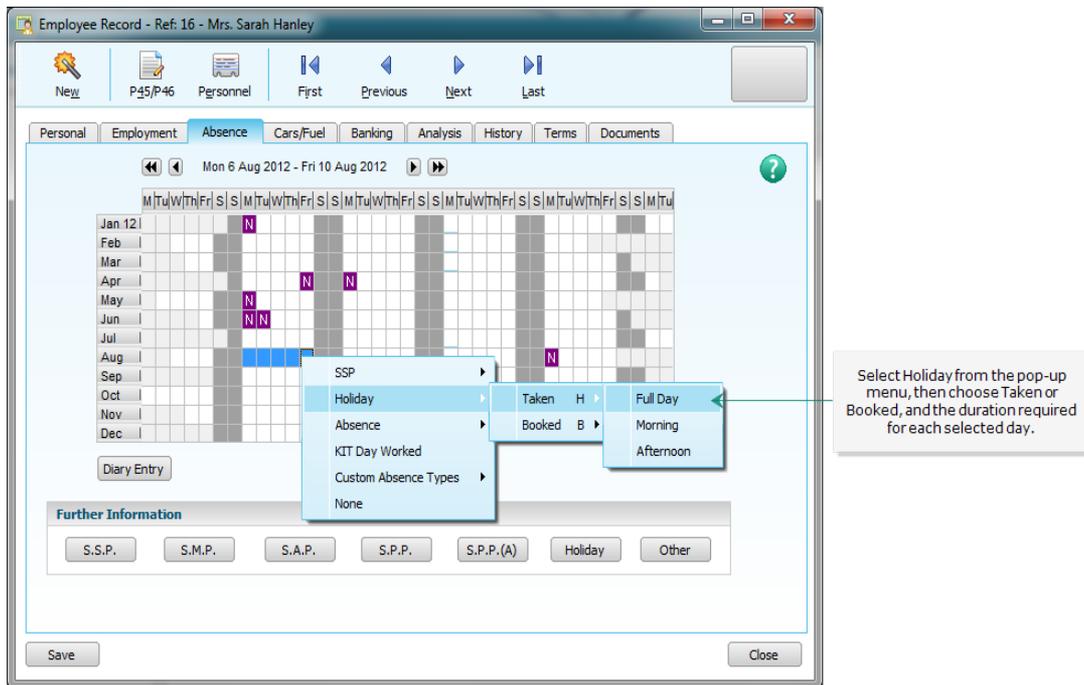
5. When you have finished, click Save > Close.

To record an employee's holidays using 'click and drag'

1. Select the employee you want to record holidays for in the Employee List, and click Employee > Employee Record > Absence.
2. On the diary, select the first day of absence and, holding down the left mouse button, drag to the last day of absence.

The selected dates are highlighted on the diary.

3. Click the right mouse button and select Holiday from the pop-up menu:



4. In the Absence Information window that appears, you can enter a comment for Full Day, Morning or Afternoon absences. For Hourly holidays, enter the Total Hours Taken or Booked and any comment.
5. Click OK to record the holiday on the employee's diary
6. When you have finished, click Save > Close.

Q Will my software let me know if an employee exceeds their holiday entitlement?

A This depends on how you have set up the holiday scheme. If you selected the Display Excess Entitlement Warning check box in Company > Holiday Schemes > Entitlement, a warning message appears when you access the Absence tab of an employee who has exceeded their entitlement.

For more details about where to amend this setting, see [To set up a holiday scheme: The Entitlement tab](#)

Q How can I check an employee's entitlement, and make sure their entitlement is reducing as I enter holidays in the diary?

A You can check the overall entitlement for the year, and the booked, taken and remaining entitlement on the employee's record. To check this information, select the employee in the Employee List, then click Employee > Employee Record > Absence > Holiday, and select the Entitlement tab.

Q Can I put several employees on holiday at once?

A Yes, you can do this using Global Changes.

The main benefit of using Global Changes to mark employees on holiday is that you only need to set the holiday dates and the holiday details once for all employees selected. This is ideal if you have a factory shutdown, for example, or a Christmas break, when several employees are away from work at the same time.

To record holidays booked or taken for a group of employees, choose Tasks > Global Changes > Holidays > Set Employee(s) on Holiday. Enter the date range of the holiday in the Range section, then select whether

the holiday is booked or taken and add any comment in Details. Click OK to record the holidays for the selected employees.

Q Using click and drag, is there any way I can select dates that are not adjacent to each other on the diary?

A Yes. To do this, select the first day you want to record holiday for, then hold down the Ctrl key on your keyboard while you select the other days you require.

Once your days are highlighted on the diary, you can right-click and select Holiday from the pop-up menu to record the employee's holidays, as detailed earlier.

Q How do an employee's holiday appear on their absence diary?

A Holidays booked and taken appear as follows:

Booked (full day)		
Taken (full day)		
Half day (morning)		This example shows a morning which has been booked.
Half day (afternoon)		This example shows an afternoon which has been taken.
National Holiday		

Paying employees' holiday pay

When your employees take holiday, you need to ensure that they receive their pay as normal.

When paying holiday pay, you have two options: paying your employees in advance, so they have their wages up front for the holiday period; or processing their pay at the normal time.

The following sections detail how to process your employees' holiday pay using both of these methods.

Q How do I process holiday pay for a leaver?

A It's important that you don't use the Advance Pay option when processing holiday pay for a leaver.

This is because the employee is not entitled to any taxable free pay allowance beyond the tax period when they leave your company.

If you need to show the employee's holiday pay as a separate item on their payslip, we suggest that you create a new pay element called Holiday Pay, and use this when paying them for their final period.

Q An employee has left the company with holiday owing. Does my software automatically pay this employee in lieu of their unused entitlement?

A No. You'll need to calculate how much the employee is entitled to in lieu of unused holiday and set up a new pay element to pay the employee.

Make sure that the pay element is subject to tax and national insurance contributions, and that the employee is paid this amount and their record updated before you mark them as a leaver. This will ensure that this amount is included on their P45.

Note: When you process your payroll and select the Final Pay Run check box in Enter Payments, your software calculates the amount of unused holiday for the employee and displays it. However, it does not make any additional payment to the employee.

You'll also see a prompt recommending that you print a copy of the outstanding amounts for the employee. Clicking Preview on the prompt message displays the Additional payments included in final pay report.

Finally, you can also check the Employee Record > Absence > Holiday > Entitlement tab to view any outstanding holidays for the employee.

Reporting on holidays

If you want to produce reports and analyse your employees' holidays, there are various standard reports available. To access these reports, click Reports on the horizontal toolbar (above the Employee List) and click the Absence folder.

Q Which payslips show holiday information?

A Information about holidays taken and remaining is printed at the bottom of most payslip layouts.

Specifically, layouts with the following words in the description include holiday information:

- with address;
- with comments; and
- with Holiday Fund and Loans.

Q Which reports show details of my employees' holiday entitlements, and holidays taken to date?

A The following reports, available from Reports > Absence, show employees' holiday information:

- Employee Holiday Information (emphols.srt) shows a summary of your employees' holiday entitlements and holidays taken on both an actual and accrued basis.
- Holiday Analysis (holanal.srt) shows a summary of your employees' holidays taken, to take, and booked.
- Detailed Holiday Analysis (holanald.srt) shows the dates of the holidays booked and taken by your employees, within a specified date range.
- Holiday Diary Report (holdairy.srt) displays the holiday details in diary format for each selected employee, for a specified date range.
- Holiday Year Summary Report (holylrs.srt) shows a summary of your employees' holiday entitlements and holidays taken, to take, and booked.

Q What other holiday reports are available?

A There are various other reports available in your software which show details of holiday funds, working day patterns and so on.

From Reports > Employee:

- Employee Holiday Fund TD (empholfundtd.srt) displays the value of holiday fund to date for each employee.
- Holiday Fund History (fundhist.srt) shows holiday fund accrued and paid for each period processed in a specified date range, for each employee. Includes a grand total for all employees.
- Holiday Working Days Pattern (workpatt.srt) displays the holiday working days pattern set up for each employee, including their pattern start date.

From Reports > Company:

- Holiday Scheme Working Day Patterns (holpatts.srt) details the working day patterns set up for each holiday scheme.
- Holiday Schemes (params12.srt) shows a summary of the entitlement and settings for each holiday scheme.
- National Holidays Reports (nathol.srt) lists the date and description of all of the national holiday options set up, and which region they apply to.

Paying employees from a holiday fund

Within Enter Payments, it is easy to make a payment from an accrued holiday fund to your employees for both current and advanced pay periods.

You can pay your employee holiday pay in addition to their basic pay for the current period, for advanced pay periods, or for a combination of both.

To pay an employee from a holiday fund

1. Select the employee from the Employee List, then click Payroll > Enter Payments.
2. From the Enter Payments window, click Holiday Fund.
3. In the Holiday Fund window, specify how the holiday fund will be paid:

You can choose from:

- Current Period.

Use this option to pay holiday fund within the current pay period, as an addition to the basic wage, or to make up the basic wage if the employee has taken part of the pay period as holiday.

- Advanced Periods.

Use this option to pay holiday fund for advanced pay periods. For example, if your employee is due to take holiday for two weeks and they want to receive payment prior to their holiday, use this option.

- A mixture of both Current and Advanced periods.

If your employee is on holiday for two weeks and the first week is the current processing period, for example, enter holiday fund information for both the current week and for the advance period.

For details about how to pay an employee from their holiday fund for current and advanced pay periods, refer to the following sections.

To pay holiday fund to the employee for the current pay period only

1. From the drop-down list in the Pay from Fund (Current Period) section, choose Amount or Percent.
2. In the value box, enter the value to be paid from the holiday fund.
3. If you have chosen to pay your employee a percentage of the accrued holiday fund, choose when to calculate the holiday fund payment from the Calculate the Holiday Fund Payment drop-down list.
Note: If you selected the Include Holiday Pay in Gross for Accrual option when setting up the holiday scheme's payment details, this option is not available.
4. When you have finished, click OK.

To pay holiday fund to the employee for advanced pay periods

1. In the Pay from Fund (Advanced Periods) section, enter the number of pay periods you want to advance in the Tax Periods to Advance box.
2. From the Pay from Fund (Advanced Periods) drop-down list, choose either Amount or Percentage.
3. In the value box, enter the amount to be paid from the holiday fund.

4. If you have chosen to pay your employee a percentage of the accrued Holiday Fund, choose when to calculate the Holiday Fund payment from the Calculate the Holiday Fund Payment drop-down list.

You can choose to calculate the amount to be paid before the accrual for the current period has been added to the fund, or afterwards. Note: If you selected the Include Holiday Pay in Gross for Accrual option when setting up the holiday scheme's payment details, this option is not available.

5. When you have finished, click OK.

Q Can I pay several employees from their holiday funds at the same time?

A Yes, you can do this using Global Changes.

In the Employee List, select the employees you want to pay from their holiday fund. Choose Tasks > Global Changes > Holidays > Pay Holiday Pay from Fund.

Enter the amount or percentage you want to pay to the selected employees. For percentage fund payments, you can also select whether you want the calculation to be made before or after the fund accrual for the current pay period.

Q How can I check how much holiday fund I've paid to an employee?

A To check an employee's holiday fund information while you're processing the employee's pay, click the Information tab in the Enter Payments window.

From the left-hand pane, select Holiday Fund. The right-hand pane displays the following holiday fund information:

- Holiday Scheme.

This is the holiday scheme number applied to the Employee Record.

- Holiday Fund To Date.

The value shown here is the full amount of holiday fund accrued to date, up to the period prior to the current pay period.

- Holiday Fund Accrued This Period.

This is the amount of holiday fund accrued within the current pay period.

- Holiday Pay This Period.

The value of any payments made from the holiday fund in the current pay period, including payments made for advanced periods.

- Holiday Fund Remaining.

This shows the total amount of holiday fund remaining, after any deposits or withdrawals during the current processing period.

Q If an employee leaves, how can I make sure they receive their outstanding holiday fund?

A When you pay the employee, make sure you select the Final Pay Run check box on the Enter Payments window. This ensures that any outstanding holiday fund the employee has accrued is added to their final pay.