



Improving Holidays Act Compliance

Work is underway at Ministry of Business, Innovation and Employment (MBIE) to address problems related to compliance with the Holidays Act 2003 (*the Act*); including developing guidance intended to help employers and employees in applying aspects of the Act.

MBIE is working with the recently established **Payroll System Functionality (PSF)** group to develop the guidance. The group was established by MBIE and comprises MBIE; payroll system providers; professional service providers; and a payroll practitioner body. The guidance is expected to be released for consultation in 2017.

MBIE Payroll Lead Tania Donaldson says areas of focus explored so far include defining “what is a week” for annual leave purposes, and gross earnings.

The guidance will be just that; guidance only and not legal advice, but it will aim to provide a range of scenarios to make sure it is useful for as many people and situations as possible.

“The PSF group have been integral to identifying areas of concern and creating the scenarios that will help people to comply with the Act. We have also invited the Council of Trade Unions, Business New Zealand and the State Services Commission to one of our meetings to hear their views” says Ms Donaldson.

MYOB Strategic Program Manager and Chair of the PSF workgroup Scott Gardiner says the group is pleased to support MBIE in addressing Holidays Act compliance and that the group would continue to support MBIE in developing the guidance.

It’s well known that Holidays Act compliance is difficult for many businesses. There are differing interpretations of the Act that affect how organisations calculate leave balances.

The guidance will help payroll providers offer more certainty to organisations using payroll software to pay their employees.

The guidance should help clear up ambiguity about what should be included when holiday entitlements are calculated. The key to this will be in gaining feedback from those likely to be using it.

“The ultimate goal is to make sure New Zealand organisations can confidently run their payroll and employees can be assured that they are getting their correct Holidays Act entitlements,” says Mr Gardiner. **The guidance is expected to be finalised in 2017.**

Background

As part of MBIE’s response to improving compliance with the Holidays Act the Ministry established four government-industry led workstreams, of which Payroll System Functionality is one.

The workstreams are: the Leadership Challenge; Payroll System Functionality (*which may be extended to include Payroll Processes and Procedures*); Payroll Practitioner Professionalisation; and Payroll Function Assurance Model.

For more information on MBIE and the Holidays Act 2003 go to:

<https://employment.govt.nz/resolving-problems/steps-to-resolve/labour-inspectorate/addressing-holidays-act-non-compliance/>

2016 Christmas and New Year Payroll Processing Schedule

The period of holiday processing is around the corner and we wish to take this time to advise you of our processing timetable and to confirm some other important points for your consideration.

Statutory Days:

Datacom will be observing the following statutory days:

- **Monday** 26th December 2016
- **Tuesday** 27th December 2016
- **Monday** 2nd January 2017
- **Tuesday** 3rd January 2017

If you use our EasiPay service, your consultant at Datacom will be in touch with you to discuss your processing requirements.

There will be no EasiPay processing on 23rd OR 30th December 2016.

Clients processing their own payrolls using DataPay, be aware that payrolls need to be completed and sent before 11.00 am on Friday 23rd December 2016 and 30th December 2016.

Datacom Payroll will be closing at midday on the 23rd and 30th December 2016.

Direct Credits - If you have your direct credits submitted by Datacom through the automatic direct credit facility, please note that **funds cannot be released on a Saturday, Sunday or a Statutory holiday**. Clients may be using alternative banking dates over this period and so we ask that you always check the direct credit release date. The funds will be transferred into your employee’s bank accounts on the evening of this date.

If you have any queries please do not hesitate to call us on **0800 72 97 97**.

CONGRATULATIONS FARMERS! NZPPA Payroll Team of the Year

We are extremely pleased and gratified to announce that Farmers Trading Company (*Farmers*), a client of Datacom Payroll, has recently won the NZPPA 2016 Payroll Team of the Year Award.

Farmers is a privately owned retail business and is one of the most recognisable brands in the country; it has looked after generations of Kiwis through a wide range of quality merchandise for **106 years**. The business has **4,200** Farmers employees, with the majority of **3,500** working in the **59** stores nationwide.

In 2014, TeamPayroll (*the payroll team at Farmers*) under the direction of **Lisa Black** (*Payroll Manager*) completed a review of the payroll past, present, and future. TeamPayroll comprises of four Payroll Advisors and a Payroll Manager with a combined payroll experience of 58 years within the Farmers Group.

With a business relationship that has spanned **17 years**, Datacom Payroll and TeamPayroll have developed a pro-active relationship, together updating and implementing new and efficient payroll processes. This in turn has ensured accuracy, which is vital when working with people's pay!

With the recent adoption of **MyPay**, our mobile payroll application, Farmers has empowered their staff with tools to apply for leave, approve leave, update personal details, view/print remuneration details and payslips all on the go. It was paramount for Farmers to have an application that their staff could use on the move and remotely.

Progressing from a paper based recording method to electronic has **saved the stores 2 days and payroll 3 days every pay run**. In the space of two years the team have gone from a functional and task based department, to one that is seen as easy to approach, solutions focussed, pro-active, and always conscious of internal customers.

It was an amazing experience to see everyone from all parts of the business come together and push towards the same goal. We would once again like to congratulate Farmers on their outstanding achievement and we treasure our long-term relationship.

If you are looking for the same efficiencies from a payroll software, then DataPay is for you. Give us a call on **0800 72 97 97** and discover more about DataPay.

People often want to know if our payroll software complies with the Holidays Act.

It Depends...

Datacom Payroll has significant expertise on the Holidays Act. In fact, one of our staff is working on a project for MBIE to develop an interpretation of the Act that will provide guidance to employers and payroll companies and another is on the steering committee for this project.

But...

Compliance requires more than an understanding of the Act and our payroll software. Compliance also requires a comprehensive understanding of both the nature of an employer's remuneration, and particularly the nature of the employees' work patterns, both of which frequently change.

Compliance therefore depends on an employer and Datacom working together to determine the best use of the software. Both need to gain an understanding of both the software options available and the nature of the remuneration and work patterns. Compliance also requires a review when the nature of remuneration and/or an employee's work pattern changes.

Finally, compliance is ultimately determined by courts. Despite Datacom and MBIE having a good understanding of the Holidays Act, neither can accurately predict how a court will treat any specific situation and we frequently recommend that employers seek professional legal advice for this reason.

Merry Christmas & Happy Holidays from the team at Datacom

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