

NZPPA Leaders Summit

Payroll Compliance – Know how and Systems

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The adult minimum wage changed on 1 April this year from \$21.20 per hour to \$22.70. This change applies to:

- Pay periods ending on or after 1 April 2023?
- Pay periods starting on or after 1 April 2023?
- All hours worked on or after 1 April 2023?

When taxing extra pays the tax rate applied to the extra pay is based on:

- An annualised amount, derived from the payments made in the last 4 weeks from the date of the pay period end in which the extra pay is paid plus the extra pay
- An annualised amount, derived from the payments made in the last 4 weeks from the date on which the extra pay is paid, excluding any other extra pays in those 4 weeks plus the extra pay
- Erm... the payroll software does it
- What's an extra pay again?

Employee's income for year ended 31 March (including gross employer cash contributions)	ESCT from 1 April
\$0 to \$16,800	10.5%
\$16,801 to \$57,600	17.5%
\$57,601 to \$84,000	30%
\$84,001 to \$216,000	33%
\$216,001 +	39%

If an employee has a salary increase in the middle of the year which moves them into a different ESCT Rate band, do you change their ESCT rate?

- Yes
- No
- Ask the payroll system

If an employee joins your organisation in January, do you base the ESCT Rate on their estimated salary plus KS contributions until the end of the financial year, or based on what you expect their earnings will be for a full financial year?

- Estimated earnings and contributions for the full financial year
- Estimated earnings and contributions for the remainder of the financial year
- My software ate my homework

When managing an annual closedown, do you pay new employees that started within 12 months of the closedown:

- 8% of earnings since their start date, less leave taken in advance, and reset leave anniversary
- Allow absence period as paid leave in advance
- Allow a combination of the first two options
- We don't have a closedown period ... honest

An employee has an agreed change in work pattern moving from part time to full time such that their working hours per week changes from 24 hours per week (3 days) to 40 hours per week (5 days). When the change in working pattern occurs you need to:

- Modify both their entitlement balance remaining and their accrual balance to reflect their new working week
- Modify only their accrual balance to ensure it reflects 4 weeks on their next anniversary
- The system does this for me
- I don't need to do anything, I'm holding all balances in weeks

An employee has requested extended sick leave without pay for 3 weeks because of illness and they don't have any more paid sick leave or annual leave. What impact does the sick leave without pay have on the employee's annual leave anniversary date?

- Anniversary date is pushed out by 3 weeks
- Anniversary date is pushed out by the number of weeks taken after the 1st week
- No change to anniversary date

An employee has requested leave without pay for 3 weeks to attend an overseas wedding because they don't have any more annual leave. What impact does this have on their annual leave anniversary date?

- Annual leave anniversary is pushed out by 3 weeks
- Anniversary date is pushed out by the number of weeks taken after the 1st week
- No change to anniversary date, but number of weeks in AWE divisor reduced
- The system deals with this

An employee has 1 week of AL entitlement owing to him and 2 weeks of accrued leave on termination. His work is Monday to Friday. His final day of work is on Friday before the week of Christmas Day which falls on Friday. He is entitled to:

- Christmas Day
- Christmas Day and Boxing Day
- Christmas Day, Boxing Day, New Years Day and 2 January
- No public holidays – the employee left before they were due

When a casual employee who has been paid on a pay as you go arrangement changes to a permanent agreement, do you terminate and restart the employee on a new employee code, or do you keep the same employee record?

- Terminate and restart the employee based on their new role with a new anniversary date
- Keep the same employee record but change their anniversary date
- Keep the same employee records and don't change the anniversary date