

Article # 1243

Technical Note: Understanding the Paid Leave Code Feature

Difficulty Level: Beginner Level AccountMate User

Version(s) Affected: AccountMate 8 for SQL, Express and LAN
AccountMate 7 for SQL, Express and LAN

Module(s) Affected: PR

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DESCRIPTION

Paid Leave codes are used to control and track the accrual of employees' paid leave time. In the **Paid Leave Code Maintenance feature**, you can set how paid leave time will be accrued for qualified employees. For each Paid Leave Code, you can set up as many tiers as you need; each tier represents a specific employee category that will determine the leave time maximum hours that may be claimed during a year or carried over into a future year.

This document discusses how the **Paid Leave Code** feature is used in AccountMate and the kind of information it provides when you use it.

SOLUTION

A. Creating Paid Leave Codes

You must set up records for all types of paid leave benefits that your company offers to its employees. You can set up as many paid leave codes as you need. Refer to the **Online Help** or **Electronic Manual** for instructions on how to create paid leave codes.

B. Setting Paid Leave Codes to Accumulate for Earning Codes

Before you can assign paid leave codes to employees, they must first be assigned to earning codes. Only earning codes that are assigned the "Regular" earning type (referred to as "regular" earning codes) can accumulate paid leave time for payroll transactions. To set which paid leave codes are to be accumulated for a particular earning code used in employee transactions, you must mark the **Accumulate** checkbox for the paid leave code in the **Earning Code Maintenance Default Leave Settings** tab or **Accumulate Paid Leave** tab for AccountMate 8 or 7, respectively.

[illegible]

Figure 1-1. Earning Code Maintenance – Default Leave Settings tab – AM8

[illegible]

Figure 1-2. Earning Code Maintenance – Accumulate Paid Leave tab – AM7

C. Assigning Paid Leave Codes to an Employee Record

After creating the paid leave code, assigning it to a “regular” earning code, and setting up the earning code to accumulate paid leave time; you are ready to assign the paid leave code to employee records.

When you add in the **Employee Maintenance Earning Code** tab a “regular” earning code that is set up to accumulate paid leave time, AccountMate will sometimes display a dialog box asking you if you want to accrue paid leave time for the employee.

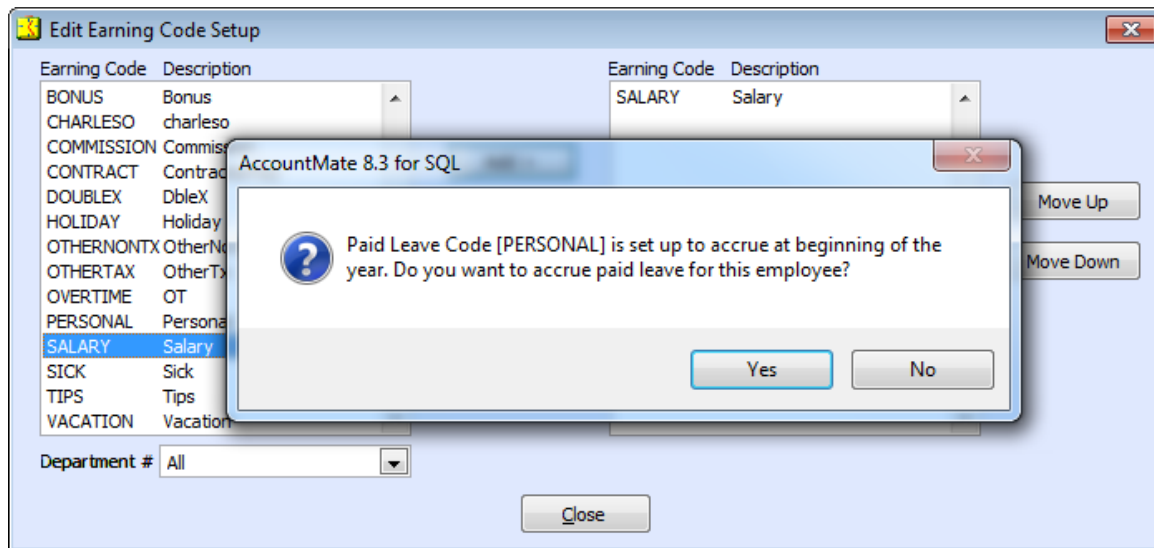


Figure 1-3. Employee Maintenance > Earning Code tab > Edit Earning Code Setup > Accrue Paid Leave Time dialog box –AM8

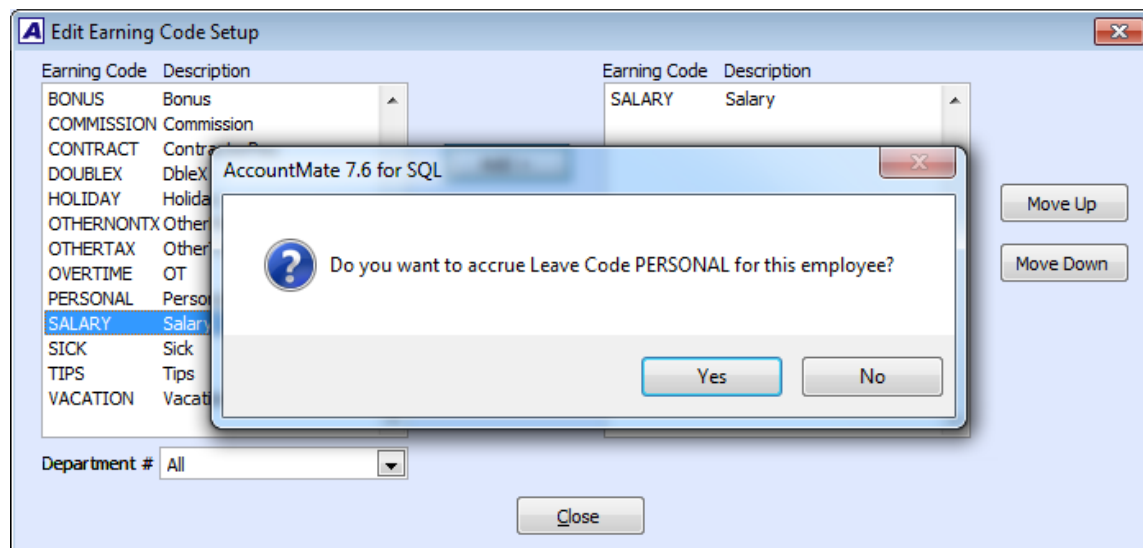


Figure 1-4. Employee Maintenance >Earning Code tab > Edit Earning Code Setup > Accrue Paid Leave Time dialog box – AM7

This message is displayed only for paid leave codes that are set to accrue at the beginning of the year. If none of the paid leave codes assigned to the “regular” earning code is accrued at the beginning of the year, you will not see this message at all when you assign the “regular” earning code to an employee record.

Clicking **Yes** will automatically populate the **Paid Leave** tab ► **YTD Accumulated** field with a full year’s worth of paid leave hours that are to be accrued at the beginning of the year.

If your company offers different paid leave hours based on seniority for each type of paid leave benefit, you must set up your paid leave codes with as many tiers as you need to represent all seniority levels. In the **Employee Maintenance Paid Leave** tab, click the **Tier** field **List Box** button to assign the tier that represents the employee's seniority level.

D. Accruing Paid Leaves using the **Apply Payroll/Payment** function

For paid leave codes that are set to accrue per pay period or per hour worked, AccountMate allows you to accrue leave when you run the **Apply Payroll/Payment** function.

In the **Apply Payroll/Payment Earnings/Deductions** tab, mark the **Accrue Leaves** checkbox so that AccountMate will accumulate leave time for the paid leave codes associated with the “regular” earning codes used in the Apply Payroll transaction.

Apply Payroll/Payment

Save Delete Copy Clear Close By Employee # Wilkins, Timothy Theodore Dept # SERVICE

Employee # 20 Name Wilkins, Timothy Theodore Dept # SERVICE

Earnings/Deductions | Tax Withholdings | Worker's Comp | GL Distribution

Seq	Earning Code	Base On	Hours	Rate	Amount	Taxable
10	SALARY		184.00		5,000.00	☒

Add Insert Delete

Deduction	Type	Amt/Pct/Rate	Deduction Amt	M/C Amt

Edit Wages Apply Summary

Pay Period Range 01/01/12-01/31/12

Total Hours	184.00
Earnings	5,000.00
Total Taxable	5,000.00
Total Non-Taxable	0.00
Total Wages	5,000.00
Total Deductions	0.00
Federal Tax	1,156.90
State Tax	313.72
Local Tax	0.00
Prepaid	0.00
Net Amount	3,529.38

☒ Accrue Leaves

Figure 1-7. Apply Payroll/Payment >Earnings/Deductions tab >Accrue Leaves checkbox

E. Using Paid Leaves

There will come a time when employees will use their accumulated paid leave time. To properly record this transaction, you must create an earning code that represents the employee's use of available paid leave time.

Create an earning code and assign to it a “Leave” earning type (referred to as a “leave” earning code). Then, enter in the provided field the paid leave code you want to associate with the “leave” earning code. Be sure to assign the “leave” earning code in the **Employee Maintenance** for all employees who are entitled to the paid leave benefit.

Earning Code Maintenance

Update Delete Copy Clear Close By Earning Code

Earning Code **PERSONAL** Description **Personal Time Pay**

Information Accumulate Paid Leave

Short Description **Personal** Worker's Comp Group **CALIFORNIA**
 Department # Worker's Comp Code **8859**
 Taxable ☒
 Earning Type
☐ Regular
☐ Overtime
☐ Tips
☐ Holiday
☒ **Leave** **PERSONAL**
☐ Others
 Rate
☐ 0.00 per Year
☐ 0.00 per Hour
☐ 0.00 per Pay Period
☒ 1.000 X Regular
☒ Use Different GL Account

Wage/Service Expense Account	Tax Expense Account	Worker's Comp Expense Account	Dist %
810390-000-00	810300-100-00	810340-000-00	100.00

Wage/Service Expense Account Description **PR Accrual - Personal Time Exp-Gen**
 Tax Expense Account Description **PR Taxes - Administrative**
 Worker's Comp Expense Account Description **Workers Compensation Insur Exp-Gen**

Add Delete

Figure 1-8. Earning Code Maintenance > Information tab

To pay an employee for the qualified leave time, run the **Apply Payroll/Payment** function. In the **Earnings/Deductions** tab, assign the number of hours to the appropriate "leave" earning code to represent the paid leave time the employee took during the pay period.

The "leave" earning code hours entered during the payroll run will increase the employee **YTD Used** information that corresponds to the paid leave code record in the **Employee Maintenance Paid Leave** tab. This number of paid leave hours will be added to the employee YTD used hours upon payroll check processing using either the **Print Payroll Check** or **Post Handwritten Check** function. The employee YTD used hours are deducted from the accumulated paid leave hours to calculate the employee paid leave code balance.

F. Converting/Adjusting Unused Paid Leave

If your company allows employees to convert the unused portion of their accumulated paid leave time to its cash equivalent, you can use the **Convert / Adjust Unused Paid Leave** function to record this type of transaction in AccountMate. You can even specify the **Conversion Rate** to be used for calculating the cash equivalent of the unused paid leave.

Convert/Adjust Unused Paid Leave

	<u>All</u>	<u>From</u>	<u>To</u>
Leave Code	☒		
Employee #	☒		
Transaction Date	01/31/12	[Date]	
Earning Code	SALARY		
Conversion Rate	100.00 %		

☒ Salaried ☒ Hourly ☒ Time Card

Figure 1-11. Convert / Adjust Unused Paid Leave

The **Convert / Adjust Unused Paid Leave** function also allows you to adjust the paid leave hours balance should there arise a need to record adjustments or corrections. For more information on how to use this function, please refer to the **Online Help** or **Electronic Manual**.

G. Generating Paid Leave related Reports

AccountMate provides you with the **Paid Leave Code Listing**, **Paid Leave Transaction Report** and **Employee Paid Leave Listing** so you can review the paid leave codes you created, the paid leave settings you assigned to each employee, and the payroll transactions for which paid leave hours were accumulated, used, converted and/or adjusted. Refer to the **Online Help** or **Electronic Manual** for a detailed discussion about these reports.

Understanding the design and logical flow of AccountMate's **Paid Leave Code** feature helps you to effectively plan and manage the employees' paid leave information.

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