



QUICK REFERENCE GUIDE PERFORMING A TERMINATION PAYRUN

MEGABUS HELPLINE

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1. IMPORTANT NOTES

Do NOT start a Termination Pay until you have consulted the ATO, your employer organisation or your Accountant and have complete and specific details of your obligations and the termination to be performed. For example:

- Is the employee entitled to be paid out for any accrued leave (Annual, Sick/Personal, Long Service etc)?"
- Is the employee entitled to be paid leave loading on any leave payouts?
- Is the employee entitled to an additional payout in lieu of notice of termination?
- Are you entitled to deduct an amount from the payout in lieu of notice from the employee?
- Is the employee entitled to any other payments?
- Are you entitled to deduct any other amounts from the payout (eg. employee loan repayment)?
- Are any of the payout amounts deemed to be 'ETP Payments' or 'Redundancy Payments' by the ATO?
- Where do these amounts need to be shown on the Payment Summary (if at all)?
- Is Superannuation to be paid on the termination benefits?
- What is the total payout amount and what is the total tax amount?

2. PREPARATION

Are there any outstanding Normal Pays for the employee?

- First complete all Normal Pays with 'Pay To' dates on or before the employee's last day of work. This will bring the employee's normal pay and accrued leave entitlements up to date.
- Do **NOT** include the employee on a Normal Pay with a 'Pay To' date that is after his last day of work.
- You will add any hours worked since the 'Pay To' date of the last Normal Pay onto the Termination Pay.

Check accrued leave entitlement balances are correct...

- Generate an Employee Leave Report to check all changes to the employee's accrued leave balances:
 - From the menu toolbar, select Reports | Employee Leave (use the By Employee tab, select the Employee, select the leave types to be paid out, select Print Full Details, and select all years in the drop down list)
 - If any of these balances are incorrect, perform a Leave Balance Adjustment to correct them.
- Do **NOT** create Leave Entries to pay out leave balances (the Termination Payrun will take care of this).
- Do **NOT** convert 'Annual Leave With Loading' to 'Annual Leave' (the Termination Payrun will take care of this).
- Do **NOT** zero leave balances not being paid out (the Termination Payrun will zero them and adjust the GL balances).

Are the required Allowance types available?

- From the menu toolbar, select System | Allowances
- Click on the 'Add or Update any Megabus supplied allowances' icon (to right of Printer icon) then on Yes to confirm.
- Check that all Redundancy/ETP allowances have an appropriate Account Code and Account Name (eg. your Salaries & Wages account).
- Check that all Redundancy/ETP allowances have the correct 'Payment Summary Area' selected (if applicable).
- If an appropriate allowance does not exist with the settings you require, click on the green '+' to add a new one.

Are any required Deduction types available?

- From the menu toolbar, select System | Deductions
- Check that any Deduction types you need are there (eg. 'Employee Loan Repayment').
- If not, create a new Deduction type with the settings you require (click on the green '+' to add a new one).

3. Initialise the Termination Pay

- Insert your normal USB backup stick for Marlin HR.
- Select the relevant Pay Frequency (eg. Weekly) for the employee being terminated.
- Set Pay Type to **Termination Pay**.
- Enter the Termination Date (the employee's last day of work).
 - If you incorrectly included the employee on a Normal Pay with a 'Pay To' date after the employee's last day of work, you will need to enter that 'Pay To' date as the Termination Date (it will not impact any figures).
- Enter the Pay Date (the date you will actually pay the money to the employee).
- Enter the Superannuation Contribution Payment Date (the date by which you expect to pay into the Super fund).

TERMINATION PAY OPTIONS:

- Click on the '**Options**' button (on same line as the employee in the employee list) and then select:
 - Whether the payout includes **Eligible Termination Payments** or **Redundancy Payments**.
 - Which (if any) Leave types to pay out and whether to pay leave loading
 - Whether Superannuation is to be paid on termination benefits
- Initialise the Termination Payrun, then double-click on the employee to view the pay details.

4. Enter amounts on the Termination Pay and adjust Tax

In the 'This' column, click on:

- 'Earnings' and enter any standard and overtime hours worked since the last Normal Pay.
- 'Termination Payout' (shown in red) to view the payout details of any accrued leave balances being paid out.
- 'A/T Allow or Reduncy' (if a Redundancy Termination) then on +Add icon to add any After Tax or Redundancy payments.
 - You will be prompted for the Amount and the Tax Amount for each payment.
- 'A/T Allowance or ETP' (if an ETP Termination) then on +Add icon to add any After Tax or ETP payments.
 - You will be prompted for the Amount and the Tax Amount for each payment.
- 'After Tax Deduction' then on +Add icon to add any After Tax deductions (eg. Employee Loan Repayment)
- 'Before Tax Deduction' then on +Add icon to add any Before Tax deductions (eg. Salary Sacrifice to Super)
- 'Before Tax Allowance' then on +Add icon to add any Before Tax allowances (eg. Tool, Meal, Commission)

Adjust the Tax:

If ETP/Redundancy payments are involved, individual circumstances are wide and varied. You will need to adjust the total tax amount to match the figure provided by your employer organisation or accountant.

- Click on 'Tax' then double-click on 'Tax Adjustment' to adjust the total tax amount up or down as required.

Final Check:

- Click on the Save icon and then on the Print icon to view (and print) an Interim Payrun Analysis Report. Have the appropriate people review/approve the Termination Payout **prior** to it being finalised.

Check **EVERY** detail and amount is correct **BEFORE** finalising the Termination Pay. It can **NOT** be reversed.

5. Print Termination Pay Advice

(access via Pay Advices favourite)

- Select the Termination Payrun from the list.
- Click on Generate to view the Termination Pay Advice on screen. If all is ok, click on Print.

6. Print Payrun Analysis

(access via Pay Analysis favourite)

- Select the Termination Payrun from the list.
- Click on Generate to view the report on screen, If all is ok, click on Print.

7. Generate Payment Summary (if required now)

You can generate a Payment Summary for the terminated employee now, rather than waiting for the end of the tax year:

- Select Periodic | Payment Summaries from the menu toolbar.
- Select **only** the terminated employee then click on Generate.
- Print and Save the Payment Summary then close it.
- Click on the **Update** button to flag the employee as having had a Payment Summary generated.

This Payment Summary can be re-printed at any time in future by selecting Periodic | Previous Payment Summaries from the menu toolbar, then opening the Payment Summary from the list and printing it.