

COVID-19 Wage Subsidy

This document describes how to set up VisionVPM Payroll to pay the New Zealand Government wage subsidy during the COVID-19 global pandemic. Once setup is complete, reporting can be easily performed for auditing purposes.

The following steps are required:

1. Identify an unused Employee Rate.
2. Ensure your Payroll system links to the General Ledger
3. Set up a new General Ledger code
4. Set up a new Allowance and Deduction code
5. Set up employee hourly rate for all employees and check average hours.

Step 1: Identify an unused Employee Rate

You need to identify which Employee Pay Rates are currently unused and then choose one to pay the COVID-19 subsidy.

Go to: **Reports > Payroll > Employee Pay Rates > select company > Print.**

VisionVPM Screen Report					
Provet VisionVPM Veterinary Clinic					Printed 7 APR 20 10:34
Employee Pay Rates					
Employee	Rate 1	Rate 2	Rate 3	Rate 4	Rate 5
BULLOCK, Sandra	45				36
CASUAL, Casual	18				14.4
DAMON, Matt	40				32
FEDERER, Roger	50				40
FLINTSTONE, Fred	38				30.4
JETSON, Jane	20				16
NEWSOM, Newell	30				24
REEVES, Keanu	42				33.6
THERON, Charlize	30				24
Averages	34.78				27.82

For the purposes of this exercise, Rate 5 above has been used. Where all rates are currently being used, an alternative option is available in Step 4 below.

Step 2: Ensure your Payroll system links to the General Ledger

Check your system is linked to the general ledger by going to: **Payroll > Company Details > select company**.
The Payroll Company window will be displayed.

The screenshot shows a software window titled "Payroll Company - VISION". The window has a header bar with a home icon, the text "Company Details", and three action buttons: "Save F7" (green checkmark), "Cancel F8" (red X), and "Delete/D" (trash can). Below the header, there are several input fields for company information:

- Company Code: VISION
- Company Name: VisionVPM Veterinary Clinic
- Address: 1 Visionary Road, Covetrusville, New Zealand 3110
- Company IRD No.: 222222222
- Contact: ANNE BRENNAN, Phone: 0800 847 876
- Contact Email Address: visionpayroll@pretend.co.nz
- Payday Filing export path: C:\VISIONVPM\IRD
- Last EDF Date: 31 JAN 19
- Period Close Date: (empty)

A red box highlights the checkbox labeled "Link to General Ledger", which is checked. Below this, there is a table of account codes:

PAYE Account	506	Casual Emp. Hol. Allowance	CASUAL 8%
Bank Account	401	Batch Pay Run Payments Ac.	
Wages Account	330		
KiwiSaver Employee Ac.	507	KS Employer Expense Ac.	320
KS Salary Sacrifice Ac.	509	KS Employer Contribution Liability	504

Below the table, there are three checkboxes for pay slip options:

- Hide sick leave on pay slips
- Hide holiday leave on pay slips
- Hide time in lieu on pay slips

At the bottom, there is an "IRD Integration" section with two radio buttons: "Manual Payday Filing" (selected) and "Use IRD Gateway".

- Ensure the **Link to General Ledger** checkbox is selected.
- Most clinics should have the correct General Ledges codes entered.
 - If you require assistance, please call the Service Desk.

Step 3: Set up a new General Ledger code

We recommend adding a new General Ledger code to record the COVID-19 subsidy payments which can then be easily reported upon in the future. The code can be inactivated when it is no longer required.

Go to: **General Ledger > Chart of Accounts > Insert.**

Account Code: COVID-19 Covid-19 Govt Wage Subsidy

Subtotal To: 330 Wages

Report Heading Title:

Page No:

Sales Zero Rated for GST ? [Sub-accounts \(0\)](#)

Purchase Bank Account

Other Income Subtotal Header Account Only

Expense Inactive

Current Asset

Current Liability

Fixed Asset

Term Liability

Capital Account

Owners Expenses

Level: 1

System ID: 807

- Where required, the account can be subtotalled back to your main Wages account code.
- Ensure the account type is **Expense** and marked **Zero Rated for GST**.

Step 4: Set up a new Allowance and Deduction code

To set up a new allowance and deduction, go to: **Payroll > Allowances and Deductions > Insert.**

The screenshot shows a software window titled "Allowance/Deductions - COVID-19". At the top left is a "Details" icon. To the right are "Save F7" and "Cancel F8" buttons. The form contains the following fields and options:

- Code: COVID-19
- Name: Covid-19 Govt Wage Sub
- GL Account Code: COVID-19 (dropdown menu)
- Multiplier: 1
- Include in Holiday Gross
- Radio buttons for selection:
 - \$
 - Rate 1
 - Rate 2
 - Rate 3
 - Rate 4
 - Rate 5 (highlighted with a red box)
 - Taxable Allowance
 - Taxable Deduction
 - Non Taxable Allowance
 - Non Taxable Deduction
 - Holiday Pay (Taxable)
 - Sick Pay (Taxable)
 - Bereavement Pay (Taxable)
 - Time in Lieu Accrued
 - Time in Lieu Taken
- Checkboxes:
 - Irregular or discretionary payment
 - Prompt for Avg Daily Pay (sick, bereavement, public holiday, alternative holiday)
 - Prompt for Average Earnings (normal holidays)
 - Inactive Allowance

- Enter the new Allowance/Deduction code like above and select the **Rate** which you identified in **Step 1**, for example, Rate 5.
- Select the COVID-19 **GL Account Code** you created in Step 3, so it links back to the General Ledger.

Notes:

- The COVID-19 Allowance/Deduction Code is set up identical to your normal or ordinary pay, except it will use a different rate. It still needs to be marked as **Include in Holiday Gross**.
- For clinics who do not have a spare Rate, the code can be set up using your usual Rate, for example, Rate 1, but change the **Multiplier** to .8 to calculate 80%.

Step 5: Set up employees hourly rate and check average hours worked

To set for each employee go to the Employee Details and enter 80% of their normal hourly rate (usually Rate 1) into the Rate 5 field (or whichever Rate field you have chosen to use).

The screenshot displays two windows of the 'Employee Details' software. The left window shows details for Jane Jetson (Code: JJ), with Rate 1 set to 20 and Rate 5 set to 16. The right window shows details for Roger Federer (Code: FF), with Rate 1 set to 50 and Rate 5 set to 40. In the right-hand menu of the Roger Federer window, the 'Allowance Anal.' button is circled in blue. Other buttons in the menu include 'KiwiSaver', 'Transactions', 'Leave Analysis', 'Time in Lieu', and 'Send to IRD'. The 'KiwiSaver Status' is 'Not enrolled'.

In the above screenshot, you will see Jane Jetson's Rate 5 hourly rate is 80% of her Rate 1 allowance. Similarly, with Roger Federer.

When entering a payrun, the average number of hours must be entered in the quantity field to generate the appropriate amount to pay. The average number of hours needs to be calculated over the last year, or over the total amount of hours worked, if the employee has been working for less than one year. To generate the total amount of hours worked for that total time period, use the following steps:

- Go to **Employee Details > Allowance Anal.** (circled on above screen shot) > date range = 1 April 2019 to 31 March 2020.

This will generate a report as follows:

Provet VisionVPM Veterinary Clinic			Printed 7 APR 20 13:26			
			Page 1			
Employee Allowance Analysis - from 1 APR 19 to 31 MAR 20						
Roger FEDERER						
Total days worked for period: 120.000						
Date	Allowance	Allowance Type	Irregular Allowance	Days	Quantity	Gross Amount (\$)
12 APR 19	Ordinary Pay	Taxable Allowance	No	10.000	80	4000.00
26 APR 19	Holiday Pay	Holiday Pay	No	8.000	64	3200.00
26 APR 19	Public Holiday	Taxable Allowance	No	2.000	16	800.00
10 MAY 19	Ordinary Pay	Taxable Allowance	No	10.000	80	4000.00
24 MAY 19	Ordinary Pay	Taxable Allowance	No	10.000	80	4000.00
7 JUN 19	Ordinary Pay	Taxable Allowance	No	7.000	56	2800.00
7 JUN 19	Sick Leave Paid	Sick Pay	No	3.000	24	1200.00
21 JUN 19	Ordinary Pay	Taxable Allowance	No	10.000	80	4000.00
31 JUL 19	Ordinary Pay	Taxable Allowance	No	10.000	80	4000.00
31 AUG 19	Ordinary Pay	Taxable Allowance	No	10.000	80	4000.00
30 SEP 19	Ordinary Pay	Taxable Allowance	No	10.000	80	4000.00
31 OCT 19	Ordinary Pay	Taxable Allowance	No	5.000	40	2000.00
31 OCT 19	Holiday Pay	Holiday Pay	No	5.000	40	2000.00
30 NOV 19	Ordinary Pay	Taxable Allowance	No	10.000	80	4000.00
31 DEC 19	Ordinary Pay	Taxable Allowance	No	8.000	64	3200.00
31 DEC 19	Public Holiday	Taxable Allowance	No	2.000	16	800.00
Totals for all allowances					960	48000.00
Allowance Breakdown						
Totals for regular allowances					960	48000.00
Totals for irregular allowances					0	0.00
Totals for taxable allowances					960	48000.00
Totals for non-taxable allowances/deductions					0	0.00
Totals for Include in holiday gross allowances					936	46800.00
Totals for non-Include in holiday gross allowances					24	1200.00

- You will note there are several pays which have multiple lines, these need to be counted as one pay.
- Count the number of pays entered for the year.
 - Where you pay weekly, this should be 52 weeks.
 - Where you pay fortnightly, this should be 26 weeks, although depending on your pay cycle this may vary slightly.
 - You will need to divide the total hours worked, that is **Total for include in holiday gross allowances** by the number of pay cycles.
 - In the above instance the formula would be:
 - 936 hours / 12 pay cycles = 78 hours (average hours worked per fortnight)

Following are three examples of Pay Runs including the COVID-19 allowance.

1. Roger Federer did not work at all this fortnight and collected his entire pay using the COVID-19 allowance (at 80%). Roger usually works 8 days per fortnight and his hours worked is the Average number of hours calculated as above.

Transactions - RF

Overall days paid in this pay period: 0.000 Pay Correction/Bonus Only (allow days paid to be zero)

Code	Description	Type	Dept	Days	Qty (hrs)	Total
COVID-19	Covid-19 Govt Wage Sub	Tax Allow		8.000	78	3120.00

2. Jane Jetson usually works 8 days per fortnight and her total hours worked for the last year was 768 hours. Divide this by 12 pay cycles, which equals an average of 64 hours per fortnight. This fortnight, Jane only worked half of the time, so her pay run is entered at 32 hours at normal pay, and 32 hours calculated using the COVID-19 80% rate.

Transactions - JJ

Overall days paid in this pay period: 8.000 Pay Correction/Bonus Only (allow days paid to be zero)

Code	Description	Type	Dept	Days	Qty (hrs)	Total
ORD	Ordinary Pay	Tax Allow		4.000	32	640.00
COVID-19	Covid-19 Govt Wage Sub	Tax Allow		4.000	32	512.00

3. Keanu Reeve usually works 10 days per fortnight and his total hours for the last year was 1000 hours. Divide this by 12 pay cycles which equals an average of 83.33 hours per fortnight. This fortnight, Keanu worked 72 hours, so he was paid his normal rate for 72 hours and topped up with the COVID-19 80% pay rate for the remaining 11.33 hours.

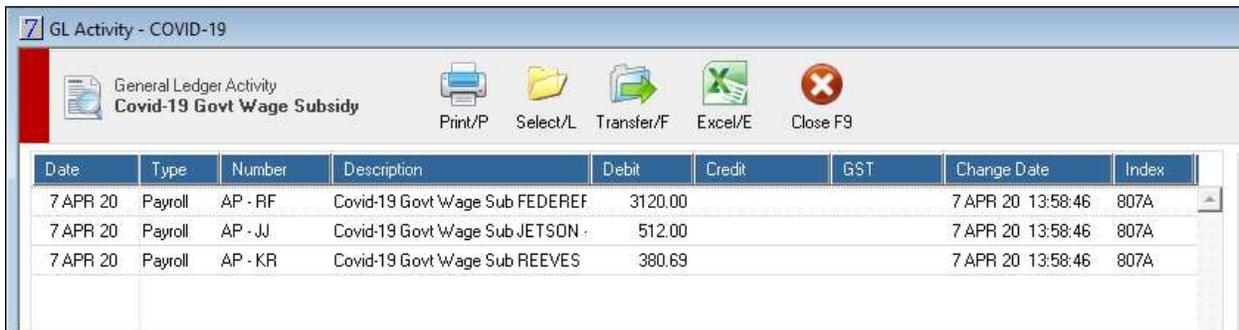
Transactions - KR

Overall days paid in this pay period: 10.000 Pay Correction/Bonus Only (allow days paid to be zero)

Code	Description	Type	Dept	Days	Qty (hrs)	Total
ORD	Ordinary Pay	Tax Allow		8.000	72	3024.00
COVID-19	Covid-19 Govt Wage Sub	Tax Allow		2.000	11.33	380.69

General Ledger activity and reporting

Once the Pay Run is updated, the transactions will appear in the activity for the new General Ledger COVID-19 code. The transactions can be Printed and/or exported to Excel/Spreadsheet if required.



Date	Type	Number	Description	Debit	Credit	GST	Change Date	Index
7 APR 20	Payroll	AP - RF	Covid-19 Govt Wage Sub FEDEREF	3120.00			7 APR 20 13:58:46	807A
7 APR 20	Payroll	AP - JJ	Covid-19 Govt Wage Sub JETSON	512.00			7 APR 20 13:58:46	807A
7 APR 20	Payroll	AP - KR	Covid-19 Govt Wage Sub REEVES	380.69			7 APR 20 13:58:46	807A

Contacting the VisionVPM Service Desk

If you require help throughout the steps described in this document, please contact the VisionVPM Service Desk.

	New Zealand	Australia
Phone	0800 847 876	1800 150 264
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Document Information

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