



**interSoftware**  
Empowering Business Tools



The holiday section in Enterprise has been updated so you can configure the holiday parameters for each temp rather than relying on global settings which may not have applied to all employees.

The following document explains why it is important that these parameters are set correctly and clearly explains how to create new holiday schemes so all variations of a working week are covered.

When the upgrade is run a default scheme will be generated, this will use the parameters that you previously had set up globally in

**Administration>System>Parameters>Payroll Company>Holiday**

Most users had the **Work days per week** set to 5, which meant when booking a days holiday if an employee did 20 hours for example the system presumed this was spread over a 5 day week. As this isn't always the case booking a days holiday could be difficult if a temps day was either longer or shorter than the global settings.

By settings a new holiday scheme for all other variations it simplifies the process of booking holidays and ensures the correct payment is applied.

A new holiday scheme will need to be created for any other amount of working days per week your temps regularly work.

Firstly check your holiday parameters are set correctly

Go To **Administration>System>Payroll Company>Holiday**

**Min works hours per week** for part time and full time temps

The field determines the minimum amount of hours per week your employees need to work to get their full holiday entitlement.

If all your employees are full time then this can be set at 37.5 however as this isn't usually the case with temporary staff then having this field set at 0.01 would ensure that all employees have the opportunity to reach the full accrual they are legally entitled to.

For a temp to reach their full 5.6 weeks annual holiday entitlement they need to have the opportunity to accrue 0.603 of a day each week for the 46.4 weeks of the year that aren't holiday, as temps do not accrue holiday when on holiday ( $52 - 5.6 = 46.4 * 0.603 = 28$ )

Having this set at an amount that's higher than the amount of hours some of your temps would ever work would mean they only receive a proportion of the accrual each week which obviously isn't acceptable

## Holiday schemes

A holiday scheme is simply the term given to a length of working week i.e. 3 days, 4 days, 5 days.

Go to **Administration>System>Parameters>Payroll Company>Holiday Schemes**

Every employee is entitled to 5.6 weeks holiday, however the days this equates to will vary depending on how many normal days work an employee does each week,

If a temp's normal working week is 5 days work then the 5.6 weeks would equate to 28 days a year, However if an employee's normal working week is 3 days then 5.6 weeks annually would work out at 16.8 days.

This is 5.6 weeks work for each but as they work a different amount of days per week this works out at a different amount of days annually.

The formula for working this out is

$$\begin{array}{ccccccc} \text{Hours worked} & \times & \text{Annual} & = & \text{Holiday hours per year} & = & \text{Holiday days} \\ \text{per week} & & \text{entitlement} & & \text{Hours worked per normal day} & & \text{per year} \end{array}$$

So for a temp who works 5 days a week 8 hours per day giving a total of 40 hours a week this would be

$$40 \times 5.6 = 224 \quad / \quad 8 = \mathbf{28} \text{ days per year}$$

For a temp that works 3 days a week, 5 hours a day giving a total of 15 hours per week this would be

$$15 \times 5.6 = 84 \quad / \quad 5 = \mathbf{16.8} \text{ days per year}$$

To show how this is affected by the amount of days a temp works per week if 2 temps both worked 20 hours a week but 1 does 2 ten hour days and 1 did 4 five hour days the calculation would be

$$20 \times 5.6 = 112 \quad / \quad 10 = \mathbf{11.2} \text{ days per year}$$

$$20 \times 5.6 = 112 \quad / \quad 4 = \mathbf{28} \text{ days per year}$$

Both get the same amount of hours per year but spread over different length days.

Because this affects how a day's holiday is booked in the system, holiday schemes need to be set up to cover all variations of working weeks.

## To enter a new holiday scheme

Click **New scheme** and enter a description in **Scheme description**

Enter the **Number of Works days per week** this scheme covers

The annual holiday entitlement changed to 5.6 weeks from 01/04/2009 and this should be given to all temps. If you have any queries regarding this please contact the Intersoftware help desk.

Enter this figure in Holiday weeks per year and press tab, this will auto fill all the other fields for you. Click **Save**.

If you have any further schemes to set up repeat the steps above for each, Save and Close when complete

Parameter - Payroll - Holiday Schemes

General  
Bank Details  
Payroll Exceptions  
Holiday  
Holiday Schemes  
Invoice  
Timesheet  
Inland Revenue  
Coinage Analysis  
Payroll Reporting  
Exports  
Nominal Codes  
Code Generation  
Employee  
Emails  
Front Office

Holiday Entitlement Scheme	
▶ 5 day week	
4 day week	
3 day week	
2 day week	
6 day week	

New Scheme  
Delete Scheme

Holiday Entitlement Scheme Values

Scheme Description: 5 day week

No Of Work Days Per Week: 5

	Date values valid till (leave blank if no cut-off date)	Holiday Weeks per Year	Holiday Days per Year	Work Days Per Year	Days accrued per week	Holiday Pay Accrual %
▶		5.6	28	232	0.603	12.07

New Delete

Holiday Entitlement Scheme	
company holiday scheme	
2 days per week	
5 days per week	
▶ 3 days per week	
4 days per week	

New Scheme  
Delete Scheme

Holiday Entitlement Scheme Values

Scheme Description: 3 days per week

No Of Work Days Per Week: 3

	Date values valid till (leave blank if no cut-off date)	Holiday Weeks per Year	Holiday Days per Year	Work Days Per Year	Days accrued per week	Holiday Pay Accrual %
▶		5.6	16.8	139.2	0.362	12.07

Once you have set up all your holiday schemes you need to go to each employee record and customise the scheme to each employee.

## Configuring the employee record

Go to **Employee record>Pen/Hol** tab

### Holiday section

**Each** field in this section needs to be checked to ensure correct holiday accrual and payments.

The figure in **Work hours in Complete Week** will have filtered through from the figure that was previously set in payroll parameters and was originally a global setting, this now needs to be set as an individual figure.

Overtyping this with what you know to be this employee's normal working hours per week. This mustn't include overtime, as holidays aren't usually accrued on overtime rates.

The **Daily Holiday Pay Rate** also needs to be checked at this point and can be overtyped with what you know to be a normal days pay if the figure that was previously here doesn't seem to be correct.

Entering this correctly will ensure that when holiday days are taken the correct rate is paid.

General 1 | General 2 | Payroll 1 | Payroll 2 | Pay | Rates | **Pen/Hol** | Skills | Job Req. | Analysis | Notes |

**Pension**

Pension Scheme: No Pension | Date Started: | Suspended:  | Pensionable Salary: 0

Calculate Pension as % of Pay:  | Ees Contribution: 0 | Lower Limit: 0

Ees Contribution: 0 | Upper Limit: 0

Calculate AVC as % of Pay:  | AVC Amount: 0

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**Holiday**

Holiday Pay Start Date: 08/12/2008 | Daily Holiday Pay Rate: 100.00 | Pay Holiday Accrual in the Week it was incurred:  | Calculate Holiday Accrual:

**Work Hours in Complete Week:** 37.5

Holiday Entitlement Scheme: 2 days per week | No of Work Days Per Week: 2

	Date values valid till (leave blank if no cut-off date)	Holiday Weeks per Year	Holiday Days per Year	Work Days Per Year	Days accrued per week	Holiday Pay Accrual %
▶		5.6	11.2	92.8	0.241	12.07

## Select the correct holiday scheme

**Example 1** if this employee works 20 hours per week, over 2 ten hour days, then enter 20 in **Work Hours In Complete Week** and

Select 2 days per week from the **Holiday Entitlement Scheme** drop down.

This tells the system that the employee works 2 ten hour days and will then calculate his pay correctly when entering days holiday in Payments and Deductions.

Holiday

Holiday Pay Start Date: 08/12/2008  Daily Holiday Pay Rate: 100.00 Pay Holiday Accrual in the Week it was incurred  Calculate Holiday Accrual

Work Hours in Complete Week: 20

Holiday Entitlement Scheme: 2 days per week No of Work Days Per Week: 2

	Date values valid till (leave blank if no cut-off date)	Holiday Weeks per Year	Holiday Days per Year	Work Days Per Year	Days accrued per week	Holiday Pay Accrual %
▶		5.6	11.2	92.8	0.241	12.07

**Example 2** If an employee works 20 hours per week but over 5 days then this would be entered as below.

Holiday

Holiday Pay Start Date: 08/12/2008  Daily Holiday Pay Rate: 40.00 Pay Holiday Accrual in the Week it was incurred  Calculate Holiday Accrual

Work Hours in Complete Week: 20

Holiday Entitlement Scheme: 5 days per week No of Work Days Per Week: 5

	Date values valid till (leave blank if no cut-off date)	Holiday Weeks per Year	Holiday Days per Year	Work Days Per Year	Days accrued per week	Holiday Pay Accrual %
▶		5.6	28	232	0.603	12.07

Note how the days holiday per year changes even though they both work the same hours per week, it is the days per weeks that's important if holiday days per year are to be accrued correctly.

The hours per week indicates how long a working day is so when a days holiday is taken the system knows what rate is to be given.

## Taking holidays

Go to **Employee Record>Payments and Deductions**

Now the system knows exactly what length a days holiday is for each employee a part or full days holiday rate will be calculated correctly.

**Please note** holidays should be entered as days taken not a monetary amount as the system will correctly calculate the rate but if this is entered as a value the days will not be correctly deducted which will result in an imbalance between days and pay accrued.

**For example 1**, if an employee works a 10 hour day, and took half a days holiday whilst being paid at £10 per hour

Holiday Pay	Statutory Payments	Other Payments	Deductions
This Period			
Holiday Days:	<input type="text" value="0.5"/>	Number of Payroll Periods Covered by this Payment: <input type="text" value="1"/>	
Daily Holiday Pay Rate:	<input type="text" value="100.00"/>		
Holiday Pay Amount:	<input type="text" value="50.00"/>		

**Example 2**, if an employee works a 4 hour day and took half a days holiday whilst being paid £10 per hour

Holiday Pay	Statutory Payments	Other Payments	Deductions
This Period			
Holiday Days:	<input type="text" value="0.5"/>	Number of Payroll Periods Covered by this Payment: <input type="text" value="1"/>	
Daily Holiday Pay Rate:	<input type="text" value="40.00"/>		
Holiday Pay Amount:	<input type="text" value="20.00"/>		