Fiji Payroll Processing

Welcome to SmoothPay payroll for Fiji

SmoothPay provides built-in localisation (tax and superannuation rules) for *Fiji*.

Employees in Fiji are provided minimum employment conditions by the *Employment and Wage Acts and Regulations.*

This guide is intended as a general guide on how to proceed in each of the identified situations.

This guide is not a substitute for correct legal advice. If in any doubt regarding your legal obligations, you should consult a *Labour Officer or Inspector* or your legal adviser.

SmoothPay is designed to permanently record your pay input entries for subsequent retrieval and reporting. If used correctly, it will provide you with all the requirements for leave recording and reporting, overtime, allowances history, leave accruals, superannuation, tax reporting etc.

Extra localisation, such as specialised reporting requirements, or implementation of rules we may not know about, can be requested by contacting the SmoothPay helpdesk and providing as much supporting documentation and examples as possible.

PLEASE NOTE: SmoothPay provides **3 methods for calculating tax in Fiji**. By default, tax calculations match the printed Tax Tables (as closely as possible, however those rules do not cater for SRT, or retrospective tax on bonus payments or annual credits for redundancy etc). SmoothPay also provides Regulation 6 calculations (however the rules are very poorly defined and the tax spreadsheet produces different amounts of tax for the same annual income depending on how it's entered - we have implemented these rules using common sense). There is also a third option that requires you to enter the tax you wish to be deducted.

Do this FIRST!

If you have installed from the localised installation file (*available from the Fiji page on our website*), then your system will already be set up correctly for Fiji payroll processing.

If, on the other hand, you installed from a generic installation, then your payroll will probably be set for Australian payroll rules, or one of the other countries supported by SmoothPay. If so, you need to delete the original installation and re-install from the correct install file (or download the correct empty database from the country-specific features page on our website, or call the HelpDesk for assistance).

SmoothPay is now ready for Fiji payroll processing and you can commence with the rest of your setup, then add or import employees - **refer to our *Getting Started Guide*** and follow the easy steps. The *Getting Started* and *Pay Process* guides are available on the splash screen under *Tutorials*, and under *Help*, as well as our website.

Piece-rate and casual contracts

Piece-rate employees are defined as "Casual" in the employee record (*Staff..Contract*), and the leave entitlements (*Staff..Leave..Entitlements*) can be set to zero unless otherwise agreed.

Pay input will be via the *F6 (Staff..Pay..Allowances)* screen, using allowance codes to represent each type of piece-work, the units of work and the rate applicable to each unit. New codes are added in the Codes section (refer *Getting Started Guide*).

> Permanent (usual) piece-rate entries should be saved as part of the employee's Standard Pay Template (to avoid having to re-enter them each pay period).

Overtime

SmoothPay provides for overtime via *(Pay..Time entries)* with a default multiplier of 1.5, and 2 for double time. You can add other overtime codes if you need to (*Codes..Time*) to cater for other time types and different multipliers.

Maternity Protection

You may be required to pay an employee a daily rate during their pre- and post-confinement period (up to 42 days each). Qualifying employees must have been employed for at least 150 days during the preceding 9 months.

This should be entered as Leave Taken (you may need to add a Maternity code, set up as auto-balancing).

The payment may be made to a person nominated by the employee.

Annual (or Holiday) leave

The minimum prescribed entitlement is 10 working days off after each year of service (*except casual and piece-rate workers*).

Therefore, each employee's annual leave should be established as Annual Days with the annual accrual (e.g. 10 or more) set as required. Any balance owed from their previous annual accruals should be set in *Staff..Leave..History* by adding a transaction containing the bring-on balance).

If you choose a different method (*e.g. Percentage each pay, or annual weeks, or annual hours*), then a rate producing a similar result should be used, however for clarity, the method prescribed by the Act should be used (*10 days, accruing annually*). You would also need to check that 10 days equivalent has indeed been accrued at the end of each year of service (NOTE: It probably won't - we recommend using the system correctly).

Annual Leave entitlement on termination

Where an employee has completed at least 3 months service they are entitled to an Annual Leave payment equivalent to 5/6ths of a day's pay for each completed month of service, or the amount of leave remaining that has accrued to date. This information is available on the employee's *Leave..Entitlements* screen or in their *Leave Balances*.

If the employee has completed at least 1 year of service then any unused annual leave accrued is payable, plus 5/6ths of a day's pay for each whole month of service since their anniversary.

Sick Leave

Some industries simply have a duty of care to provide medical assistance as needed instead of an entitlement to a set number of days of sick leave.

Industries such as mining, milling, manufacturing etc have Wage Order Regulations pertaining to minimum leave entitlements, including sick leave accrual.

Please ensure you set up correct entitlements for staff in your industry.

Generally, the minimum entitlement is 10 days during any year of service (*except casual and piece-rate workers*). Sick leave is not generally payable if the employee has served less than 3 months.

Some industries simply have a duty of care to provide medical assistance as needed.

Therefore, each employee's sick leave should be established as Annual Days with the annual accrual set as required. Any balance owed from their previous annual accruals should be set in *Leave..History* by adding a transaction containing the bring-on balance).

You may set the maximum accrual option to 10 (*or more*), and SmoothPay will automatically maintain the balance at or below this level.

If you choose a different method of accrual (*e.g. Percentage each pay or annual hours*), then a rate producing a similar result should be used, however for clarity, the method prescribed by the Act should be used (10 days, accruing annually). You would also need to check that 10 days equivalent has indeed been accrued at the end of each year of service (NOTE: It probably won't - we recommend using the system correctly).

Bereavement Leave

An employee having completed more than 3 months service is entitled to 3 days bereavement leave in a year, in addition to any other leave.

Long Service leave

SmoothPay provides for a Special Leave classification with accruals annually (*days or hours*), or by percentage each pay.

An example might be 3.5 pays per year of service - this is best set up as 0.01346 per pay period (a percentage each pay) or whatever produces an equivalent result, or simply as 3.5 days annually accruing per pay period.

Not all employees will be subject this arrangement, but it's there if you need it.

Leave balances on payslips

For each type of leave you have the option of showing the leave balance on the employee's payslip - refer *Codes..Leave*

Payslips

SmoothPay provides for printing of individual payslips (in a variety of styles) from each employee's Pay Input screen, or in bulk from Standard Reports.

Payslips may also be emailed - also available individually or in bulk from the Standard Reports screen.

These disclose all the required information to the employee.

Leave Records

A series of reports is available from SmoothPay which, when combined, provide full details of leave taken, leave accruals and employee information:

- Employee detail printout, shows all required employee details including next of kin
- Individual leave reports show details of leave accruals, adjustments, leave taken
- Summary and detail reports are also provided that show leave entitlements and balances

Leave comments may also be edited to provide a complete history/reason for leave and adjustments.

Savings and Loans

SmoothPay provides a built-in Savings and Loans module that lets you easily establish and manage:

- loans and a repayment rate,

- savings with an optional target and the ability to borrow against savings or even to overdraw savings

- print statements and balance reports at any time

- show account balances on the employee's payslip

For more information, please refer to the Savings and Loans Guide available on our website.

Taxation

SmoothPay provides current tax rules, although there is considerable room for improvement in the official tax specifications and formulas.

> **DO NOT change an employee's pay cycle during a tax year - this will have a serious impact on tax calculations. All tax calculations should be checked.**

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Bank Accounts and Direct Credit files
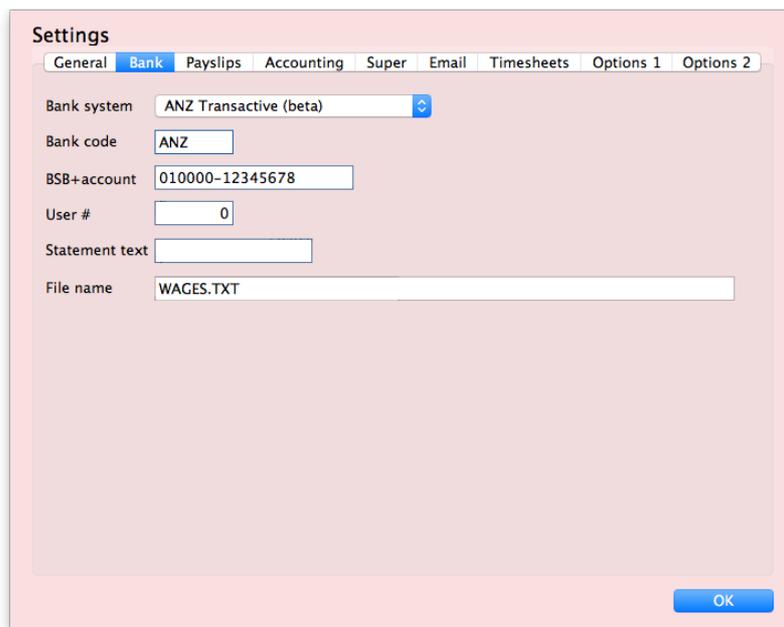
SmoothPay can generate direct credit files for the following Fiji banking systems:

- *Multi-currency funds transfer schedule (used if Multi-currency is turned on)*
- *ANZ Transactive (fixed-length) - contains payments for ALL bank accounts used*
- *ANZ Diskpay (contains ANZ accounts only, plus produces DirectCredit.xls)*
- *Westpac HandyPay (contains WBC accounts only, plus produces DirectCredit.xls)*

Every time a direct credit file is produced you will be presented with a Direct Credit Schedule report showing you all direct credit entries in the current pay run.

When the current pay run is finished, any direct credit files required will be produced automatically.

You can also re-run a direct credit schedule (and associated direct credit files) for any historical batch at any time (Reports..Pay..Direct Credit). This is very useful for testing purposes.

> **Bank accounts must be entered and formatted as follows:**
> BSB-ACCOUNT (e.g. 010000-12345678)
> *Where 01000 is the Bank (01=ANZ, 0000 is the branch number if known/used) for the BSB part, and 12345678 is the Account.*

Here is a list of known Banks and BSB's used in Fiji (at time of writing):

- ANZ 010-890 (entered as 010809)
- WBC 039-001
- BOB 049-101
- BSP 069-019
- Bred 119-010
- HFC 129-010

> Please make sure you enter the 2-digit bank code correctly in ALL cases. If you don't know the actual branch code use 0000 (so you end up with 060000 as an example for BSP).
>
> SmoothPay also provides optional entry of a SWIFT code (if present it will be used in the ANZ Transactive file, otherwise the ANZ SWIFT code will be used for "01" accounts and the BSB for other banks.

Employee bank account/s can be created, edited etc. in the *Staff..Bank* screen.

> There is no limit to the number of bank accounts an employee may have, and each account can be set as an amount per pay, a percentage of pay, balance of net pay etc, providing full flexibility.
>
> **DO NOT use employee bank accounts area for payments to other parties - use Agencies/Payments instead.**

Agency bank accounts

Payments to other parties (Agencies) require an Agency record to be created (Codes..Agencies), which is then added to the employee's Payment tab as required.

The agency payee details provide for account name, bank name, branch name, SWIFT code (optional).

If bank name is not entered then the first line in the agency name/address block will be used instead.

Superannuation

SmoothPay provides for automatic calculation of both the employee and employer contributions for FNPF.

Default superannuation percentages are established in *Configure..Super*:

> **Note** the option to include employer superannuation costs in the cost analysis reports for easy accounting for super.

Each new employee you add will inherit these as their default values (*Super* tab). Change the superannuation provider and settings if you need to (Super funds can be added in *Codes..Agencies and Super Funds*) or you can choose "None" if the employee is not eligible.

> **NOTE**: Superannuation in Fiji is usually calculated on taxable earnings. There is an option on all time, leave and allowance codes to include for superannuation if you wish to include/exclude specific earnings types.

Superannuation reporting

Comprehensive Superannuation Schedules (*Reports..Super..Schedule*) includes:

- a schedule report of totals per month, per employee, grouped by pay-point (employee department) or by Super Fund
- individual payment schedules per fund (again, itemised by employee/month)
- an optional super.xls spreadsheet

Salary Packaging

Please check with FRCA before entering into any packaging arrangements.

Packaging may include:

- Sacrifice to superannuation (*up to a maximum of 12% of earnings*)

- Non-cash benefits that are wholly or partially exempt from income tax (concessionally taxed or exempt) - yes, this is very vague

- Novated leases (motor vehicle, if the vehicle is used solely for business purposes). Any private use is a taxable benefit. Transfer of ownership to the employee is a taxable benefit equivalent to:

    - current market value at the end of the lease period or

    - residual lease value when the transfer occurs

Here is an example of a sacrifice code set up (create separate codes for super sacrifice etc as needed):

Add the sacrifice to the employee's payments tab entries for the amount required each pay period.

> **We advise that all packaging arrangements be in writing and cleared with FRCA.**

Software (Program) updates

All tax rules and other legislative changes are incorporated in regular software releases - minor updates are issued approximately monthly, however tax changes are generally included in updates around the end of the tax year, ready for the next year (*it depends on when we receive notification of any changes*).

For this reason it is VERY IMPORTANT that you keep your software up to date.

SmoothPay automatically checks for updates (every 2 weeks or so), however to be effective you need a broadband connection as the update download can be quite large.

If your internet connection isn't particularly fast or your payroll computer isn't connected to the internet, then you can obtain the latest update from **any computer** connected to a decent broadband connection (*e.g. another business computer, an Internet Cafe, Library etc*) and save the update file to a USB stick, CD or other media - then, on your payroll computer just run the latest update from that media.

SmoothPay support, training and assistance

SmoothPay provides all end-user support, training and assistance **at no additional cost** as part of both your evaluation of SmoothPay and as part of your ongoing subscription. This includes "direct-to-desktop" assistance with any problems you might be having (requires a reliable broadband connection) - it includes a handy chat feature which enables discussion during training.

We can be contacted via phone or email (see the foot off the Control Centre for contact options).

You may need to backup your data to our free offsite internet backup (*or upload your latest database archive to dropbox or other file-sharing service*) for analysis, especially for technical questions or troubleshooting. This is highly recommended anyway to further protect your payroll data in the event of computer loss or data corruption.

Feedback

We're always keen to do better!

Any and all feedback is appreciated and if you feel we could include better examples, provide more explanation, provide references to additional information, make a process easier to use, or you spot something that isn't working the way it's supposed to - please let us know.