

# Annualised Pay

## TEMPLACMS

Version: V6.0.0



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# ANNUALISED PAY

Annualised pay is mainly used in schools and some university's where they have long periods during the year that they are not open (for example school holidays). Normally no regular cleaning activities are carried out during these periods. If an employee is paid actual hours and rates they will not be earning any wages during times when schools are closed - to not leave employees out of pocket during these times their pay can be annualised. Annualised pay means that the employee's wage will be averaged across the year and paid in equal instalments every pay period to ensure the employee is paid all year round, including during periods when the schools are closed.

## Site Calendars

The number of weeks that schools are open during a calendar year can differ from one region to another. Therefore, a specific school calendar for each school or area should be set up:

Calendar detail - Mugg & Bean Scholl

File Tools Help

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General Non-working periods Calendar view Timeline view Dates

Code MUGG

Description Mugg & Bean School

Payable weeks per year 39.00000

Employee holiday working weeks per year 52.14000

Periodic weeks per year 0.00000

Periodic year start date (not set)

Runs to 31/12/2017

Bank holidays Apply non-working

**Code** – this must be a code that is unique within the **Site Calendars**.

**Description** – enter a relevant description.

**Payable weeks per year** – how many weeks in the year the employees are paid for (used in annualised pay calculations).

**Employee holiday working weeks per year** – how many weeks in the year the employees work (used in holiday entitlement calculations).

**Periodic weeks per year (Optional)** – this defines how many weeks of the year are designated for periodic work to occur.

The '**Employee holiday working weeks per year**' and the '**Periodic weeks per year**' cannot exceed the 'Payable weeks per year'.

**Periodic year start date (Optional)** – if periodic weeks are defined it is possible to define the exact day that the periodic year begins, this will run for 12 months unless it exceeds the **Runs to** date.

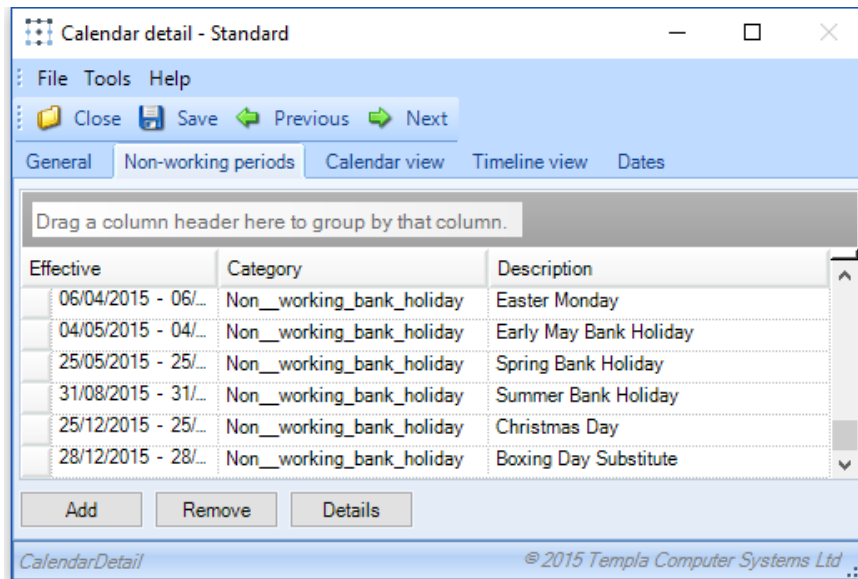
**Runs to** – this is the expiry date of the calendar, this can exceed 12 months if necessary though for some sites the dates may alter after a set timeframe in which case the calendar should expire on that given date.

**Bank holidays:**

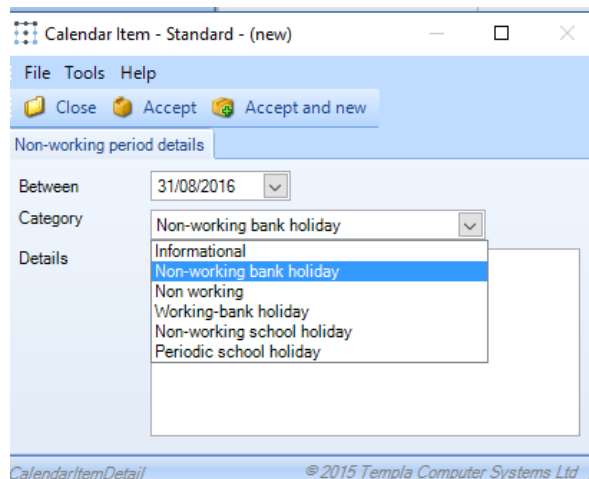
- **Apply non-working** – includes any days specified as non-working bank holidays on the calendar
- **Apply as working** – instructs **TemplaCMS** that bank holidays are considered working days
- **Do not apply** – ignores any specified bank holidays

## CALENDAR NON-WORKING PERIODS

The exact periods during which the schools are closed can be defined from the 'Non-working periods' tab on the calendar.



**Add** – clicking **add** will allow the user to create a new notable item (day) on the existing calendar.



**Between** – the date of the non-working period being added.

**Category** – the classification of the day:

- *Informational* – these days will be shown on calendars and timesheets but exist solely as a note, they will not affect any calculations etc.
- *Non-Working bank holiday* – a bank holiday on which employees will not be working.
- *Non-Working* – a day that employees are not expected to work on a site.
- *Working bank holiday* – a bank holiday where employees are required to work.
- *Non-working school holiday* – this category was designed specifically for clients who operate to a school calendar i.e. term times, a day(s) in a school holiday that employees are not expected to work.
- *Periodic school holiday* – applies to date within a school holiday which has been designated for period work to occur.

**Details** – this is a description of the day being created e.g. 'Boxing day'.

**Remove** – clicking **remove** when a non-working day is highlighted will delete that day from the current calendar.

## Contracts – General tab

The relevant site calendar (containing the correct non-working periods) should be applied to the contract.

Contract - Mugg & Bean

File Tools Help

Close Save Previous Next Notes Attachments Process sheets Create mail

Request approval Workflow Open the live version Roster Transactions Schedule Excel Site binder Budget summary

General Tasks Calendar Budgets Pay Workbills Stores HS Billing QA Properties Audit

Reference: MUGG001 version: 15 type: Standard contract Contract starts: 01/01/2017 Contract ends: (not set)

Client: The Acorn Group

Site: Mugg & Bean

Description: Mugg & Bean

Calendar: Mugg & Bean School

Working/cleaning weeks per year: 52.14

Min cover rate: 0.00

Max cover rate: 0.00

Default cover rate: 0.00

## Contracts – Pay tab

From the 'Pay' tab on a contract it is possible to define each employees number of working hours per day and rate of pay as well as their 'Pay Calculation' method:

Contract Employee - Mugg & Bean

File Tools Help

Close Accept Accept and new Previous Next

Employee details

Effective: 01/05/2017 to (not set)

Employee: Lennette Bigges 2380

Task: 2 -- Contract Cleaning -- Contract Cleaning

Work type: Area Manager

Site approval: no approval details

Days	Hours	Rates	Cover rates
Monday	7.00	8.5000	0.0000
Tuesday	7.00	8.5000	0.0000
Wednesday	7.00	8.5000	0.0000
Thursday	7.00	8.5000	0.0000
Friday	7.00	8.5000	0.0000
Saturday	0.00	0.0000	0.0000
Sunday	0.00	0.0000	0.0000
Week	35.00	297.5000	

Pay scale:

Holiday method: Holiday accrual

Extras per period: 0.00 Details

Audit notes:

Site approval: Begin Approved Rejected

Note, approval relates to the site, not this task.

Overrides

Pay calculation: Default method

Pay above SSP when sick: Annualised Actual Annualised with absence Annualised daily

Bank hol factor (e.g. 2 for d): Annualised daily with absence Default method

ContractEmployee © 2017 Templa Computer Systems Ltd

The 'Pay calculation' method can be one of the following:

- Annualised
- Actual
- Annualised with absence
- Annualised daily
- Annualised daily with absence
- Default method

Each 'Annualised' method calculation and the effect of using the method has are discussed in the next section.

# Annualised calculations and effect on timesheets

## ANNUALISED

Employee works 7 hours a day, 5 days a week at £8.50 per hour (actual rate). Payable weeks per year as set up on site calendar is 39 weeks

*Annualised Pay Calculation:*

$$(35 \text{ hours per week} * £8.50) * 39 \text{ weeks} = £ 222.525$$

52.14 weeks per year

This is a 2-weekly payroll hence the employee will be paid £445.05 each pay run.

wk1 (01/07)		wk2 (08/07)		Totals							
Area Manager		Sat 08	Sun 09	Mon 10	Tue 11	Wed 12	Thu 13	Fri 14	Totals	Hours	Pay
2380	Std hours	0.00	0.00	7.00	7.00	7.00	7.00	7.00	Basic	70.00	£445.05
Lennette Bigges 29/10/2016	Rate	£0.00	£0.00	£8.50	£8.50	£8.50	£8.50	£8.50	Absent	0.00	£0.00
	Adjustment								Cover	0.00	£0.00
MUGG001 - Contract Cleaning	Hours								Holiday	0.00	£0.00
	Rate								Bank holidays	0.00	£0.00
	Absence reas								Other	0.00	£0.00
Complete?	<input type="checkbox"/> Payslip comm								Extras	0.00	£0.00
									Periodic	0.00	£0.00
Leaver?									OVERALL	70.00	£445.05

For annualised pay if an employee is marked as absent the employee's actual rate of pay i.e. £8.50 will be deducted for each absent day – if the employee is absent for a whole pay period this could therefore result in the employee having a negative pay figure for the pay period.

wk1 (01/07)		wk2 (08/07)		Totals							
Area Manager		Sat 01	Sun 02	Mon 03	Tue 04	Wed 05	Thu 06	Fri 07	Totals	Hours	Pay
2380	Std hours	0.00	0.00	7.00	7.00	7.00	7.00	7.00	Basic	70.00	£445.05
Lennette Bigges 29/10/2016	Rate	£0.00	£0.00	£8.50	£8.50	£8.50	£8.50	£8.50	Absent	-70.00	-£595.00
	Adjustment			A	A	A	A	A	Cover	0.00	£0.00
MUGG001 - Contract Cleaning	Hours			7.00	7.00	7.00	7.00	7.00	Holiday	0.00	£0.00
	Rate			£8.50	£8.50	£8.50	£8.50	£8.50	Bank holidays	0.00	£0.00
	Absence reas			Ab...	Ab...	Ab...	Ab...	Ab...	Other	0.00	£0.00
Complete?	<input type="checkbox"/> Payslip comm								Extras	0.00	£0.00
									Periodic	0.00	£0.00
Leaver?									OVERALL	0.00	-£149.95

## ANNUALISED WITH ABSENCE

Employee works 7 hours a day, 5 days a week at £8.50 per hour (actual rate). Payable weeks per year as set up on site calendar is 39 weeks

*Annualised Pay Calculation:*

$$(35 \text{ hours per week} * £8.50) * 39 \text{ weeks} = £ 222.525$$

52.14 weeks per year

This is a 2-weekly payroll hence the employee will be paid £445.05 each pay run.

wk1 (01/07)		wk2 (08/07)							Totals		
Area Manager		Sat 01	Sun 02	Mon 03	Tue 04	Wed 05	Thu 06	Fri 07	Totals	Hours	Pay
2380	Std hours	0.00	0.00	7.00	7.00	7.00	7.00	7.00	Basic	70.00	£445.05
<b>Lennette Bigges</b> 29/10/2016	Rate	£0.00	£0.00	£8.50	£8.50	£8.50	£8.50	£8.50	Absent	-28.00	-£178.02
	Adjustment			A	A	A	A		Cover	0.00	£0.00
MUGG001 - Contract Cleaning	Hours			7.00	7.00	7.00	7.00		Holiday	0.00	£0.00
	Rate			£6.36	£6.36	£6.36	£6.36		Bank holidays	0.00	£0.00
	Absence reas			Ab...	Ab...	Ab...	Ab...		Other	0.00	£0.00
Complete? <input type="checkbox"/>	Payslip comm								Extras		£0.00
									Periodic	0.00	£0.00
Leaver? <input type="checkbox"/>	OVERALL									42.00	£267.03

For 'Annualised with absense' pay if an employee is marked as absent the employee's annualised rate of pay i.e. £6.36 will be deducted for each absent day – if it employee is absent for a whole pay period they would get zero pay.

### ANNUALISED DAILY

In some cases, it may be required that monthly employees have their pay annualised to a consistent daily rate as opposed to a consistent period or monthly rate

An employee works 7 hours a day, 5 days a week at £8.50 per hour (actual rate). Payable weeks per year as set up on site calendar is 39 weeks

Annualised Daily Pay Calculation:

$$(35 \text{ hours per week} * £8.50) * 39 \text{ weeks} = £ 222.525$$

52.14 weeks per year

$$£222.525 = £ 6.3578571 * 7 \text{ hours per day} = £44.504999 \text{ per day}$$

35 hours per week

For the monthly payroll example below there are 22 working days in the month therefore the employee will get paid  $£44.504999 * 22 = £979.11$

wk1 (29/05)		wk2 (05/06)		wk3 (12/06)		wk4 (19/06)		wk5 (26/06)		Workbills		Totals	
Area Manager		Mon 26	Tue 27	Wed 28	Thu 29	Fri 30	Sat 01	Sun 02	Totals	Hours	Pay		
**8003	Std hours	7.00	7.00	7.00	7.00	7.00			Contracted	154.00	£979.11		
<b>Joan Black</b>	Rate	£8.50	£8.50	£8.50	£8.50	£8.50			Absent	0.00	£0.00		
	Adjustment								Cover	0.00	£0.00		
MUGG001 - Contract Cleaning	Hours								Holiday	0.00	£0.00		
	Rate								Bank holidays	0.00	£0.00		
	Absence reas								Other	0.00	£0.00		
Complete? <input type="checkbox"/>	Payslip comm								Extras		£0.00		
									Periodic	0.00	£0.00		
									Workbills	0.00	£0.00		
Leaver? <input type="checkbox"/>	OVERALL									154.00	£979.11		

For 'Annualised daily' pay if an employee is marked as absent the employee's actual rate of pay i.e. £8.50 will be deducted for each absent day – if it employee is absent for a whole pay period this could therefore result in in the employee having a negative pay figure for the pay period.



		Mon 26	Tue 27	Wed 28	Thu 29	Fri 30	Sat 01	Sun 02	Totals	Hours	Pay
Area Manager											
**8003	Std hours	7.00	7.00	7.00	7.00	7.00			Contracted	154.00	£979.11
Joan Black	Rate	£8.50	£8.50	£8.50	£8.50	£8.50			Absent	-154.00	-£1,309.00
	Adjustment	A	A	A	A	A			Cover	0.00	£0.00
MUGG001 - Contract Cleaning	Hours	7.00	7.00	7.00	7.00	7.00			Holiday	0.00	£0.00
	Rate	£8.50	£8.50	£8.50	£8.50	£8.50			Bank holidays	0.00	£0.00
	Absence reas	Ab...	Ab...	Ab...	Ab...	Ab...			Other	0.00	£0.00
Complete?	<input type="checkbox"/>	Payslip comm							Extras		£0.00
									Periodic	0.00	£0.00
									Workbills	0.00	£0.00
									Leaver?	0.00	-£329.89
									OVERALL		

## ANNUALISED DAILY WITH ABSENCE.

In some cases, it may be required that monthly employees have their pay annualised to a consistent daily rate as opposed to a consistent period or monthly rate

An employee works 7 hours a day, 5 days a week at £8.50 per hour (actual rate). Payable weeks per year as set up on site calendar is 39 weeks

*Annualised Daily with Absence Pay Calculation:*

$$(35 \text{ hours per week} * £8.50) * 39 \text{ weeks} = £ 222.525$$

52.14 weeks per year

$$£222.525 = £ 6.3578571 * 7 \text{ hours per day} = £44.504999 \text{ per day}$$

35 hours per week

For the monthly payroll example below there are 22 working days in the month therefore the employee will get paid £44.504999 \* 22 = £979.11

		Mon 26	Tue 27	Wed 28	Thu 29	Fri 30	Sat 01	Sun 02	Totals	Hours	Pay
Area Manager											
**8003	Std hours	7.00	7.00	7.00	7.00	7.00			Contracted	154.00	£979.11
Joan Black	Rate	£8.50	£8.50	£8.50	£8.50	£8.50			Absent	0.00	£0.00
	Adjustment								Cover	0.00	£0.00
MUGG001 - Contract Cleaning	Hours								Holiday	0.00	£0.00
	Rate								Bank holidays	0.00	£0.00
	Absence reas								Other	0.00	£0.00
Complete?	<input type="checkbox"/>	Payslip comm							Extras		£0.00
									Periodic	0.00	£0.00
									Workbills	0.00	£0.00
									Leaver?	154.00	£979.11
									OVERALL		

For 'Annualised Daily with absence' pay if an employee is marked as absent the employee's annualised rate of pay i.e. £6.36 will be deducted for each absent day – if employee is absent for a whole pay period they would get zero pay.



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