

Payroll Query



Should you reactivate a terminated employee if payments are made in subsequent periods after the termination date

The termination date is an indication of when the employee's tax and employment record ended, and a final tax calculation was enforced by the system.

In some instances, payments can be made in arrears e.g. bonuses and incentives.

You should not change the employee status to Active/Normal to process payments for a terminated employee. You can thus process the income on the terminated record, and the system will apply a final tax calculation on the income of the record, and can be included on all reports and ACB exports, as well as a payslip can be generated.

A change in employee status from terminated to active will be indicated on your Company Reconciliation and Audit Log file and is also used by other modules e.g. the Leave and Equity Module.

If an employee was terminated in a previous tax year, you will need to review the specific income to be paid, to determine if:

- it is variable income (taxed at current tax year's rates - new employee record will need to be created in current tax year), or
- if the income should accrue to previous tax year (can be processed on terminated record, assessment year to be completed on Employee Information Statutory tab).