

## How do I Use Pay Classes

Pay Class Maintenance is a table of rates, which can be used for groups of employees who are receiving common base rates of pay. It may also be used as a method of grouping employees within awards and provides a facility to make quick, 'across the board' changes.

This feature is used at the employee level, so you may have a mixed payroll of pay class employees and non-pay class employees.

Alterations to a Pay Class code will automatically be reflected in those employee records where that pay class code has been used.

Pay Classes allow you to specify the following information:

- Yearly Salary
- Auto Pay Amount
- Normal Rate
- Time and a Half Rate
- Double Rate
- Other Rate
- Award Rate and
- Award Hours Paid.

Once the Pay Class has been set up in Maintenance, it can be attached to employee records on the Rate Details tab.

## Setting up Pay Classes

- 1 To access Pay Classes Maintenance from the menu, select [Maintenance > General > Pay Classes](#).

The screenshot shows a dialog box titled "Add New Pay Class" with a close button (X) in the top right corner. It has two tabs: "Pay Details" (selected) and "Rates". Under the "Pay Details" tab, there are two sections: "Pay Class" and "Other". The "Pay Class" section contains a "Code" field with the value "PC05" and a "Description" field with the value "Team Leader Yr 1". The "Other" section contains a "Cost Account" dropdown menu with the value "NSW001 (NSW Admin)" selected. At the bottom right of the dialog are "OK" and "Cancel" buttons.

On the Pay Details tab:

- 2 Enter a **Code** for the Pay Class. The **Code** field enables you to enter a unique alphanumeric **Code** of up to 10 characters for this record.
- 3 Enter a **Description** for the Pay Class. The **Description** field is used to provide a simple definition that will be used in reports and pay advices.
- 4 If this Pay Class is meant to be charged to one cost account only, enter that account here. Otherwise leave blank.
- 5 Click on the **Rates** tab.

Field	Value
Yearly Salary	50000
Auto Pay Amount	\$961.54
Normal Rate	\$25.3000
Time / Half Rate	\$25.3000
Double Rate	\$25.3000
Other Rate	\$25.3000
Award Rate	\$25.3000
Award Hours Paid	38.00

On the Rates tab:

- 6 Enter the **Yearly Salary** for the Pay Class. The **Yearly Salary** field defines the salary applicable to this pay class. You may leave this value as 0 if you do not wish to record the **Yearly Salary**.
- 7 Enter the **Auto Pay Amount**. The **Auto Pay Amount** is the field that specifies the standard pay amount for this pay class for 1 pay period. This field is often left blank as employees on a pay class do not always share a standard pay value or the Pay Class is going to be used for both Full and Part time employees.
- 8 Enter the amount of the **Normal Rate**. The **Normal Rate** field indicates the normal hourly rate applicable to this pay class. An entry in this field also populates the remaining rate fields on the tab.
- 9 Enter the amount of the **Time and a Half Rate**. The **Time / Half Rate** field contains the rate that will be multiplied by 1.5 to produce a Time and a Half pay. Meridian will default to the normal hourly rate. If you require a different **Time and a Half Rate**, as is sometimes the case, you can overwrite the default value.
- 10 Enter the amount of the **Double Rate**. The **Double Rate** entered here will be multiplied by 2.0 for the calculation of overtime pay. The system will default the normal hourly rate. If you require a different **Double Rate** you can override this value. The system will multiply this rate by 2.0 when calculating double time payments.
- 11 Enter the amount of the **Other Rate**. The **Other Rate** field can be used to define a different rate to that of Normal. In your setup you have the option to define various Pay and Leave Components, 'Percentage' type additions and deductions and Leave Loading that are based on the Other rate of pay for all your employees. Therefore, you would typically enter a different rate of pay in this field to that of the Normal rate of pay. When entering transactions, you will have a Rate Type column where you are able to select between Normal, Other or Award.

- 12 Enter the amount of the **Award Rate**. The **Award Rate** field can be used to define a different rate to that of Normal. In your setup you have the option to define various Pay and Leave Components, 'Percentage' type additions and deductions and Leave Loading that are based on the Award rate of pay for all your employees. Therefore, you would typically enter a different rate of pay in this field to that of the Normal rate of pay. When entering transactions, you will have a Rate Type column where you are able to select between Normal, Other or Award.
- 13 Enter the number of **Award Hours Paid** for the Pay Class. The **Award Hours Paid** field contains Award hours that are payable for the particular Pay Class Code.
- 14 Click on the **OK** button to save the Pay Class details.

## Attaching a Pay Class to an Employee Record

- 1 To access Employees from the menu, select [Maintenance](#) > [Employees](#) > [Employees](#).

The screenshot shows the 'Add Employee' dialog box with the 'Rate Details' tab selected. The sidebar on the left lists various detail categories, with 'Rate Details' highlighted. The main area contains the following fields and controls:

- Rate Details:**
  - Pay Class:** A dropdown menu with the text 'Select a Pay Class'.
  - Normal Hours Paid:** A text input field.
- Entitlement:** A section containing several fields, each with a 'Calculate' button:
  - Yearly Salary:** Text input field with 'Calculate' button.
  - Auto Pay Amount:** Text input field with 'Calculate' button.
  - Normal Rate:** Text input field with 'Calculate' button.
  - Time / Half Rate:** Text input field.
  - Double Rate:** Text input field.
  - Other Rate:** Text input field.
  - Award Rate:** Text input field.

At the bottom of the dialog are 'OK' and 'Cancel' buttons, along with up and down arrow icons.

- 2 Click on the **Rate Details** option in the employee record.
- 3 If you intend using the rates of pay from a specific **Pay Class** for this employee, nominate a Pay Class in the **Pay Class** field. When a Pay Class is selected, the rest of the information in this window will be populated with the information from the Pay Class. The information will also be greyed out (not accessible).

- 4 Enter the number of **Normal Hours Paid**. The **Normal Hours Paid** field contains the number of normal hours paid in the specified pay period. For example, 40.00 hours per week, 80.00 hours per fortnight. This field will store the hours to a maximum of two decimal places only. If the employee is a Casual, you may leave this value blank.

Personal Details  
Tax Details  
Pay Details  
Rate Details  
Bank Details  
Cost Accounts  
Additions & Deductions  
Superannuation Details  
Annual Leave  
Long Service Leave  
Sick Leave  
Termination Details

Rate Details

Pay Class: PC05 (Team Leader Yr1)

Normal Hours Paid: 38

Entitlement

Yearly Salary	\$50,000.00	Calculate
Auto Pay Amount	\$961.54	Calculate
Normal Rate	\$25,3036	Calculate
Time / Half Rate	\$25,3036	
Double Rate	\$25,3036	
Other Rate	\$25,3036	
Award Rate	\$25,3036	

Transactions exist for this Employee

OK Cancel

- 5 Click on the **OK** button to save the employee record.

Employees that are set up with a Pay Class will be limited to two standard additions and deductions. If more than two additions and deductions are required, you must clear the Pay Class from the employee and enter Rate Details manually. The employee will no longer automatically be updated with changes to the Pay Class.

This does not apply to employees that do not use a Pay Class. These employees do not have a limit on additions and deductions.