

Total remuneration salary packages

Total Remuneration is when an agreed salary package — say, \$50,000 a year — includes the value of the [KiwiSaver employer contributions](#) and any associated taxes.

Without a Total Remuneration clause, it is possible to have two employees being paid different amounts for doing an identical job. If both employees earn \$50,000, but one joins KiwiSaver and gets a KiwiSaver Employer Contribution on top, the employee in KiwiSaver earns and costs more than the employee who is not in KiwiSaver. The existence of a Total Remuneration clause in the employment contract eliminates this inequality.

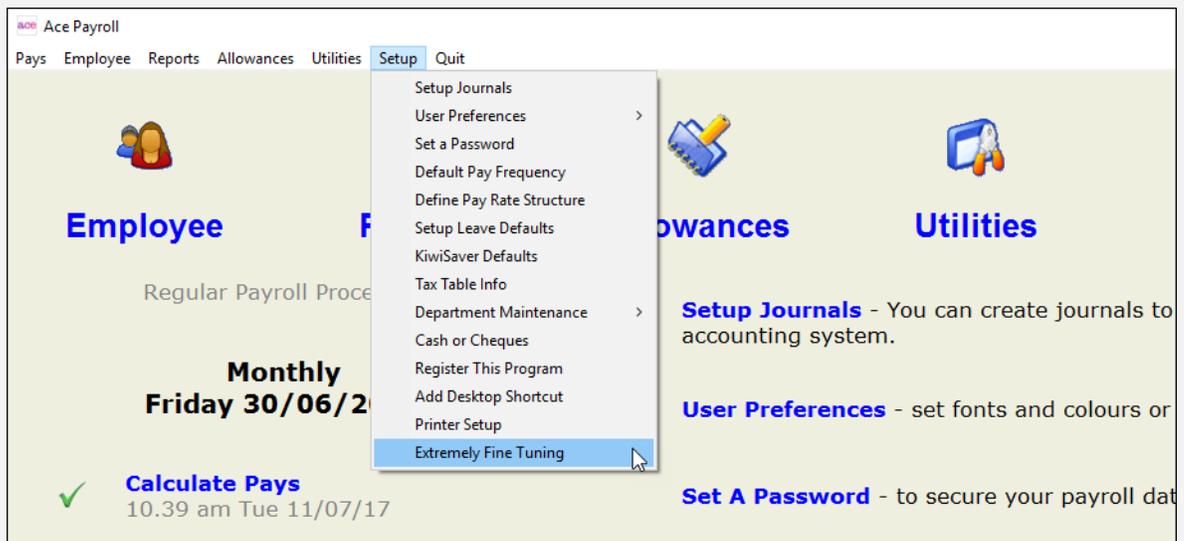
The Total Remuneration feature in Ace Payroll can only be enabled for salaried employees.

Under the current law there are two approaches an employer can take:

Default approach	This is the standard approach taken by employers. If an employee joins a KiwiSaver scheme, the employer contributions are paid in addition to the employee's gross salary or wages.
Total remuneration approach	This allows an employer to set a fixed remuneration amount for each employee. If the employee joins KiwiSaver, the cost of the employer contribution comes out of the employee's pay.

To enable Total Remuneration

1. From the front screen choose **Setup** from the top window menu bar, then click **Extremely Fine Tuning**.



2. Scroll down and lick **Enable Total Remuneration**, then click **Go**.

- ✘ Disable Automatic Zip Backups**
 - A backup zip file is automatically created prior to filing a regular payroll.
 - This is not a substitute for users regularly backing up their own data files, and storing off site.
 - Checking this option disables the creation of automatic backups.
- ✔ Disable Compulsory KiwiSaver Employer Contributions**
 - Use this option if some or all of your employees contribute to a Qualifying Superannuation Scheme other than KiwiSaver.
- ✘ Enable Manual ESCT**
 - This option allows manual ESCT values to be entered.
- ✔ Enable Total Remuneration**
 - With this option enabled KiwiSaver employer contributions can be automatically deducted from an employee salary on a per employee basis.
- ✘ Use Virtual Desktop**
 - With this setting enabled, all Ace Payroll screens are contained within the area bounded by the Ace Payroll front screen.
 - This may assist with issues running Ace Payroll on a multiple monitor setup.

3. From the front screen click **Employee > Modify Employee Details > Personnel**.

4. Click **Salary**, then enter the total agreed salary, including **KiwiSaver Employer Contributions**.

The screenshot shows the 'Personnel' tab of the Ace Payroll system. The 'Salary' field is highlighted with a pink circle. Below the 'Salary' field are dropdown menus for 'Frequency' (set to 'Casual') and 'Department' (set to 'None'). At the bottom, there are fields for 'Start', 'Finish' (set to 'CURRENT'), 'Last Pay', and 'Birth'.

5. Click **Total Remuneration**, then click **Go**.

If Total Remuneration is turned on for an employee, the actual salary paid is reduced by the amount of the employer KiwiSaver contribution. When KiwiSaver employer contribution rates change the salary alters automatically.

If the annual salary shows on the employee payslip, it is the gross salary that is shown,

inclusive of KiwiSaver employer contributions. You can alter the way information is shown on your employee payslips.

Related topics

- Bi-monthly pay period date calculation
- Change employee pay frequencies
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- Set cash rounding for coin splits
- Set direct credit criteria
- Set pay rates
- Total remuneration salary packages
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- Paying leave and holidays