

Recording time off in lieu of overtime

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Some employers allow employees to accrue time off in lieu of payment for overtime hours. In the past some users have used the Lieu - Alternative Holidays code to track these balances.

With the Holidays Act 2003 we recommend that the Alternative Holidays (Lieu) pay code is only used for Alternative Holidays as defined by the Act, in other words when employees work on a Statutory Holiday, or exercise their right to an alternative holiday under the act.

We recommend the use of a separate pay code (**TOIL**) and an accumulator to track other time off in lieu balances.

To use the **TOIL** pay code, ensure the employee's ordinary hours are set up in the **Pay Defaults/Totals** tab. Any hours entered into **Enter pays** over this amount will be automatically added to the **TOIL** accumulator.

Adding the TOIL pay code and an accumulator to an employee

TOIL Pay Code

In this example, Megastar Ltd has an agreement that allows employees to accrue time off in lieu when they work overtime hours. Their employee, John, has worked his normal 40 hours plus another 4 hours of overtime which needs to be accrued as time off in lieu.

Accruing TOIL

Using TOIL

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