



How automatic calculation of end-of-year bonus works and how to adjust it to include only productivity bonuses

FAQEN118

Prerequisites: Know how to set up payroll sections / Excel knowledge

V1.5

Objective

The calculation of the end-of-year bonus (13th month) is calculated in December. It includes basic salaries, overtime over the calendar year, but also productivity bonuses. **Payroll Mauritius** already has an automatic calculation for this EOYB (End Of Year Bonus) calculation, which includes all premiums paid. However, it is up to you to possibly adjust this calculation to add/exclude any bonuses that may not be related to **Productivity** in your Company and that only you can arbitrate.

How to do this ?

Reminder of the Year-End Bonus Calculation in Payroll Mauritius:

You have normally made your choice as to manage the end-of-year bonus separately or included in the month of December by going to the 'Employer' section, [Company] button, Payroll tab, EOY Bonus: Separated Payslip :

The screenshot shows the 'Employer' section of the Payroll Mauritius interface. A red arrow labeled '1' points to the 'Company' button. Below, the 'Payroll' tab is selected, and a red arrow labeled '2' points to it. In the 'EOY Bonus' section, the 'Separated Payslip' option is selected, indicated by a red arrow labeled '3'.

If you have chosen « Separated Payslip » option, you may have noticed that the month has 2 pay periods : the « Monthly Salary » and the "EOY Bonus" (End Of Year Bonus):

The 'Period' settings are shown for 'Dec, 2019'. The 'Monthly Salary' option is selected in the dropdown menu. Below the dropdown, 'EOY Bonus' and 'Monthly Salary' are listed as separate pay periods.



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The calculations and reports are then independent over these 2 periods, constituting a 13th month in its own right: only the MRA declaration ('Declaration' section ('PAYE')) generates a single file for the 2 periods which are then grouped together (you can then launch it indifferently on the Monthly Salary or EOY Bonus period : the result will be identical in terms of declaration).

Note: if you have selected "included in monthly (December)" all EOYB calculations will be performed on the Monthly Salary (there will be no specific EOY Bonus Period) and an additional line will be automatically included on the pay slips.

The Year-End Bonus (EOYB) is normally calculated on the average of the sums involved in the legal forks for the 12 months from January to December. However, it is possible that at the time you wish to perform this Bonus calculation, you do not have yet all the elements to calculate the December Salary (leave or overtime not stopped, bonuses not seized...).

Rest assured, the system is so designed that it then takes the average of the remunerations over the calculated/validated months; thus if December is not yet calculated, it will take the average over 11 months, or if it is lower than the Employee's Basic Salary, it automatically takes the last Basic Salary.

Note: it is also by this means that if an Employee has only been present for 9 months for example, he only takes the average of his 9 months of presence.

Warning: this may be correct if December does not have any particular salary characteristics, but if in December additional bonuses (sometimes significant) are included in the Bonus payment base, they should have an influence on the calculation of the Employee's EOYB.

We invite you to enter these in the "Monthly Salary" Period of December, then launch and validate the calculation of the December bulletins, and THEN only launch the calculation of the EOYB period; these premiums will then be taken into account.

Finally, it will be necessary to return to December at the end of the month to enter any leave taken that may lead to a possible deduction, and absences and overtime, then restart the calculation of December, validate it and, if necessary, regularize the EOYB.

Let's see now how to adjust this calculation of EOYB if necessary...



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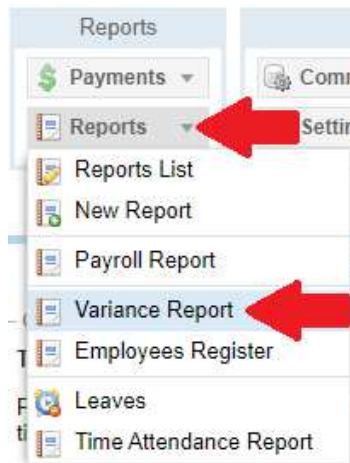
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To adjust the End Of Year Bonus calculation

You should ask yourself the question: in addition to the Basic Salary, which Allowances, if any (payroll code beginning with 3xxx), are included in productivity and therefore in the annual bonus.

How to check the 3xxx payroll sections you have used throughout the year?

To do this we will use the variance report in the 'Reports' section click on the [Reports][v] button and choose the "Variance Report" option



The following screen is then displayed: select **12 months**:

	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019
2500.00			3261.36	426.14	10161.93	3838.07			3545.45	
335331.68										
11189.64	11631.27	11371.45	10520.72	11676.72	13319.82	13319.82	12469.09	15017.09		
1500.00	1500.00	1500.00	1500.00	1500.00	1500.00	1500.00	1500.00	1500.00	1500.00	
										150.00
7500.00		114000.00								
6000.00										
			240.00	270.00	315.00	315.00			390.00	
9000.00	9000.00	9000.00	9000.00	9000.00	9000.00	9000.00	9000.00	9000.00	9000.00	9000.00
20000.00	20000.00	20000.00	20000.00	20000.00	20000.00	20000.00	20000.00	20000.00	20000.00	20000.00
5454.55	7272.73									1000.00

You then have all the sections that have been used at least once in the year, it will be then easier to identify those involved in Productivity!



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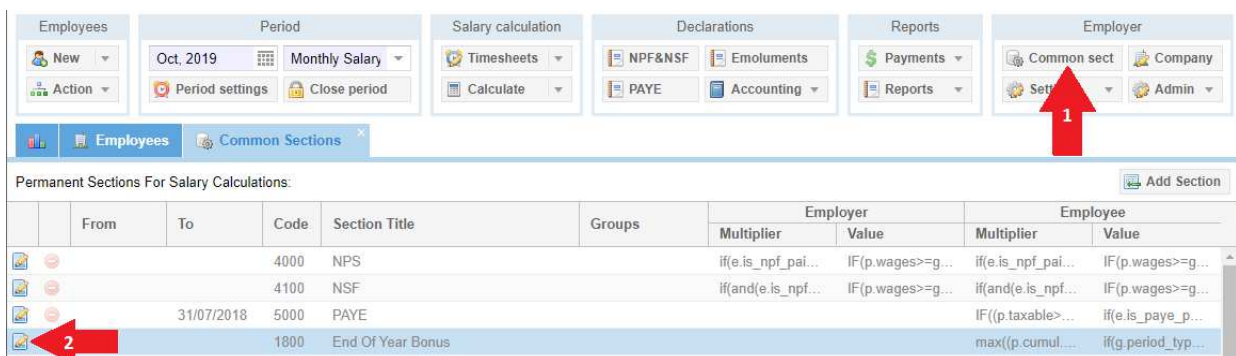
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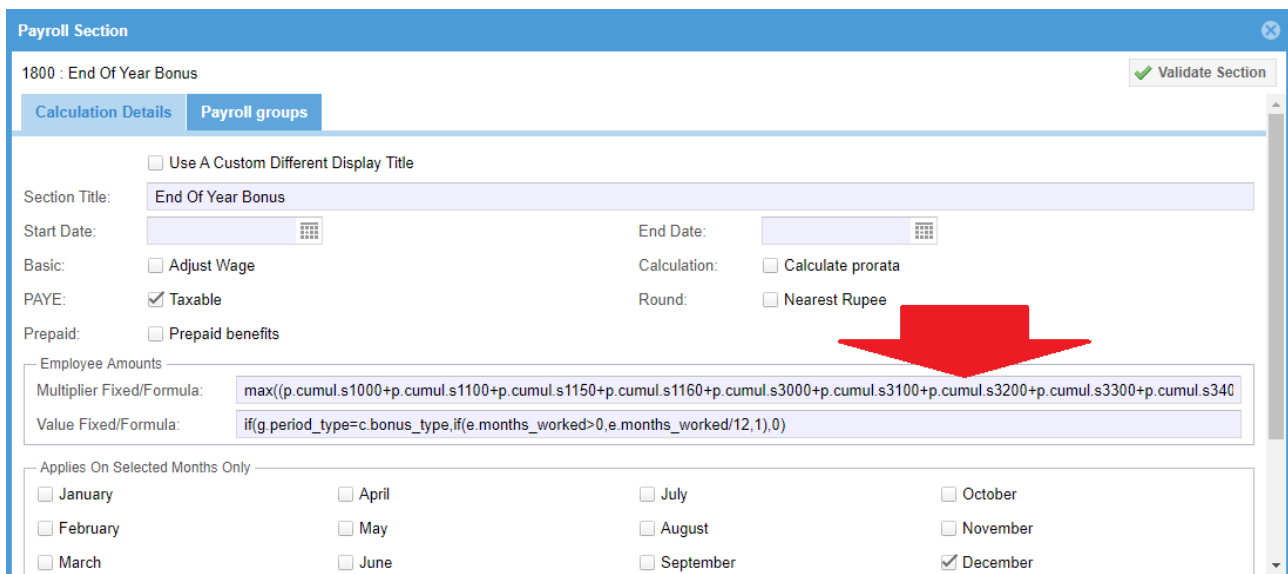
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How to adjust the EOYB calculation:

To do this, you must go to the list of **Common sections** by going to the 'Employer' section and clicking on the button [Comon Sect.] then in the list presented to you, click on the modification icon located at the bigning of the **1800 End Of Year Bonus** item :



Expand the window showing you the payroll section to make the relatively long formula more accessible, and look at the **Multiplier Fixed/Formula** field:



As seen, Allowances are payroll sections that begin with **3xxx** (e. g. 3000 Allowances).

If one (or more) premium(s) should not be included in the calculation, then **remove** : **+p.cumul.s3xxx** corresponding in the formula (or add it if missing for a bonus section), also check that you are counting absences by putting : **-p.cumul.s3900** and click [**Validate Section**].

It's done ! You can then start the calculation of the Pay slips for the period: EOYB