

# Tips to prepping for festive season payroll

Dealing with year-end bonuses always adds a degree of complexity to regular payroll duties. But there are several steps organisations can take to ensure the process is smooth and effortless.



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So says Sandra Crous, managing director of PaySpace, a leader in payroll and HR software. “What is critical is knowing the obligations and deadlines of the payroll office.” Most organisations have a short month in which to process bonuses, leave pay and salaries.

## Importance of deadlines

It is also crucial to plan and set timelines for a bonus run, she explains. “Towards the end of the year, setting deadlines become more critical than ever. When an annual bonus run or leave pay run has specific timelines, it will make expectations clear, in terms of what needs to be delivered, and when it needs to be delivered by.”

According to Crous, this allows for better managing and planning of timelines for input, checking on bonus provisions, preparing increase letters, looking at cashflow, and suchlike. It will enable payroll managers to allow for any potential time constraints to be evaluated, for a smoother rollout.

She says: “It’s a common human trait, that when deadlines are set, we become more motivated to complete the tasks at hand. When a task or a project has a finite endpoint, it becomes far easier to track and assign urgency to it. Make sure you have all your dates and deadlines planned at least four to six weeks prior to the payment.”

## Leave planning

When it comes to how HR departments can manage leave effectively in December, she says giving employees clear deadlines as to when leave applications needs to be submitted is important. “It is key that colleagues be informed how many days they are permitted to take, and how leave is prioritised as this will help the company plan and allocate resources

accordingly.”

All organisations are different, while some companies may have a mandatory annual shutdown, others might have their busiest time of the year, and not be able to shut down for the season, says Crous. “If deadlines are set for planning of leave, it makes it easier to organise how the business will operate with only a core, skeleton staff.”

Planning and setting deadlines, says Crous, lead to natural adherence to a flow of work. “Staff members are more likely to deliver on tasks that are due sooner and wait to work on tasks that are only due at a later date. A deadline is a great organisational tool for tasks such as leave planning.”



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4 Nov 2021



## Digital systems

All of this admin poses the question of how organisations can streamline leave submissions across the business. Crous believes that in this day and age, it is becoming nearly impossible for companies to keep accurate records of annual leave and sick leave. “Whenever a leave form has to be submitted manually, it runs the risk of getting lost, and when manually captured it opens up the possibility of mistakes. Leave is recorded more accurately when a computerised system with built in rules calculates leave balances and leave transactions.”

She says when staff members apply for leave, transactions are stored accurately with the software factoring in public holidays, as well as Saturdays and Sundays. All the intricacies of a five-day or six-day working week can be handled by the software. Using employee self-service software saves the organisation thousands of rands, enabling employees and managers to apply for leave from their phones or computers, with no manual intervention of physical forms to be submitted. The employee’s full leave history will be kept, making it far easier to identify leave patterns such as sick leave trends in the business, burnout, and employees not taking enough leave.

## Leave policies

In ending, Crous offers a few tips. “The Basic Conditions of Employment Act offers South African organisations clear guidelines in terms of how to apply the rules of the different types of leave. However, many companies are more lenient and give employees additional days as part of their retention strategy, or perhaps employees qualify for long service leave.”

However, these policies must still be updated on a regular basis to ensure they remain relevant and applicable as the company changes and grows, she explains. “A leave provision that is not managed properly can get out of hand and spiral into a liability for the organisation. It is crucial to make sure employees do take leave, as it will help them balance their work

and private lives, so they don't burn out, and become overwhelmed by the demands of their careers."

She says having regular conversations with employees to make sure they understand how leave rules are applied will help with an engaged and informed workforce. "Finally, make sure employees know when they will be paid over the festive season, and if possible give them breakdown of taxes on bonus calculations and leave pay."

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