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Payroll, made easy

Part 9: Rate increases & back pay resources

**Importing and exporting employees via CSV	HR web platform**	Use these instructions if you are using Employment Hero HR (linked to any payroll platform) and need to update pay rates in bulk.
Bulk updating pay rates without Employment Hero HR	This article will walk you through how to bulk update pay rates in Employment Hero Payroll if you're not connected to Employment Hero HR.
Automating the back payment process	This article takes you through the steps required when using the Employment Hero Payroll automated Back Pay tool.
**How to process a back payment	Article**	This article will take you through the steps required if you need to process a manual back pay.
**How to process a back payment	Video**	This will link you to a video demonstrating the manual back payment process in Employment Hero Payroll.
Processing a lump sum E payment in the pay run	This article explain what a lump sum E payment is and details how to process a lump sum E payment
Calculating withholding amounts on lump sum payments using Method A	This article outlines the steps involved in calculating the withholding amount (PAYG and STSL) on a lump sum payment when using Method A.
Calculating withholding amounts on lump sum payments using Method B (ii)	This article outlines the steps involved in calculating the withholding amount (PAYG and STSL) on a lump sum payment when using Method B (ii).
ATO tax table for back payments, commissions, bonuses and similar payments	This ATO tax table explains how to tax back payments, including details on Method A and Method B (ii).

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Can I bulk update employee pay rates?	Yes, in the HR platform you can perform a CSV Import under People > Import Employees. Select the Update User Pay Details spreadsheet, enter the new pay details and then import the spreadsheet. These pay details will then sync across to your payroll platform upon successful import. If using Payroll Only you can utilise the bulk update pay rates tool under Payroll Settings > Pay Conditions > Update Pay Rates.
Why are updated pay details showing on EH Payroll but not on EH HR?	When integrated with a payroll platform, the HR platform is the source of truth. This means updates to pay rates will sync from HR to payroll. and not the other way around. To avoid having to update the pay rates twice (once in HR and once in payroll), update pay rates in the HR platform.
In the HR platform under Pay Details > Salary History, what does the effective date refer to?	If the effective date is in the past or today's date the pay rate will sync to the payroll platform as of today. If the pay rate change is future dates it will sync to the payroll platform on that date. Once synced to payroll the new pay rate is applied to the employee's file and any pay runs that are then created from that date. If you update this field mid pay-cycle, then you may need to undertake a manual adjustment within your pay run.
How does the effective date in HR work if I'm using Xero?	If the pay rate date is in the future, the Xero integration is unable to recognise this information. You will need to update the pay details manually in Xero. If the pay rate effective date is in the past or today, it will automatically sync straight across to Xero.
Can I use the Back Pay tool in Payroll if I am also using HR?	Yes, you can! The pay rate changes will sync to Payroll from HR and will be picked up in the Back Pay tool. Keep in mind, the effective date when using the tool is based on the employee's anniversary date. See here for more details.
How is tax calculated on a back payment?	This will depend on the method select. For information on Method A, see here. For information on Method B (ii) see here.

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Am I able to edit or delete a back payment once it's been created using the Back Pay tool?	No, please ensure you edit/override anything you need in the Back Payment before marking it as Complete. You will not be able to edit or delete the record once it's been completed.
What is the impact of the anniversary date being after the pay rate increase date when using the Back Pay tool?	When using the automated Back Pay tool you can edit the effective date if it's different to the anniversary date. If the effective date is for a future date, the employee will not appear in the list.
Is super paid only on ordinary time earnings (OTE) in the Back Pay tool?	If you are using the automated Back Pay tool, super will only be added to those pay categories that are already configured to pay super. See: Automating the back payment process If you are manually processing the back payment you will need to ensure you have separate Back Pay pay categories established depending on whether super is calculated. See: How to process a manual back payment
Can you explain the anniversary date and should this be the start date of employee or anniversary date of when pay increases are required annually?	The anniversary date can be used if the employee's pay rate needs to be updated at a different time than their start date, e.g. apprenticeships/qualifications, promotions or as a reminder for annual pay reviews. See: Updating Employee Details
In HR, should we edit the existing salary or add a new salary change?	We recommend adding a new salary any time it changes for record keeping. However, if you have incorrectly entered a pay rate you can edit the existing entry.
Can you adjust a pay rate effective as of a past date?	In HR you can backdate a salary change for record keeping however the rate will sync to Payroll as of the present or a future date. For payroll only customers you can only enter a present or future date. The reason for this is to avoid issues with historical data if pay runs have already been processed.

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Sometimes when I update a pay rate in HR, I still need to update additional pay rates in payroll, why is that?	Updating a pay rate in the HR platform will update the employee's base pay rate in Payroll. Any linked categories will then update based on the rate or penalty multiplier in the pay category settings. Any other standalone pay categories will need to be updated separately. Alternatively, if you are using Pay Rate Templates these will need to be updated via an export/import, see here.
Is there any history in the payroll platform to show pay rate updates?	Yes, the history can be accessed by using the Employee Details Audit Report.
Does the back payment tool in the payroll platform also include leave loading?	Any earnings associated to fixed unit pay categories, such as bonuses, allowances, leave loading etc., are not factored in when calculating back pay. However, Earnings associated with the employee's primary pay category and linked pay categories of that primary pay category are factored in when calculating back pay.
Will the Back Pay wizard be available in NZ?	Yes, the current plan is to have the tool released for NZ customers within the next couple of weeks.
Is the Back Pay wizard available for all customers?	The tool is currently available for Premium/Plus subscriptions only. Please reach out if you are interested in upgrading your subscription!
If I've processed a back payment using the tool and I make a mistake, how do I fix it?	The back payment itself cannot be edited in the Back Pay tool however, you are able to create an ad hoc pay run to make the necessary changes.
If a back payment is applied that covers a period with an increase to super guarantee eg 10.5% increasing to 11%, will this be calculated correctly within the pay run?	SG is calculated and payable based on when you make the payment of salary and wages. This is regardless of the period the back pay payment relates to.

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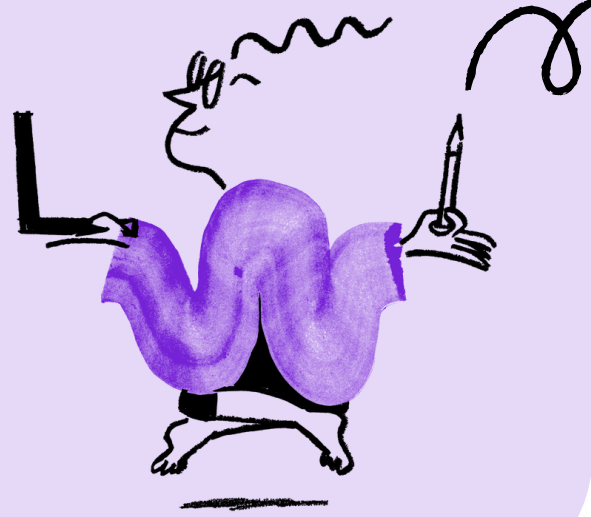
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If you have shift workers who receive shift penalties, does the backpay calculate these rates at the correct percentage or will it automatically apply the base rate difference to all shifts penalty amounts?	For employees who have a shift penalty pay category linked to their primary pay category, the old and new pay rates in the back payment tool will display the base rate, excluding the loading. However, the calculation of the lump sum will be inclusive of rate loading. Linked pay categories will be included as long as they are not fixed units. Refer to the article for examples of how this is displayed in platform.
When you do a backpay using pay conditions does the system also show the cost centres splits that might have occurred in the original pay?	Not at this stage. The back payments will be linked to the employee's primary location/cost centre. Splitting the cost centres will require manual intervention in the pay run.
If I do a back pay & the system creates a new pay category. Is there some way to find out where the chart of accounts will place that in the journal?	This will depend on your Chart of Accounts setup. E.g. if you're using only the Primary Accounts the payments will be listed alongside all other wages. If you need these to be sent elsewhere in the journal you can set up location specific accounts, split by location or set up Pay Category specific accounts. See, How do I map GL (General Ledger) accounts?