AllPay is capable of tracking a variety of accrued time-off benefits such as personal/paid time off (PTO), vacation, sick pay, and the like. The system is highly customizable, and is capable of accommodating most basic accrual policies. More complex policies, however, may not be possible within the confines of the system. Should this be the case, you may consider using only the time reduction capability and importing accrual balances calculated by an external software or spreadsheet.

Please keep in mind the following regarding benefit accruals:

- Accruals require processing & storage that result in additional service charges. Please consult your sales representative for setup, maintenance and **processing fees**.

- You will need a unique **accrual code** for each distinct policy (for example, PTO policies under which time awarded to part time employees is less than that for full time employees).

- **The system will not prevent employees from using more hours than they have available.** Negative available balances must be allowed in order to accommodate some time-off policies. It is your responsibility to adhere to company policies when paying out time.

- AllPay users have total control over used & available balance fields. As such, **client users (you) are responsible for the accuracy of the time-off balances in the system**.

- The Accruals routines (accruing, reducing, clearing) run on a per-process basis. Activity on previous payrolls is not considered. As such, Available Dollars will not reflect changes in an employee's base rate and should not be used for liability reporting.

- AllPay uses **months of service** (not years) calculated **based on the current check date**. This is calculated from the employee's **hire date** *unless* they have a **rehire date** or there is an Adjusted LOS (length of service) override for the benefit code on the Time Off tab.

- Since no computer system can accommodate every scenario it may not be possible to accrue time in accordance with your company's policies. The system can still track usage (reduce available hours as they are paid out) against available balances provided manually.

- You may wish to include a copy of your benefit policy along with your setup forms.

Please provide the following information:

company name: _____

company number(s): _____

contact / responsible: _____

contact phone: _____

contact e-mail: _____

authorization signature : _____ *required*

date: _____

• You must complete a separate form for each individual policy / rate table •

company: _____   policy/code: _____

Step 1: Classification / Description & Eligibility

☞ PTO (Paid Time Off)	eligible employees (indicate all that apply):
☞ Vacation	☐ Salaried ☐ Full-Time Hourly ☐ Part-Time Hourly
☞ Sick	☐ ☐ __ ☐ __
___	☐ __ ☐ __
☞ Floating Holiday	☐
___	
☞ Other: _____	

Step 2: General Questions

1. How many hours are in a standard workday?_____ *(Usually 8)*

2. Is there a probationary period?   ☐ No   ☐ Yes: How long? _____

   Does time accrue during the probationary period?   ☐ No   ☐ Yes

3. What should show on paystubs?   ☐ Nothing   ☐ Hours Available

Step 3: How often do employees accrue time?

☞ Every pay period*…   Indicate payroll frequency:_____ *recommended*

☞ Monthly…   ☐ at month end   ☐ at month begin *(preferred)*

☞ Annually…   ☐ on calendar year end   ☐ on employee's anniversary

☞ Other frequency: _____

Step 4: What reduces the Available Hours balance?

Hours are moved from an employee's **Available Hours** Balance to their **Used Hours** Balance whenever they are paid benefit time. This move is driven by specific earning codes (E-PTO, for example). New codes may be required especially in instances where a Memo type code is desired for salaried employees so that hours are tracked but not actually paid.

Note than when using a Memo type code to pay benefit time to salaried employees their default hours do not change. A salaried employee with 80 default hours who is being paid one day of vacation will show 80 Salary hours and 8 hours Vacation Memo.

Unless directed otherwise, non-Memo type codes will be set to **reduce autopay**. Using a non-Memo code that reduces autopay to pay a salaried employee for one day of vacation will result in their default hours of 80 being **reduced** to 72 by the 8 hours of Vacation. This maintains the 80-hour total on the paycheck. When using this method the Salary earnings code and Vacation earnings codes must be added together when reporting "total hours" for the employee.

Indicate **all Earnings Codes** that will **reduce** the Available Hours balance (existing *or* to be added):

○ PTO	☐ PTOM (PTO Memo)	☐ __	☐ __
○ V (Vacation)	☐ VM (Vacation Memo)	☐ __	☐ __
○ S (Sick)	☐ SM (Sick Memo)	☐ __	☐ __
○ S (Sick)	☐ SM (Sick Memo)	☐ __	☐ __

Step 5: How much time does an employee accrue?

Benefit time is managed as **hours**. If your policy calls for "one week of vacation", this will be expressed as 40 hours, assuming a typical work week. "One day" off would be 8 hours.

Many policies increase the amount employees earn based on their length of service with the company. AllPay uses **Months of Service as of the check date** being processed to determine seniority.

In the following example, employees accrue PTO hours every payroll and are bi-weekly. New employees get one week off. After two years of service, employees get two weeks. After five years they accrue four weeks.

Seniority / Min. MOS	Accrual Rate in Hours	
0 months	1.53846	1.53846 hours x 26 pay periods = 40 hours or 1 Week
24 months	3.07692	3.07692 hours x 26 pay periods = 80 hours or 2 Weeks
60 months	6.15384	6.15384 hours x 26 pay periods = 160 hours or 4 Weeks

Complete the Accrual Table below by indicating the **minimum** Months of Service required to earn the associated **Accrual Rate** (hours earned each accrual). You will complete the last column, C/O Max, in Step 6 below. You may also specify Maximum Hours in one of two ways:

➢ **Balance Max:** Caps Available Hours; when Available Hours fall back below the maximum, usually by time being paid to the employee, accruals will resume up to the Balance Max cap.

➢ **Total Max:** Caps accruals based on the Total of Available Hours and Used Hours. Given a Total Max of 40 hours, an employee with 30 Available Hours & 10 Used Hours will no longer accrue.

Minimum Months Of Service	Accrual Rate in Hours	Balance Max. Hours (Available Hrs. Only)	Total Max. Hours (Available + Used)	C/O Max

Step 6: When do Balances Clear?

In addition to the Earning (accrual) & Use (reduction) routines, AllPay can Clear the Available & Used Balances. If an employee is allowed to keep all or part of their accrued time, a carry-over amount may be specified in the table above. Indicate when the Available & Used balances should clear:

○ Annually…   ○ on calendar year end   ○ on employee's anniversary

○ Never *(uncommon)*   ○ on the same date each year: _____