

Employees

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- [Making an Employee a Leaver](#)
- [Changing an Employee Wage / Hourly Rate](#)
- [Setting an Employee's Holidays](#)

Adding a New Employee

Required Information

To add a new employee you need the following employee's information first. **This information can either be found in the employee's new start form or in their contract.**

Field	Example
Title	Mr
First Name	Joe
Surname (Last Name)	Bloggs
Personal Email Address	joe.bloggs@gmail.com
Date of Birth	22/05/1986
National Insurance Number	AB123456C
Gender	Male
Home Address	123 A Random Street, Glasgow, G1 8RY. Scotland
Off-Payroll Worker	No*
Start Date	01/05/2022
Contract Type	Hourly or Salaried
Pay Rate	Salaried Example - £24,000 Per Year Hourly Example - £10.50 Per Hour
Number of Hours Per Week	40 Hours
Pay Frequency	Weekly, Monthly, Fortnightly etc (default is Monthly)

Has Private Pension?	No**
Job Title	Professional Guy
Phone Number	07712341234
Emergency Contact	Name: Jane Blogs Phone Number: 01236 712345
P45 If the employee has one	No
Does Employee have a student loan to pay off?	If yes... Plan Type, Start date and End date are required

*An **Off-Payroll Worker** is usually a **contractor paid by invoice**, we do not use payroll to manage contractors.

****Private Pensions** - By default our system use Nest as our Pension supplier, employees have the option of us paying directly into their own private pension. This will usually be described in the employees contract.

Process for Adding a New Employee

Employee Details Screen

1. From the top navigation menu go to "Payroll > Employees"

Matic Media Services Ltd ▾

Dashboard

Business

Accounting

Payroll

Contacts

Matic Media Services Ltd

Overview

Employees

Time off

Timesheets

Pay employees

Pension filings

RTI filings

Taxes & filings

2. From the Employees Screen click "Add Employee > Add New"

Employees

Current

History

Current Employees

Download PAYE Reports ▾

Add Employee

Invite to My Payroll

Share P60

Search Employees

Add New

Bulk Upload

<input type="checkbox"/>	First Name	Last Name	No.	Email	Pay Calendar	Next Pay Day	
<input type="checkbox"/>	Adrian	McCombe	5	adrianmccombe@yahoo.com	Monthly	27 May 2022	P60

3. Fill in the Start Form from the collected information in the [Required Information step](#)

Add an employee ✕

Title	First name	Middle name (optional)
Mr	Test	

Last name

McTest

Date of birth

22 / 5 / 1986

Gender

☒ Male ☐ Female

36 years old

Home address

Address Line 1

123 A Random Street

Address line 2 (optional)

Town or city

Glasgow

County (optional)

Please select ▼

Postcode

G1 8RY

4. You will then be show an incomplete Employee

Employee Name Test McTest ▾	<div><div>✓ Details</div><div>2 Employment</div><div>3 Taxes</div><div>4 Pension</div></div>	Setup Incomplete							
Details	Employment	Taxes	Pension	Time Off	Pay	Payslips	Pay Template	Opening Balances	Notes

5. On the employees Details screen

1. Enter the employee's Personal Email Address
2. Check the box for Invite to My Payroll
3. Enter the Employee's Job Title
4. Enter the Employees Phone Number

Email address (required for inviting to My Payroll)

joe.bloggs@gmail.com



Invite to My Payroll

Allow your employee to log in and view payslips, request time off or submit timesheets. Learn more about My Payroll at [Xero Central](#).



Approve Time Off

Job title (optional)

Professional Guy

Primary phone number (optional)

07712341234

6. Click on Add Emergency Contact

[+ Add emergency contact](#)

1. Enter the emergency contact information (Name and Phone Number is enough)

Emergency contact
Name (optional)

Relationship (optional)

Phone number (optional)

Email (optional)

7. Click "Save & Next"

Save & Next

Employee Employee Screen

Steps...

1. [Enter the Fields as below...](#)
2. [Enter the Salary and Wages](#)
3. Click "Save and Next"

Save & Next

Fields

Employee Number	<p>This needs to be a unique number, pick the next number from the Employees Screen</p> <p>e.g. in the example below it would be 95</p> <table><tr><th>First Name</th><th>Last Name</th><th>No.</th></tr><tr><td>Adrian</td><td>McCombe</td><td>5</td></tr><tr><td>Andrew</td><td>Roddie</td><td>79</td></tr><tr><td>Brendan</td><td>Caldwell</td><td>94</td></tr><tr><td>Brian</td><td>Johnston</td><td>72</td></tr><tr><td>Frances</td><td>McCorry</td><td>57</td></tr><tr><td>Gary</td><td>Leckie</td><td>26</td></tr><tr><td>Graham</td><td>Halley</td><td>64</td></tr></table>	First Name	Last Name	No.	Adrian	McCombe	5	Andrew	Roddie	79	Brendan	Caldwell	94	Brian	Johnston	72	Frances	McCorry	57	Gary	Leckie	26	Graham	Halley	64
First Name	Last Name	No.																							
Adrian	McCombe	5																							
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Brendan	Caldwell	94																							
Brian	Johnston	72																							
Frances	McCorry	57																							
Gary	Leckie	26																							
Graham	Halley	64																							
Employment Start Date	The date the employee started. Fill this in from the details collected in Required Information																								
Payroll Calendar	This is how often we pay the employee, as standard it is paid Monthly																								
Paid Intermittently	Their pay is intermittent e.g. long term sick or 0 hour contract																								
Holiday Group	Leave this as None																								
Employee Group	Leave this as None																								
National Insurance Number	Fill this in from the details collected in Required Information																								
NI Category	This should be NI category A unless the employee has let us know otherwise																								

Filled in Example


Employee number 

11

Employment start date

01 May 2022 

Payroll calendar

Monthly 

Paid intermittently 

☐ Yes

Holiday group

None 

Employee group

None 

National Insurance number

AB123456C

National Insurance category

[Change category](#)

NI category A

Unsaved



All employees, apart from those eligible for another category

 [Learn more about National Insurance rates and categories](#) 

Salary and Wages

1. Click "Change Salary and Wages"

Salary & wages

Change salary and wages

2. Enter "**Regular Hours**" as the earnings type
3. Choose whether they are Annual (Salaried) or Hourly paid - [as in Required Information](#)
4. Enter their hourly or salaried wage - [as in Required Information](#)
5. Enter the number of hours they work per week - [as in Required Information](#)
6. Enter the employee start date - [as in Required Information](#)
7. Click "Confirm"

Confirm

Example Filled in...

Salary and wages

×

Regular earnings type

Regular Hours ▾

☒ Annual Salary ☐ Hourly Rate

Annual salary amount

24000

Standard hours per week

40

Effective date

01 May 2022 📅

Cancel

Confirm

Taxes

There are two methods for setting up an employees Tax, with or without a **P45**

Steps...

Employee has a P45

Starter declaration	a) First job in this tax year b) Currently only working in this job (not their first job in this tax year) c) They are working more than one job
Tax Code	Match tax code with p45
Previous taxable pay	From the p45 copy over the previous taxable pay and previous tax paid (BOX 7 on P45)

Employee does not have a P45

Starter declaration	a) First job in this tax year b) Currently only working in this job (not their first job in this tax year) c) They are working more than one job
Tax Code	Let the default tax code entered automatically by xero do the work

[OPTIONAL] Student Loans

To add a student loan...

[+ Add new student loan](#)

Student Load Type	Collected in required information
Start date	Collected in required information
End date	Collected in required information

Once all tax information is completed click "Save and Next"

Save & Next

Pension

Employees are given the option to pay into the company pension scheme, ours is run by Nest but if employees have a private pension they can pay directly into that.

If an employee has a private pension

Ask Robert

If an employee is using auto-enrolment (Nest)

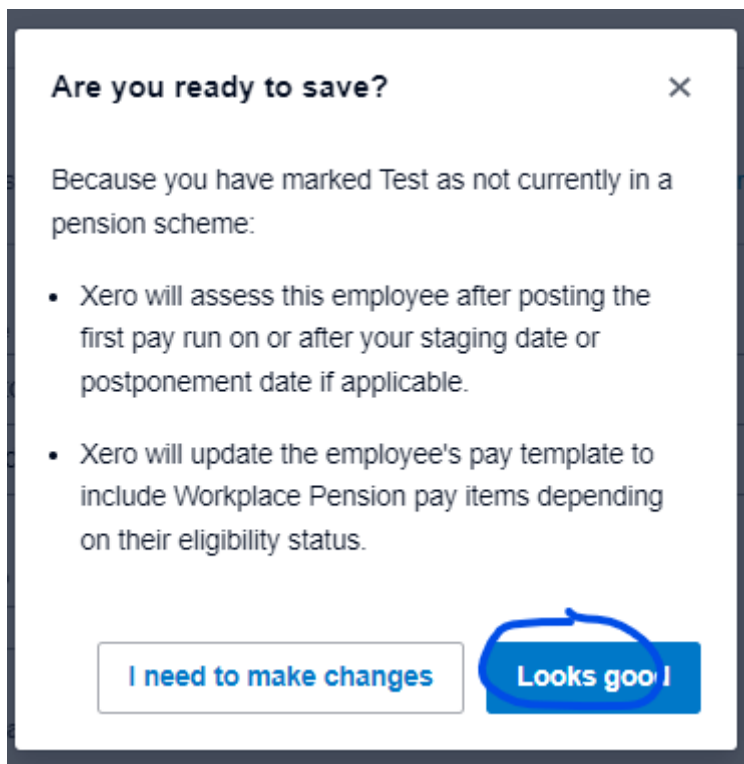
1. Click "Needs to be assessed for auto enrolment"

☒ Needs to be assessed for auto enrolment

2. Click "Save"

Save

3. Click "Looks Good"



Set up Time Off (Holidays)

On the time off screen

Details	Employment	Taxes	Pension	Time Off	Pay	Payslips	Pay Template	Opening Balances	Notes
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For 2022 Only - You need to calculate the total allowance for the year and then deduct off the allowance between 01/01/2022 and 01/04/2022

Calculate the number of holidays in hours an employee has

- All employees are entitled to 5.6 weeks of holidays a year including bank holidays
- In days this is 28 days
- In hours this is 224 hours
- Or 0.1076923076923077 hours per hour worked

OUR HOLIDAY YEAR RUNS JANUARY TO DECEMBER NOT APRIL TO APRIL

To calculate the number of hours a new start has for a full year.

224 hours - business holidays in hours = allowance

To calculate the number of hours a new start starting part way through a year

Use the allowance calculator provided by uk gov - [Calculate holiday entitlement - GOV.UK](https://www.gov.uk/calculate-holiday-entitlement)
(www.gov.uk)

AMOUNT PROVIDED BY GOV WEBSITE - BUSINESS HOLIDAYS IN HOURS = ALLOWANCE

e.g

Employee starts on 1st of May, works 40 hours per week

152 Hours

How many company holidays are left between 1st of May and 31st December 2022?

You can view this on the holiday calendar here: [Matic Media Holiday Calendar](#)

- June Jubilee Bank Holiday (2 days - 8 hours x 2 = 16 hours)
- December 25th - 31st (5 days - 8 hours x 5 = 40 hours)

Total business holidays - 56 hours

How many holidays left?

152 hours - 56 hours = 96 hours

How to apply hours...

1. Click assign time off

Assign Time Off Type

2. Fill in the form as below and enter in the calculated number of holidays.

Assign Time Off Type

Time Off ⓘ

Holiday

Schedule of Accrual ⓘ

Beginning of Calendar Year

Hours Accrued Annually ⓘ

224.0000

Maximum to Accrue

0.0000

Balance ⓘ

96

Save

Close

Making an Employee a Leaver

AN EMPLOYEE SHOULD ONLY BE MADE A LEAVER AFTER THEIR FINAL PAY RUN IS COMPLETED.

LEAVER PAY RUNS SHOULD BE DOWN IN SEPARATE PAY RUNS

HOLIDAYS REMAINING CAN BE A NEGATIVE, IN THIS CASE THEY SHOULD BE A DEDUCTION - EXACTLY THE SAME PROCESS, EXCEPT NEGATIVE HOURS

FOR 2022 LEAVERS AN ADDITIONAL 55.3HOURS MUST BE DEDUCTED OFF THE ALLOWANCE

Steps to ending an employee's employment in Xero...

1. Calculate the number of holidays an Employee has left
2. Ask Richard or Robert about any outstanding deductions an employee has
3. Do a [Pay Run for only the leaver](#)
4. When doing the Pay Run add the
 1. [Holidays Left \(or Deduct over holiday allocation\)](#)
 2. [Any other deductions](#)
5. End the employee's employment
6. Generate the employee's P45

Calculate the number of holidays an employee has left

Steps...

1. Use GOV website use the calculator to find out the number of holidays the employee is due for the period they have worked of the holiday year
2. Total the holidays an employee has used in the holiday year
3. Deduct the total holidays from the remaining holiday allowance

Use GOV website use the calculator to find out the number of holidays the employee is due for the period they have worked of the holiday year

Using the calculator at [Calculate holiday entitlement - GOV.UK \(www.gov.uk\)](https://www.gov.uk/calculate-holiday-entitlement) enter the following information

- Year Start Date - **This is always the first of January**
- Employee Start Date (if within this holiday year)
- Employee Leave Date
- Employee Hours Per Week
- Employee Days Per Week

The calculator will tell you the number of hours the employee is entitled to.

Total the holidays an employee has used in the holiday year

Total any holidays the employee has had in this from the entitled to calculation. You can get a total calculation from the employee's screen and the **"Time Off" section**.

1. Add up all the hours in the time off section up to the point of the employee's end date.
2. In the example below the employee has had **20 hours total paid Holiday**
(In this example the employee's last date is the 1st of June 2022)

Remember to add on business holidays to this amount, they are not automatically added to this list

Details
Employment
Taxes
Pension
Time Off
Pay
Payslips
Pay Template
Opening Balances
Notes

Time Off Balances

Assign Time Off Type

Holiday
76 Hours

Time Off

New Time Off Request

Search

All
Status

Not yet paid

KM

Holiday
2 May 2022 • Half Day

4 hours

KM

Holiday
20–23 May 2022 • Holiday

16 hours

Deduct the total holidays from the remaining holiday allowance

Equation to be used: Total remaining holidays to be paid = Remaining allowance = holidays used

Example in use

Leaver started in 2011, leaving on the 1st of June 2022.

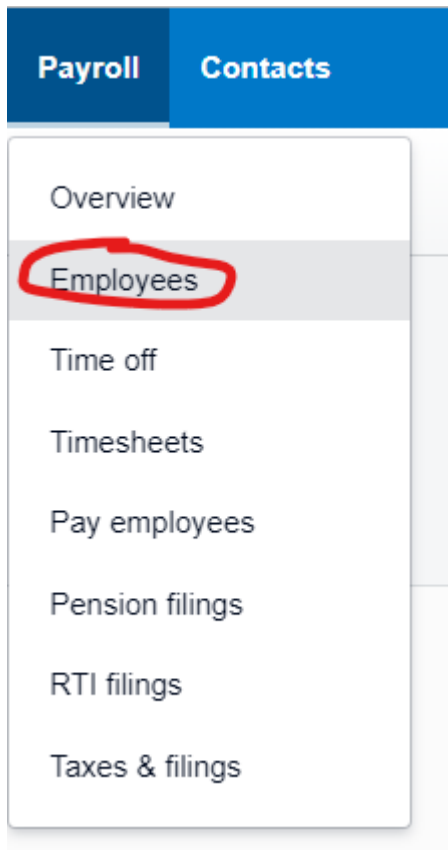
Leaver Start Date	01/02/2011
Leaver End Date	01/05/2022
Holiday Allowance (Using Calculator)	93.3
Holidays Allowance Used	20
Business Holidays Used	16
Total Allowance Used	36
Holidays Remaining	57.3 = round up to nearest hour = 58

End the employee's employment

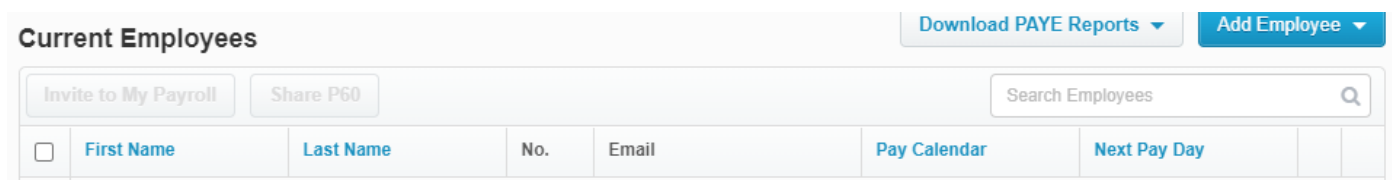
After finishing the

Changing an Employee Wage / Hourly Rate

Step 1: Go to Employee's Screen




Select the employee...



Step 2: Go to Employee's Employment Screen

Employees

Employee Name 	Annual Salary View	Earnings YTD View	Next Pay Day 27 May 2022
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[Details](#)[Employment](#)[Taxes](#)[Pension](#)[Time Off](#)[Pay](#)[Payslips](#)[Pay Template](#)[Opening Balances](#)[Notes](#)

Step 3: Select **"Change salary and wages"**

Salary & wages

[Change salary and wages](#)

Step 4: Enter new pay rate and the start date from which the new pay rate begins

Salary and wages

×

Regular earnings type

Regular Hours

☒ Annual Salary ☐ Hourly Rate

Annual salary amount

20592

Standard hours per week

40

Effective date

01 May 2022

Cancel

Confirm

Step 5: Repeat step 4 for additional pay rates (Overtime, Nightshift allowance, etc)

Setting an Employee's Holidays