



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

FAQEN118

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

V1.11

## Objective

According the Workers' Right Act for basic wages under Rs 100,000 or the End of Year Gratuity Act 2001 <https://publicnotice.govmu.org/publicnotice/?p=13172> for basic wages above Rs 100,000, the calculation of the end-of-year bonus (13th month) is calculated in December or during the year for an Employee leaving the company as soon as he has completed at least 8 months' service in the calendar year. It includes basic salaries, overtime over the calendar year, but also any sum of money by whatever name called, including commission and any productivity payment, paid to a worker, in respect of any work performed by him, in addition to the basic wages agreed upon between him and the employer and any allowance paid under any Remuneration Regulations or Wages Regulations.

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 necessary in your Company and that only you can arbitrate.

## How to do this ?

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

In order for this functionality to be operational, you must have 12 months of payroll in the system as from January 1<sup>st</sup> of the calendar year.

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 displays the 'Company' configuration page in the Payroll Mauritius system. The 'Payroll' tab is selected, and the 'EOY Bonus' dropdown menu is open, showing 'Separated Payslip' as the selected option. A red arrow labeled '1' points to the 'Company' button in the top right corner of the 'Employer' section. Another red arrow labeled '2' points to the 'Payroll' tab in the top navigation bar. A third red arrow labeled '3' points to the 'Separated Payslip' option in the 'EOY Bonus' dropdown menu. The interface includes sections for 'Periods', 'Salary calculations', 'Declarations', 'Payslip printing', and 'EOY Bonus'.



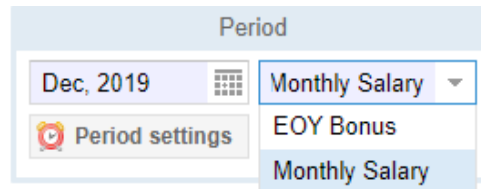
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If you have chosen « Separated Payslip » option, you may have noticed that the month has 2 pay periods : the « Monthly Salary » and the "EOY Bonus" (End Of Year Bonus):



The 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.

**Important remark :** 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...).

**We invite you to enter these in the "Monthly Salary" Period of December, then launch and validate the calculation of the December payslips, and THEN only launch the calculation of the EOYB period; these basics and 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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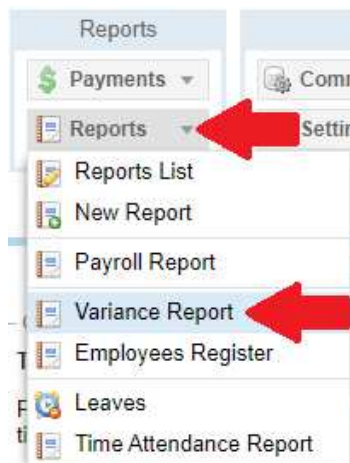
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## To adjust the End Of Year Bonus calculation

You should ask yourself the question: in addition to the Basic Salary, which Allowances, if any (payroll code beginning with 3xxx), are included in 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!



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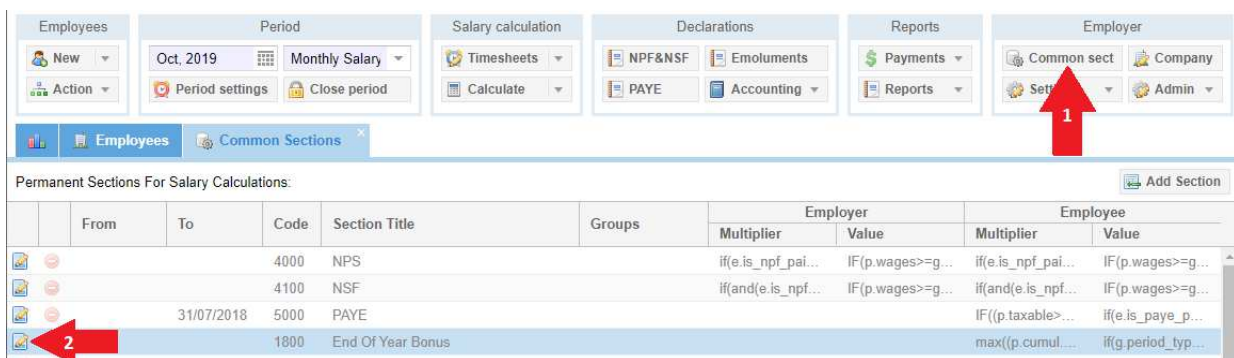
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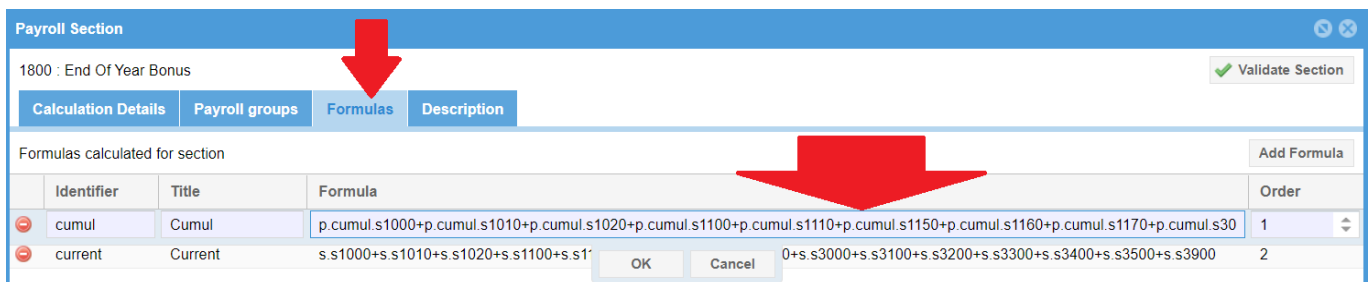
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## How to adjust the EOYB calculation:

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 **Formulas** Tab and the two lines named 'cumul' and 'current':



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 2x clic on the line and **remove** : **+p.cumul.s3xxx** corresponding in the 2 formulas 'cumul' and 'current' (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

**ATTENTION** - If you have updated the formulas for this calculation of the 1800 - End Of Year Bonus, it is your responsibility to report the same changes in section 1830 - End Of year Bonus (Prorata) for Employees leaving the company during the year and having at least 8 months' service in the calendar year.