Employee Management - How to terminate an employee

Print

Summary

How to terminate an employee on Sage 300 People

Description

When terminating an employee you are terminating the employee record and not the entity record. Therefore, on the Employee Detail Screen, enter the applicable termination reason and termination date.

In order to assist with the Termination procedure the People system supplies you with a Termination Check List.

The Termination procedure starts as follows:

Resolution

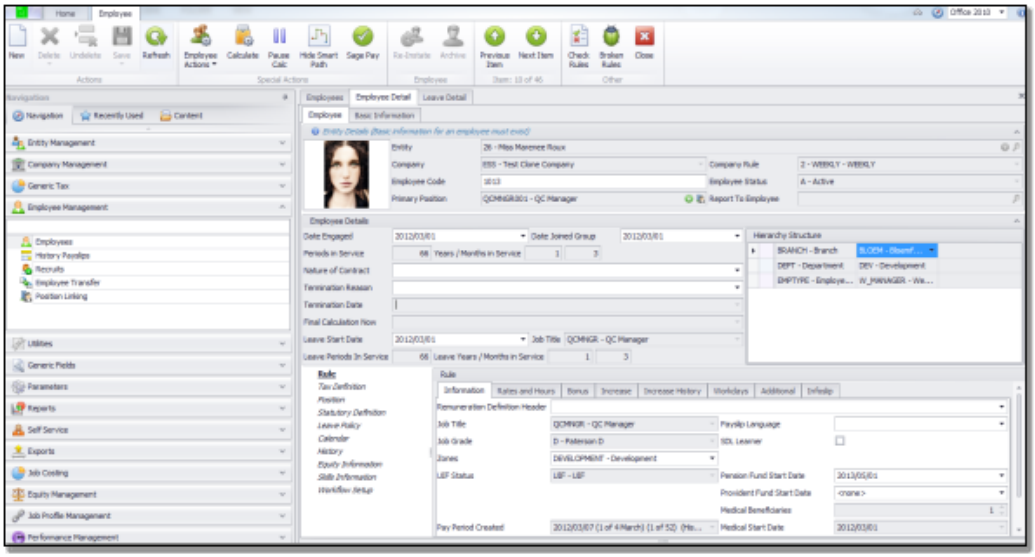
Please access Employee Management, from the Navigation pane:

Expand **Employee Management**

Double-click on **Employees**

Select the employee record

Click on **Employee Detail**



Termination Reason and Termination Date

When terminating an employee's service, select the termination reason and enter the termination date.

Should the employee be terminated with a future termination date, select when the final tax calculation should be done.

The options are:

Current Period: select this option when an employee is terminated with a future termination date but the final tax calculation must be applied in the current period. For example, the employee is terminated with a future termination date but all outstanding payments are made to the employee in the current pay period. No input will be done in the following pay periods as the employee will be terminated as soon as you roll over.

Termination Period: select this option when the employee is terminated with a future termination date and the final tax calculation must be done in the termination period. For example, the employee is terminated with a future termination date but payments will still be made to the employee in the following pay period(s) until the termination period is reached.

Fields in the Termination section:

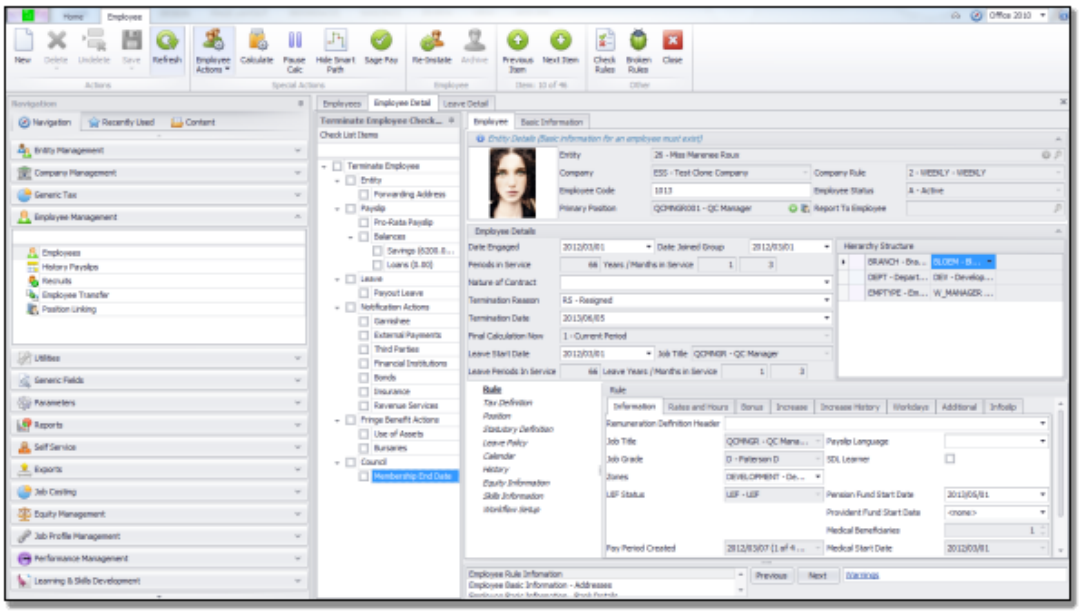
Field	**Explanation**
Termination Reason	Select the termination reason of the employee. The options are: • Resigned; • Discharged; • Pensioned; • Transferred; • Retrenched; • Absconded; • Passed Away; • Misconduct; • End of Contract; • Ill Health; • Business Closed; • Constructively; • Dismissed; • Employer Insolvency; • Retired; • Deceased and • Transfer to another Branch. 📎 **NOTE:Termination reasons are standard and will be used for equity and UIF purposes. Therefore you will not be able to add new reason codes.**
Termination Date	Enter the last day the employee works at the company. The employee status will stay active until roll over. Once the company has been rolled over, the employee status will change to 'Terminated'.
Final Calculation Now	When a future termination date has been entered, you can select if the final tax calculation must be applied in the current pay period or when the termination date has been reached. .

Insert the **Termination Reason**

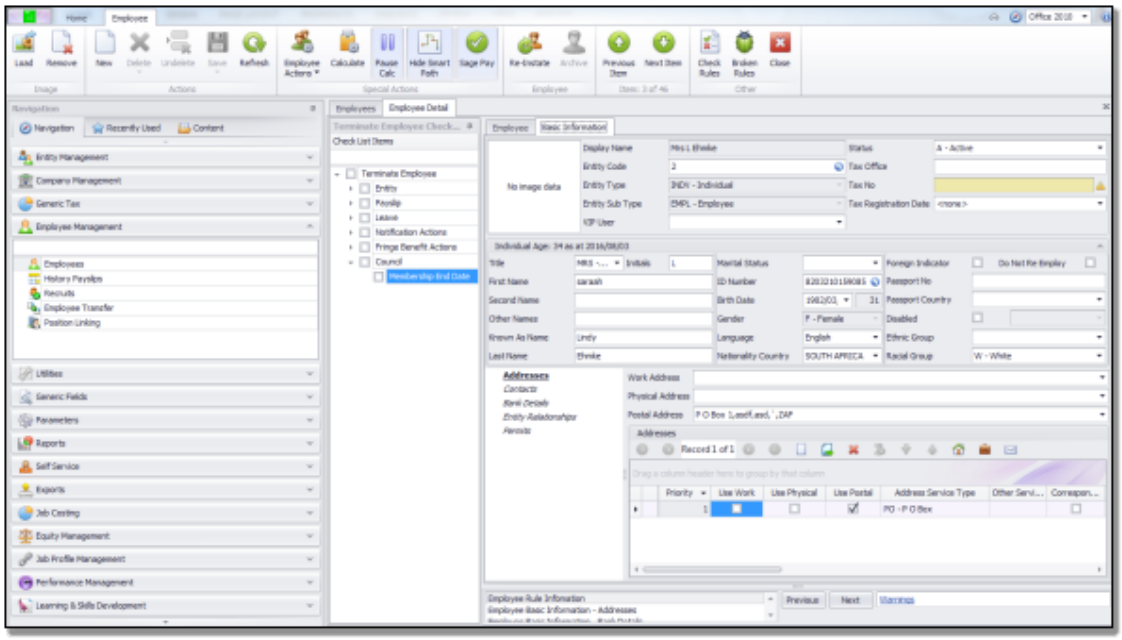
Insert the **Termination Date**

Select **Save**

Click on **Ok**



Should you not want to re-employ the employee in future please remember to tick the **" Do not Re-Employ Employee"** option on the Basic Information Screen.



Follow theses steps to insure that the Termination is done correctly.

Termination Check List

On the Employee Detail Screen > Employee tab:

- Select the **termination reason**.
- Select the **termination date**.
- Future Terminations:

  Enter the termination reason,

  Enter the future termination date, and

Change the Final Calculation Now field to Termination Period if applicable.

On the **Payslip Detail Screen > Earnings & Deductions**:

- Pay out lump sum amounts, if applicable.
- Pay out any savings, if applicable.
- Enter additional tax on lump sum, if applicable.

Deduct any outstanding loan balances.

On the **Leave Detail Screen > Employee Leave tab**:

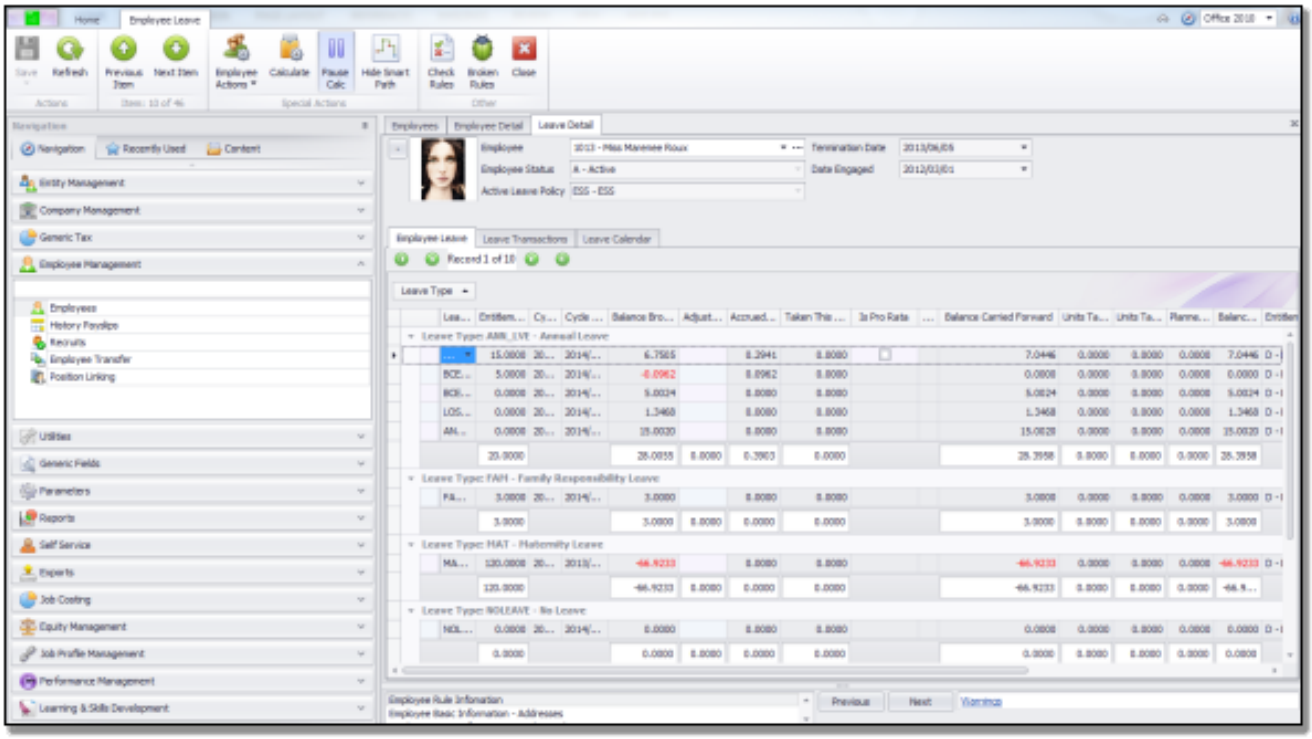
- Confirm the leave days due to the employee in the Balance Carried Forward column.

Enter a leave transaction for the days owed to the employee on the Leave Transactions tab. Ensure the balance is zero.

To pay out the Leave Days due, from the Ribbon:

Click on **Employee Actions**

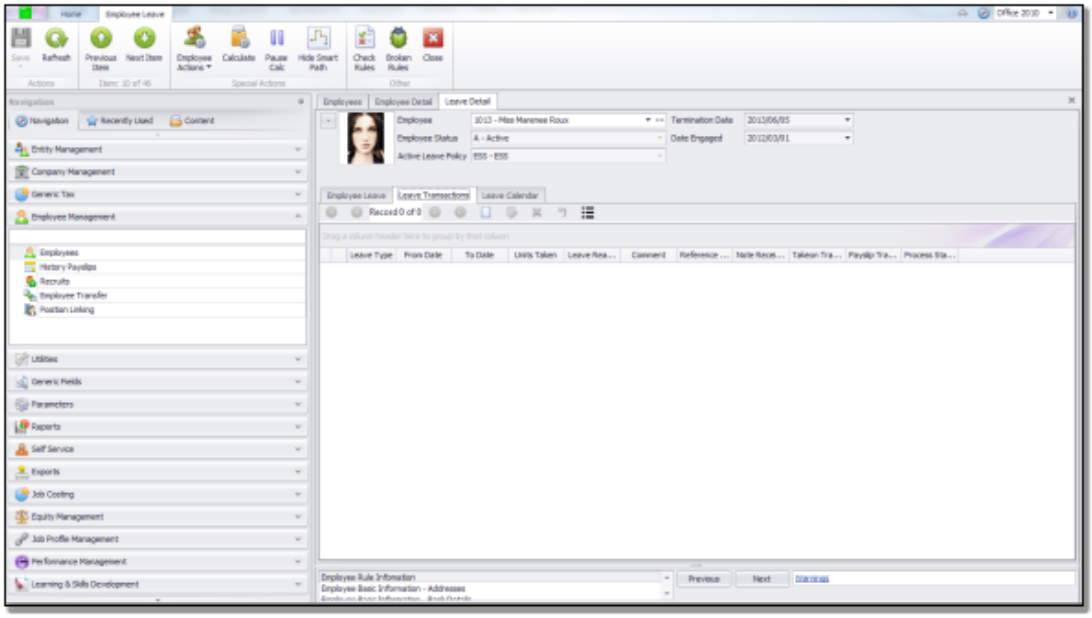
Click on **Leave Detail**

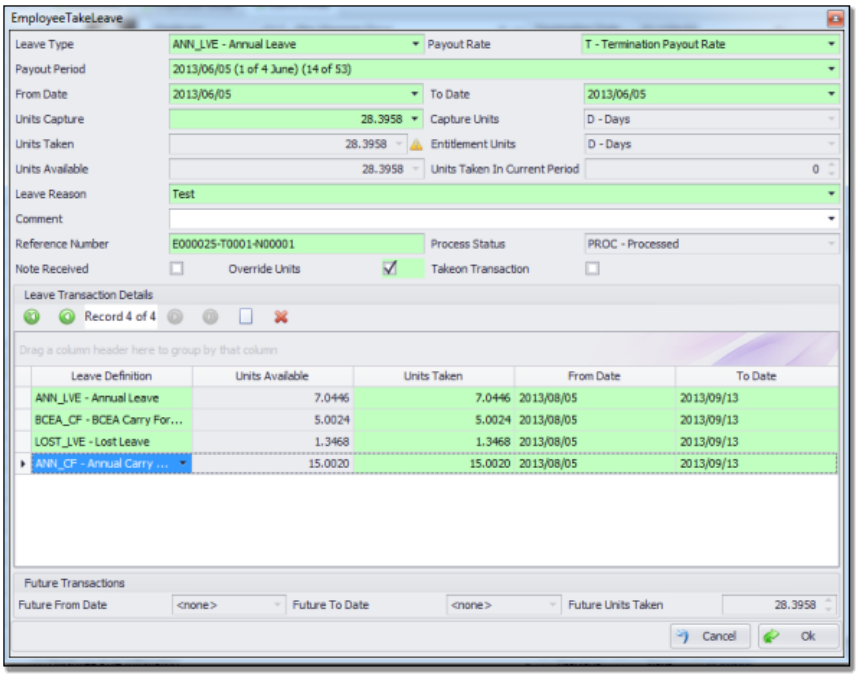


Click on **Leave Transactions**

Select **New** to load the transaction

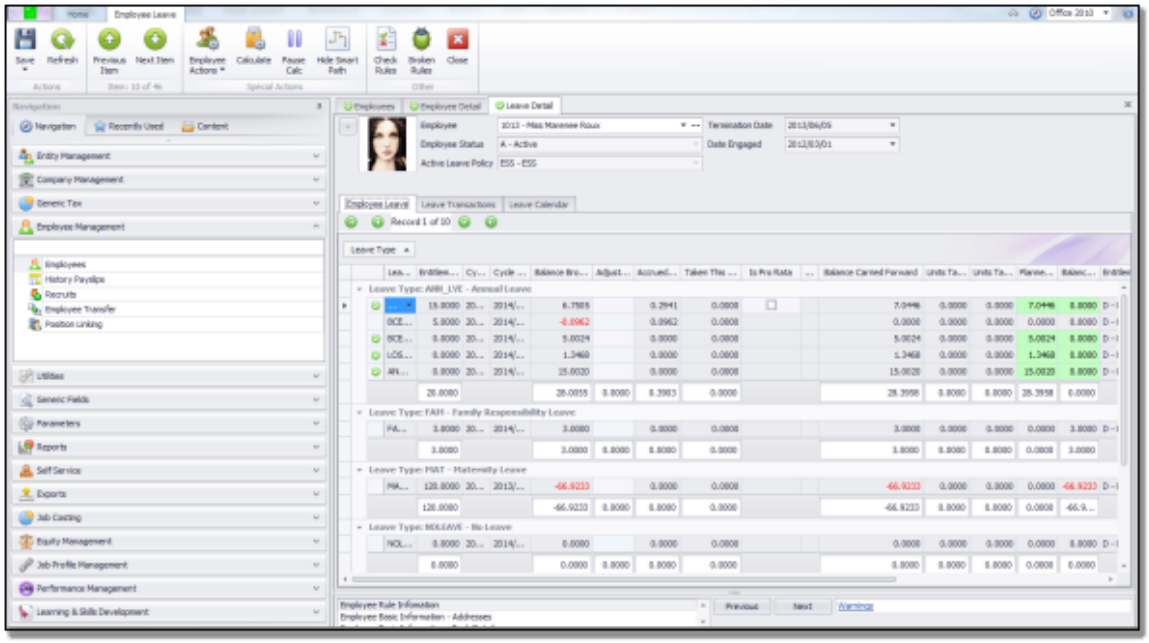
Insert the applicable information





In order for the value to pull through from the Leave Transaction screen the employee will need to have a **Termination Leave Payout / Leave Paid** Out earning defintion line. If this line is not setup before the Leave Transaction is setup you will get an error message saying that the Payroll Definition is not on the employees Payslip.

Click on **Leave Detail**



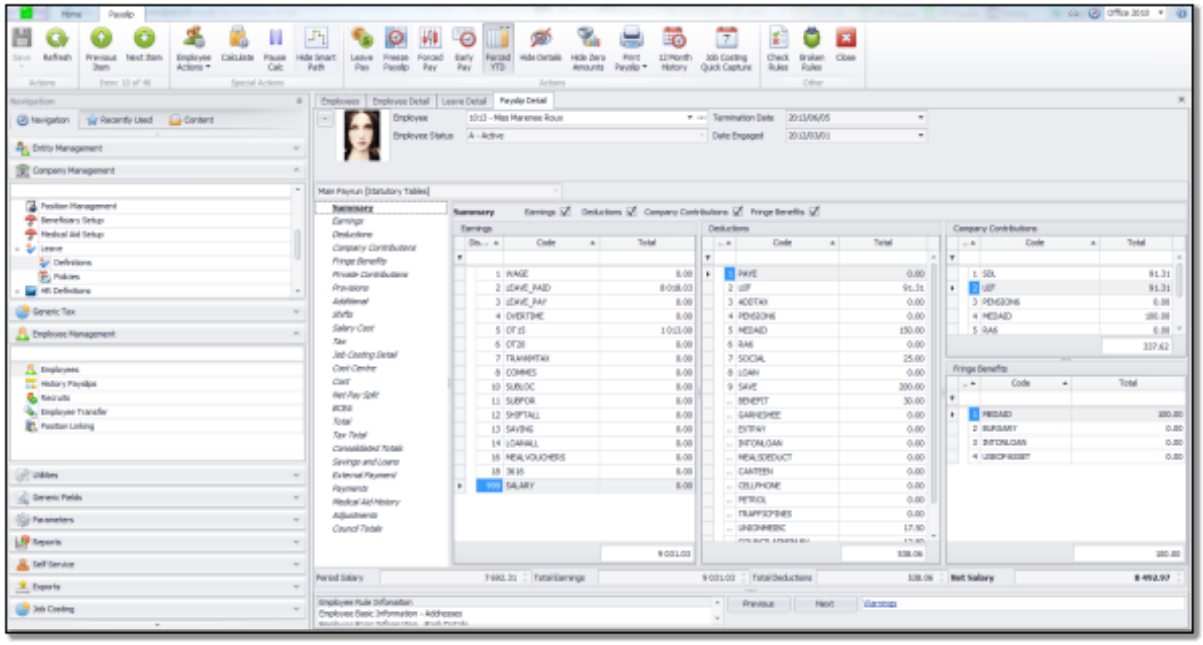
To access the Payslip Detail, from the Ribbon:

Click on **Employee Actions**

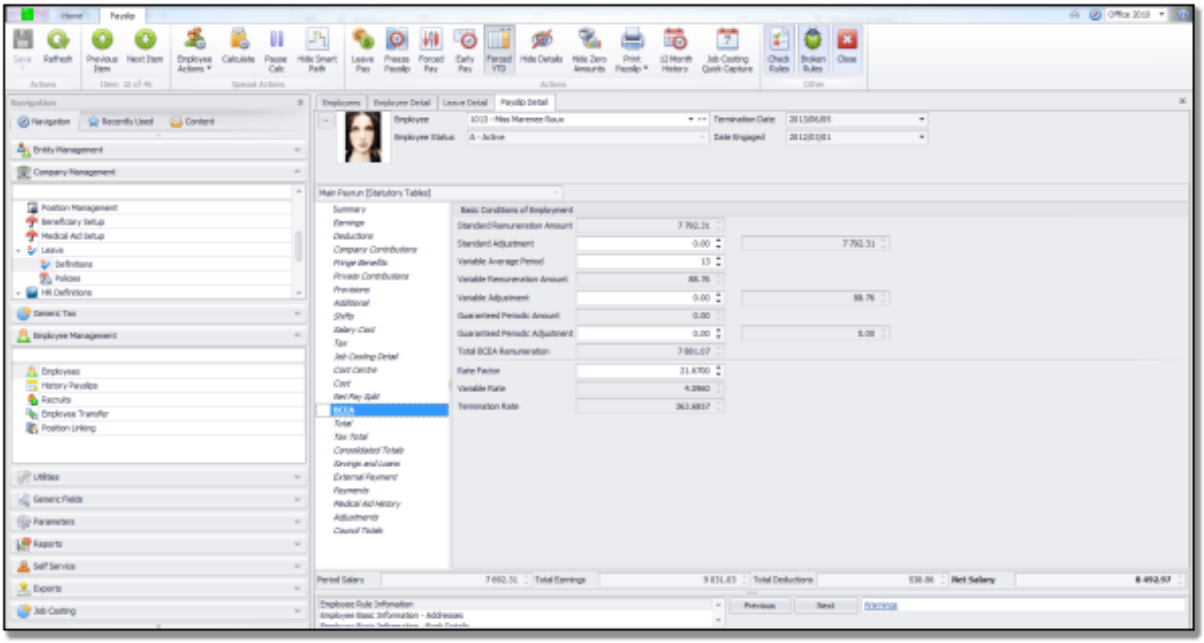
Click on **Payslip Detail**

Click on **Summary**

The leave lines which have been pre – defined on the **Leave Policy** will be paid out to the employee.



Click on **Payslip Detail**
Click on **BCEA**



Solution Properties

Solution ID

210125092305977

Last Modified Date

Wed Mar 23 14:30:51 UTC 2022

Views

335