

Flat-Rate Employees: Absence Principle

The selection of the **absence principle** describes whether and to what extent the overtime flat rate is credited for flat-rate employees in the case of **absences** such as vacation, sick days, public holidays or similar.

For example, in December a flat-rate employee may find it harder to reach the overtime flat rate than in other months because of several public holidays and possible vacation days. Therefore, an absence principle can be set under which part of the flat rate is credited automatically.

WARNUNG

This parameter is only applied if the parameter "**Flat-rate employees: offsetting**" (below) has been set to one of the values **2-4**! If the value is set to **1** (no offsetting / flat-rate employee), the settings under this item have no effect on the payroll calculation.

Value	Description
None ¹	If this option is selected, the employee receives no credit of the overtime flat rate for days of absence, etc. The overtime flat rate is deducted in full from the original balance at the end of the month.
Credit to actual time ²	If this method is applied, on qualifying credit days (vacation, illness, etc.) the daily share of the overtime flat rate (according to the formula below) is credited directly to the actual time, day by day. At the end of the month, the full flat rate is then deducted from the balance.
Offsetting at month end ³	If this method is selected, the number of qualifying credit days (vacation, illness, etc.) is multiplied by the overtime flat rate per day at the end of the month. This value is then added to the balance before the overtime flat rate is deducted.

NOTIZ

The following formula is used to calculate the prorated daily overtime flat rate: **Flat rate per day = (overtime flat rate / 4.33) / 5**

Example case "None"

Overtime flat rate: 10h

23 workdays, of which 1 public holiday and 3 vacation days

Calculation of the daily share of the flat rate:

Formula = $(10 / 4.33) / 5 = 0.46h$

Balance on 12/31 = 0.00

Date	Absence reason	Daily target time	Daily actual time	Balance
Tue, 01/01	Public holiday	0.00	0.00	0.00
Wed, 01/02	Vacation	8.00	8.00	0.00
Thu, 01/03	Vacation	8.00	8.00	0.00
Fri, 01/04	Vacation	8.00	8.00	0.00
Sat, 01/05		0,,	0.00	0.00

Sun, 01/06		0.00	0.00	0.00
Mon, 01/07	Present	8.00	8.50	0.50
...	...	...	...	...
Wed, 01/30	Present	8.00	8.50	5.50
Thu, 01/31	Present	8.00	9.00	6.50
January 2013		176.00	186.58	-3.50

At the end of the month, a positive balance of 6.50h was accumulated. The full flat rate of 10h is now deducted from it, because no credit (absence principle) was given for the absences that occurred. Depending on the setting for **"Flat-rate employees: offsetting"**, this results in a new balance of -3.50 or 0.00, depending on which setting was selected.

Example cases "Credit to actual time"

Example 1 (special case)

Overtime flat rate: 10h

Entire month sick / on vacation / other paid absence reason

23 "creditable" days for the flat rate (1 public holiday, 22 workdays)

Calculation of the daily share of the flat rate:

Formula = $(10 / 4.33) / 5 = 0.46\text{h}$

Balance on 12/31 = 0.00

Date	Absence reason	Daily target time	Daily actual time	Balance	Absence principle
Tue, 01/01	Public holiday	0.00	0.46	0.46	0.46
Wed, 01/02	Sick with continued pay	8.00	8.46	0.92	0.46
Thu, 01/03	Sick with continued pay	8.00	8.46	1.38	0.46
...	...	...	...	...	...
Wed, 01/30	Sick with continued pay	8.00	8.46	10.12	0.46
Thu, 01/31	Sick with continued pay	8.00	8.46	10.58	0.46
January 2013		176.00	186.58	0.58	(10.58)

If the balance is calculated using this method, it can happen that the employee accumulates a surplus by the end of the month even though he or she was sick for the entire month. The balance rises continuously over the month and at the end the full flat rate of 10h is deducted. In this example, however, the employee has "accumulated" 10.58h, which results in a surplus of 0.58h after the flat rate is deducted.

If this special case is to be taken into account (normally there is no difference between this method and the following one), the calculation must be done according to the second variant (offsetting with overtime flat rate).

Example 2 (normal case)

Overtime flat rate: 10h

23 workdays, of which 1 public holiday, 3 sick leave days (it follows that there are 4 "creditable" days for the flat rate)

Calculation of the daily share of the flat rate:

Formula = $(10 / 4.33) / 5 = 0.46h$

Balance on 12/31 = 0.00

Date	Absence reason	Daily target time	Daily actual time	Balance	Absence principle
Tue, 01/01	Public holiday	0.00	0.46	0.46	0.46
Wed, 01/02	Sick with continued pay	8.00	8.46	0.92	0.46
Thu, 01/03	Sick with continued pay	8.00	8.46	1.38	0.46
Fri, 01/04	Sick with continued pay	8.00	8.46	1.84	0.46
Sat, 01/05		0.00	0.00	0.00	--
Sun, 01/06		0.00	0.00	0.00	--
Mon, 01/07	Present	8.00	8.50	2.34	--
Tue, 01/08	Present	8.00	8.25	2.59	--
...	...	...	...	...	...
Wed, 01/30	Present	8.00	8.20	8.50	--
Thu, 01/31	Present	8.00	9.00	9.50	--
January 2013		176.00	185.50	-0.50	(1.84)

The credit of the absence principle was booked directly to the actual time during the absence and thereby increased the balance accordingly. As a result, at the end of the month the full flat rate of 10h is deducted from the 9.50 balance hours. Depending on the setting for flat-rate employees: offsetting, this results in a balance of -0.50 or 0.00, depending on which setting was selected.

Example case "Offsetting at month end"

Example 1 (special case)

Overtime flat rate: 10h

Entire month sick / on vacation / other paid absence reason

23 "creditable" days for the flat rate (1 public holiday, 22 workdays)

Calculation of the daily share of the flat rate:

Formula = $(10 / 4.33) / 5 = 0.46h$

Balance on 12/31 = 0.00

Date	Absence reason	Daily target time	Daily actual time	Balance	Absence principle
01/01	Public holiday	0.00	0.00	0.00	0.46
01/02	Sick with continued pay	8.00	8.00	0.00	0.46

01/03	Sick with continued pay	8.00	8.00	0.00	0.46
...	...	...	...	...	
01/30	Sick with continued pay	8.00	8.00	0.00	0.46
01/31	Sick with continued pay	8.00	8.00	0.00	0.46
January 2013		176.00	176.00	0.00	(10.58)

According to the formula above, the sum of the hours of the absence principle would be 10.58h (23 x 0.46h). However, since the flat rate is only 10h and no booking to the actual time was made, nothing changes in the balance in this special case.

Example 2 (normal case)

Overtime flat rate: 10h

23 workdays, of which 1 public holiday, 3 sick leave days (it follows that there are 4 "creditable" days for the flat rate)

Calculation of the daily share of the flat rate:

Formula = $(10 / 4.33) / 5 = 0.46h$

Balance on 12/31 = 0.00

Date	Absence reason	Daily target time	Daily actual time	Balance	Absence principle
Tue, 01/01	Public holiday	0.00	0.00	0.00	0.46
Wed, 01/02	Sick with continued pay	8.00	8.00	0.00	0.46
Thu, 01/03	Sick with continued pay	8.00	8.00	0.00	0.46
Fri, 01/04	Sick with continued pay	8.00	8.00	0.00	0.46
Sat, 01/05		0.00	0.00	0.00	--
Sun, 01/06		0.00	0.00	0.00	--
Mon, 01/07	Present	8.00	8.50	0.50	--
Tue, 01/08	Present	8.00	8.25	0.75	--
...	...	...	...	...	...
Wed, 01/30	Present	8.00	8.20	8.50	--
Thu, 01/31	Present	8.00	9.00	9.50	--
January 2013		176.00	185.50	1.34	(1.84)

Since no credit of the flat rate to the actual time was made, in this case the balance (9.50) is added to the sum of the absence principle (1.84) (= 11.34), and the flat rate of 10h is then deducted from this sum (= 11.34 - 10.00 = +1.34h).

Depending on the value selected under flat-rate employees: offsetting, the balance can also be negative or limited to 0.00.