PeopleSoft 8.00.01 Human Resources PeopleBook

Managing Variable Compensation

PeopleSoft 8.00.01 Human Resources PeopleBook: Managing Variable Compensation

SKU MAHRAr8SP1B1200_4

PeopleBooks Contributors: Teams from PeopleSoft Product Documentation and Development.

Printed in the United States of America.

Contents

Managing Variable Compensation

Chapter 1

Overview of Variable Compensation

Chapter 2

Setting Up Variable Compensation Plans

Chapter 3

Setting Up and Managing Plan Member Eligibility

Chapter 5

Funding VC Plans and Groups

Chapter 6

Calculating Allocations and Awards

Chapter 7

Managing Awards Approval and Payout

Chapter 8

Variable Compensation Reports

Managing Variable Compensation

This book provides the information you need for implementing and using the Managing Variable Compensation module of PeopleSoft Human Resources. You can order the online version by requesting SKU HRB8SP1R0, or the hardcopy version by requesting SKU MAHRCr8SP1B 1200.

Overview of Variable Compensation introduces the various choices that you can make in constructing variable compensation plans and provides some sample business processes illustrating some of the possibilities.

Setting Up Variable Compensation Plans describes how to set up variable compensation control tables, how to use the control table data to set up variable compensation plans, and how to define additional plan business rules.

Setting Up and Managing Plan Member Eligibility explains how to determine the plan member rule for a variable compensation plan, how to set up plan membership, how to calculate eligibility and proration, and how to adjust plan member eligibility.

Managing Plans With Goals explains how to use either weighted goals or a goals matrix to manage performance-based plans.

Funding VC Plans and Groups explains how to calculate and allocate funding for a plan and for groups within a plan.

Calculating Allocations and Awards explains how to calculate and allocate employee variable compensation awards.

Managing Awards Approval and Payout describes how to finalize awards and submit them for payout or distribution.

Variable Compensation Reports describes the reports that you can generate using variable compensation data.

C H A P T E R 1

Overview of Variable Compensation

Variable compensation is pay that is not included in base pay. Variable compensation generally varies according to performance. This section provides an overview of PeopleSoft Human Resources Managing Variable Compensation functionality. It introduces the various choices you can make in constructing variable compensation plans to meet your organization's needs and provides some sample business process flows to illustrate some of the many possibilities. The specifics of setting up and managing plans are detailed in succeeding sections.

Building a Plan that Meets Your Needs

PeopleSoft 8 Human Resources Managing Variable Compensation enables you to build a variety of variable compensation plans according to your organization's needs. For each plan that you create, you decide whether to administer the plan using groups, at the individual employee level, or on an ad hoc basis. You decide what type of plan to set up, and you define other business rules for the plan. For example, you determine whether or not to incorporate prorated eligibility, and the frequency of proration; whether to base the plan on goals, and at what level; whether to fund the plan; and how to manage approvals. You also define payout formulas and payout periods.

Determining the Variable Compensation Plan Type

In defining your variable compensation plans, you'll designate a Plan Type on the VC Plan - Plan Definition Page. You can select from the following options:

- Discretionary Bonus. A monetary plan.
- Goal Sharing. A performance based monetary plan. You must use either weighted goals or a goal matrix if you select Goal Sharing as the plan type. This plan type is not available if you select Ad Hoc Award as the plan member rule.
- Non-Monetary. A plan where the award is given in terms of units. You'll define a valuation amount to apply to each unit of the award to calculate the monetary value of the award for reporting purposes.
- Profit Sharing. A monetary plan.
- Five types of Stock plans (ISO, NQ, NSAR, RSA, ISAR). If you use PeopleSoft Stock Administration, you'll specify a stock plan and stock ID when you set up the VC stock plan. All stock plans are non-monetary plans. Awards are granted in units. You'll define a valuation amount to apply to each unit of the award to calculate the monetary value of the award for

reporting purposes. Because of the nature of stock prices, the stock value calculated in this way is used for VC reporting only, because it might not reflect the true value of the stock options at the given time.

- Other. A plan type of your own that does not fit the categories provided. There is no specific functionality to support the Other-type plan.

Determining Plan Members

For each variable compensation plan that you create, you designate one of four ways of setting up plan membership on the VC Plan - Plan Business Rules Page. In selecting one of these methods, you'll consider two main factors:

- Whether to administer the plan by setting up groups.
- Whether to establish a target payout at the individual employee level or group level.

The following is a brief description of each of the four plan member rules from which you can select:

For more information about determining plan members, see Setting Up and Managing Plan Member Eligibility.

Ad Hoc Awards

You do not set up groups or target payouts for Ad Hoc awards. You enter employees directly on the Plan Members Page, and enter their awards directly on the Award Allocation Page.

Target, minimum, and maximum payouts, guarantees, carryover balances, goals, and eligibility proration are not available options when you select this plan member rule. Goal Sharing is not an available plan type. You can choose to fund the plan, and you can use manual, batch, or no approval.

Employee Variable Compensation Record

When you use this plan member rule, you do not set up groups. You associate each employee with one or more variable compensation plans and specify target payouts at the employee level on the Employee Variable Compensation Page. On the Plan Payouts Page you can optionally specify minimum and/or maximum payouts at the plan level and elect to track guarantees. You can select any plan type.

This plan member rule supports administrative process flows in which membership and target payout is determined at the individual employee level and is maintained continuously when an employee's job changes.

Employee Variable Compensation Record with Groups

When you use this plan member rule, you create a group of employees in the Group Build module and assign the group to a Variable Compensation tree. You specify the target payout for each individual employee on the Employee Variable Compensation Page. You can optionally specify minimum and/or maximum payouts at the group level on the Plan Payouts with Groups Page. You can select any plan type.

This plan member rule provides the ability to define and maintain target payouts at an individual level, but simplifies the burden of defining and maintaining membership through a set of criteria that you define in the Group Build module.

Define Tree/Group

When you use this plan member rule, you create a group of employees in the Group Build module and assign the group to a Variable Compensation tree. On the Plan Payouts with Groups Page, you specify employees' target/minimum/maximum payouts at the level of groups on the tree. You can select any plan type.

This plan member rule enables you to administer your variable compensation plan at a group level as opposed to an individual level. This is probably the preferred method of administering plans with a large number of members. You define a set of criteria for membership; the actual list of eligible members is determined by the system. You apply target payouts to these groups of employees rather than at the individual level.

Plan Options

Once you've chosen the Variable Compensation Plan Type and determined plan membership, you can define additional plan options on the VC Plan - Plan Definition Page and the VC Plan - Plan Business Rules Page. These options do not apply if the plan membership rule is Ad Hoc Award. The following is a brief description of these optional plan elements:

Proration

If you select proration as a business rule for a variable compensation plan, you'll specify the frequency of the proration calculation periods on the Prorate Periods Page. The Calculate Eligibility/Proration process calculates a proration factor based on the amount of time the employee was a member of the plan during the payout period. When you run the award calculation process, the system adjusts the employee's award based on the proration factor.

For more information about proration, see Calculating Eligibility and Proration.

Goals

If your plan is a performance-based plan and uses goals, you can use weighted goals or a goals matrix.

Weighted Goals

You can set up weighted goals at the organizational or individual level. If you set up plan membership using groups, you can also set up group weighted goals.

You'll enter percent attained values for the goals that you set up. The system calculates a performance factor for each level of goals, which it applies when calculating the employee's award.

Goals Matrix

Instead of using weighted goals, you can set up a goals matrix at the organizational level. If you determine plan membership using groups, your matrix is at the group level. Goals matrix is not available at the individual goal level.

You associate payout formulas with the performance levels on the matrix. The employee's performance score determines the payout formula used to calculate the award.

For more information about goals and calculating the performance factor and performance score, see Managing Plans With Goals.

Funding

You can allocate funds to a variable compensation plan and monitor the balance of the funding as you distribute awards. Funding is required for stock plan types. For all other plan types, funding is optional.

Funding Plans and Groups

Use the Plan Funding Page to allocate funds to a variable compensation plan at a specified amount. Funding is in terms of the plan currency for monetary plans and in terms of units for non-monetary plans. For stock plans, units represent option-shares. If you determine plan membership by group, after funding the plan, you allocate the plan funding to the various groups on the tree using the Group Funding Allocation Page.

For plans that use funding, the Calculate Awards process calculates an adjustment factor. If there are not enough funds available to pay out the awards as calculated, the system applies the adjustment factor to each employee's award that is above the minimum payout

After calculating awards, the available funds are displayed on the Award Allocation Page. The balance of available funds will change as you modify awards, and you'll see an error message if you try to exceed the available amount.

You can maintain a reserve balance from the funded amount by not allocating the full amount of available funds. You can maintain a reserve at any level of the tree, including the root level, if the plan uses groups.

Determining Funding Amounts

You have the option of running the Budget Report to help determine the plan funding amount. The Budget report tells you the total that would be paid out under the plan assuming 100% eligibility proration and your estimated goal attainment for employees who meet the eligibility requirements as of the date that you run the report.

To determine how much funding is required to fund each group, you run the Determine Allocations process to calculate target awards and organizational and group performance factors. Online processing in the Group Funding Allocations page applies these performance factors to the target awards in order to provide the recommended funding to allocate at each group level.

If your organization uses PeopleSoft Stock Administration, the stock administrator allocates shares available to variable compensation for a stock plan and stock ID. The Variable Compensation administrator funds all stock-type VC plans related to that stock plan and stock ID from that one allocation.

For more information about funding, see Funding VC Plans and Groups. For more information about allocating stock shares from PeopleSoft Stock Administration to Variable Compensation, see Setting Up Variable Comp Allocations.

Award Approval

You can select Approve Awards as a business rule when you set up the plan. If the plan does not use groups, you specify the ID of the approver at the plan level when you select this business rule. If plan membership is by group, you set up the approver ID when you define the group. You can approve awards manually or use the batch approval process.

Only the person identified as the approver has the ability to select the plan or group in the Approve Awards process or Approve Awards by Group process run control page. This process sets each award in the plan or group to *Approved* Status on the Award Allocations page.

If you do not select Approve Awards as a business rule, you manually set the Status of an individual award to *Ready to Submit* on the Award Allocations page.

For more information about approval of awards, see Managing Awards Approval and Payout.

Carryover Balances

You can select to carry over balances at the individual employee level in your plan. This functionality provides the option of creating a smoothing mechanism directly into your plan.

You increase or decrease an employee's Carryover Balance on the Award Allocation Page. The system adjusts the employee's award downward or upward based on the changes you make in the Carryover Balance. The balance can be carried over for the life of the plan.

Guarantees

If you establish the target payout at the employee level on the Employee Variable Compensation page, you can also specify a guarantee for the employee on that page. The Award Allocations page displays this amount for your information, in order to remind you that the employee has a guarantee. You can manually add the guarantee or a portion of it to the employee's award.

Calculation Batch Processes

The way you define your plan determines how many batch calculation processes you run and the point in the business process flow that you would run each. The following is a brief summary of each of the main batch processes, its purpose, and a rough idea as to when you would run it. You do not run any calculation processes if the plan membership rule is Ad Hoc Award.

Eligibility/Proration Calculation

The Calculate Eligibility/Proration process populates the Plan Members Page or Plan Members with Groups Page with a list of the eligible plan members for the period that you calculate. You can run the process at any time to update the eligibility of each plan member. If you fund the plan at the group level, you must run this process prior to running the Determine Allocations process in order to ensure that the Plan Members table is populated. At the end of the plan payout period, you must run this process before running the Calculate Awards process. You can manually modify an employee's eligibility status on the Plan Members pages.

If the plan does not use proration, you specify the As of Date for the eligibility calculation on the run control page. This date can be any date within the plan's payout period. If the plan uses proration, you specify begin and end dates for a calculation period that falls within the payout period.

This process does not apply to plans that define Ad Hoc Award as the plan member rule.

Calculating Proration

If you select Calculate Proration as a business rule for a plan, the Calculate Eligibility/Proration process calculates an eligibility proration factor for each employee. The proration factor represents the portion of the payout period (calculated to date) of which the employee was eligible for the plan. This factor can be visualized as the number of proration periods eligible over the number of proration periods calculated. The Calculate Awards process uses the employee's proration factor to calculate the VC award.

You define the frequency of proration periods within the plan's payout period, which determines the accuracy of the calculation. Proration period frequency can be daily, weekly, or monthly. The shorter the proration period, that is, the more frequent , the more accurate your proration calculations will be. The process updates the employee's proration factor cumulatively each time it runs.

For more information about the Eligibility/Proration process, see Calculating Eligibility and Proration.

Determining Funding Allocations

The Determine Allocations process is a preliminary award calculation process that you must run before allocating funds to groups and before running the Calculate Awards process. This process calculates recommended group funding allocations if group funding is a business rule. The Determine Allocations process calculates the target payout, minimum and maximum payouts, if they are specified in the plan, and performance factors at the organizational and group levels, if goals are used. It does not calculate the individual performance factor, which is calculated by the Calculate Awards process.

This process does not *apply* the performance factor to the award. The performance factor is applied to awards in the Calculate Awards process and in online processing on the Group Funding Allocations page.

For more information about the Determine Allocations process, see Determining Allocations.

Awards Calculation

The Calculate Awards process calculates both monetary and non-monetary variable compensation awards, including stock awards. You run this process after the payout period has ended. You must run the Calculate Eligibility Process and Determine Allocations process before running the Calculate Awards process.

The Calculate Awards process calculates awards using the target payout formula, to which it applies performance factors (if goals are used), a proration factor (if the plan is prorated), and an adjustment factor (if the plan is funded). If the employee was eligible for the entire period, the process adjusts the award if it is under the minimum payout or over the maximum payout. It also calculates the monetary value of non-monetary awards and applies rounding and decimal rules.

After calculating, the process enters the awards on the Award Allocation page, where you can manually modify or adjust them and approve them.

For more information about the Calculate Awards process, see Calculating Awards.

Award Payout and Distribution

The system uses application messaging to automatically publish awards to PeopleSoft Payroll for North America or PeopleSoft Stock Administration. You must activate these messages and their message channels.

If your organization does not use PeopleSoft Payroll for North America or PeopleSoft Stock Administration, which is indicated by *Payroll for North America* or *Stock Administration* not being selected on the Installation table, the system automatically generates a flat file. Your organization can use this flat file as input into your non-PeopleSoft payroll or stock distribution system to pay out awards.

For more information about integration with stock administration and payroll, see Managing Awards Approval and Payout.

Summary of the Business Process Flow

The following business process flows illustrate some of the possibilities for assembling and administering variable compensation plans. The Assumptions section presents the options and business rules defined for each plan illustrated.

Ad Hoc Award Business Process

Assumptions

Plan Variables	***Value***
Plan Member Rule	Ad Hoc Award
Plan Type	Any monetary type except Goal Sharing
Goals	Not allowed
Funding	Plan Funding
Proration	Not allowed
Approval	Manual approval
Payout Formulas	Not applicable

Procedures

To set up and administer this plan:

1. Define the plan on the VC Plan - Plan Definition page.

- Enter plan start and end dates.
- Select Plan Type.
- Enter an Earnings Code (optional).

2. Define the plan's business rules on the VC Plan - Plan Business Rules page.
   - Select Ad Hoc Award as the plan member rule.
   - Select Funded Plan (optional, but necessary for the above assumptions).
   - Select Approve Awards (optional, but necessary for the above assumptions).
   - Select the approver ID.
3. Define payout periods on the VC Plan - Plan Payout Periods page.
4. Fund the plan on the Plan Funding setup page.
5. Enter plan members on the Plan Members page.

   Status is Man Elig (manually eligible).
6. Enter the employees' awards directly on the Award Allocations page.
7. Select the Award Status of *Recommended*.
8. The approver changes the Award Status to *Approved*.
   - The system submits the award for payout when the status is *Approved*.

Empl VC Record (Without Groups) Business Process

Assumptions

Plan Variables	***Value***
Plan Member Rule	Empl VC Record
Plan Type	Any monetary plan that uses goals
Goals	Organization weighted goals
Funding	None
Proration	None
Approval	Approval process
Payout Formulas	Target and maximum

Procedures

To set up and administer this plan:

1. Set up control tables.
   - Define goals on the VC Goals Table page.
   - Define payout formulas on the Payout Formula page.
2. Define the plan on the VC Plan - Plan Definition page.
   - Enter plan start and end dates.
   - Select a Plan Type.
   - Select Weighted Goals.
   - Assign Goal Weights.
3. Define the plan's business rules on the VC Plan - Plan Business Rules page.
   - Select Empl VC Record as the plan member rule.
   - Select Approve Awards.
   - Select the approver ID.
4. Define payout periods on the VC Plan - Plan Payout Periods page.
5. Assign goals to the plan on the Plan Goals setup page.
   - Select organization goals and assign their Goal Weights.
6. Set up the Employee Variable Compensation page.
   - Select a VC Plan ID.
   - Select a target payout formula.
   - Enter an Elig Date (eligibility date).
7. Assign a maximum target payout on the Plan Payouts page.
8. Run Elig process to populate the Plan Members page.

   Eligibility is based on the eligibility date on the Employee Variable Compensation page.
9. View plan members on the Plan Members page.

   You can make someone manually ineligible, but you cannot add a member on this page.
10. Enter goal attainments for each goal on the Organization Attainments page.
11. Run the Determine Allocations process.

12. Run the Calculate Awards process.

    Populates the Award Allocations page.

13. View and adjust awards on the Award Allocations page.
    - Modify award if desired.
    - Change the Award Status to *Recommended.*

14. Run the Approval process.

    The person identified as the approver on the Plan Business Rules page must run the process.

15. Automatically submitted for payout.

Define Tree/Groups Business Process

Assumptions

Plan Variables	***Value***
Plan Member Rule	Define Tree/Groups
Plan Type	Any monetary plan type that uses goals
Goals	Weighted goals
Funding	Yes with group allocation
Proration	Yes
Approval	Approval process
Payout Formulas	Target, minimum, and maximum

Procedures

To set up and administer this plan:

1. Define Groups in Group Build.
2. Set up Group Tree Security.
3. Set up control tables.
    - Define goals on the VC Goal Table page.
    - Define payout formulas on the Payout Formula page.
4. Define the plan on the VC Plan - Plan Definition page.

- Enter plan start and end dates.
- Select a Plan Type.
- Select Weighted Goals.
- Assign Goal Weights.

5. Define the plan's business rules on the VC Plan - Plan Business Rules page.
   - Select Define Tree/Group as the plan member rule.
   - Select Funded Plan.
   - Select Calculate Proration.
   - Select Approve Awards.
   - Select the Tree Name.
6. Define payout periods on the VC Plan - Plan Payout Periods page.
7. Define proration periods on the Prorate Periods setup page.
8. Assign goals to the plan on the Plan Goals pages.
9. Select target, minimum, and maximum payout formulas on the Plan Payouts setup page.
10. Run the Calculate Eligibility/Proration process to populate the Plan Members page.

    Eligibility is based on group build criteria during the proration period.
11. View plan members on the Plan Members page.
12. Run the Budget Report (optional).
13. Fund the plan on the Plan Funding setup page.
14. Enter goal attainments for each goal on the Goal Attainments pages.

Funding the Highest Group

The following two steps are done just one time for each payout period.

15. The approver of the highest group runs the Determine Allocations process.
16. The approver of the highest group funds the highest group on the Group Funding Allocations page.

Awarding the Group Manager and Funding Child Groups

The following steps are repeated for each level of groups on the tree in succession.

17. The approver runs the Calculate Awards process for the group.
    - Populates the Award Allocations page.

18. The approver of the group approves the award of the group's manager on the Award Allocations page.
    - Modify award if desired.
    - Change the Award Status to *Approved.*
19. The manager of the group receives workflow notice that he can now allocate awards to his direct reports and subgroups.
20. Manager of the group allocates and recommends awards for direct reports on the Award Allocations page.
21. The approver receives workflow notice that he can now approve the awards for the group manager's direct reports.
22. Approver approves awards of the group manager's direct reports.
23. The manager allocates funds to child groups on the Group Funding Allocations page.
24. The approvers or managers of the child groups receive a workflow notice
    - For each subgroup that includes the managers as group member (as indicated in this example) the approver will get a workflow message saying that now he should run the Calc Awards process for that group and subsequently approve the manager's award.
      Since we assumed in this example that the manager of a group would be the approver of the subgroups, the person who allocated funds to the subgroups in step 23, would be the same as the one who gets this workflow message.
    - For each subgroup that does not include the manager as group member, the manager will get a workflow message that now he should run the Calc Awards process and recommend the awards of the direct reports and fund the subgroups.
25. Repeat steps 17 through 24 for each group moving down the tree.

Awards are submitted for payout or distribution by group when all awards in the group have Approved (or Cancelled) status.

For more information and an example of group funding procedures, see Allocating Funds to Groups.

Variable Compensation Reporting

PeopleSoft 8 Human Resources Managing Variable Compensation provides a full compliment of reports. Some of these reports will help you make decisions as you progress through the variable compensation business process. Some of them summarize the results of your variable compensation awards process.

For more information about variable compensation reports, see Variable Compensation Reports.

CHAPTER 2

Setting Up Variable Compensation Plans

This section describes how to set up variable compensation control tables, how to use the control table data to set up variable compensation plans, and how to define additional plan business rules.

Overview of Setting Up Control Tables

Before you set up your variable compensation plans, you need to define some of the data elements that you'll use to define the specifics of each plan. Some of the variable compensation control tables are optional and some are required, depending on the plan type, options, and business rules that you define for the plan.

Control Table	***Which Plans Use This Control Table***
Payout Formula	Required for all plans except those with Ad Hoc Award as the plan member rule.
Valuations	Required for non-monetary and stock plans only.
Goals	Required when the plan type is Goal Sharing and for any other plan that you administer using goals. For more information about the VC Goals table, see "Managing Plans With Goals".
Proration periods	Required for plans that specify Calculate Proration as a plan business rule. For more information about the Prorate Periods table, see "Setting Up and Managing Plan Member Eligibility".

Defining Payout Formulas

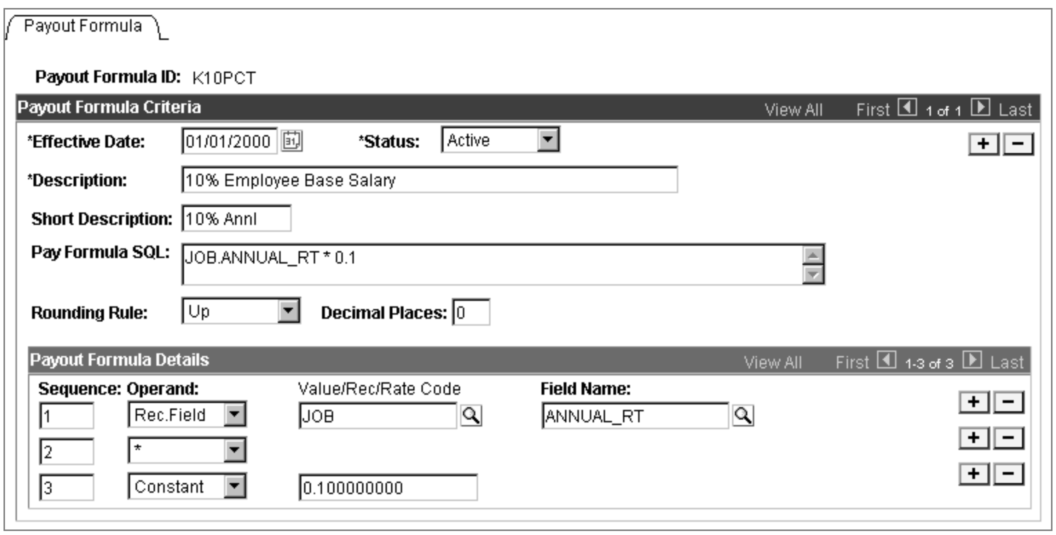
You construct SQL statements and assign them a Payout Formula ID on the Payout Formulas page. You'll select from the Payout Formula IDs when you set up target, minimum, and maximum payouts for employees, groups, or plans, or when you set up a matrix goal payout schedule.

The payout formula that you define can be a flat amount or a complex SQL statement. You can base the calculation on the employee's pay component or salary grade or on other fields from the

Job record. In your calculation, you can include fields from the Employment record as well as the Years of Experience field from the Personal Data record.

Payout Formula Page

Usage	Use the Payout Formulas page to define a formula that the Determine Allocation process and Calculate Award process will use to calculate funding and award allocations. The payout formula is a SQL statement that you define on this page.
Object Name	VC_PAYFORM_TBL
Navigation	**Compensate Employees, Manage Variable Compensation, Setup, Payout Formulas, Payout Formula**
Prerequisites	None
Access Requirements	Enter a Payout Formula ID.



Payout Formulas page

The following fields are common to multiple pages and are defined in the preface of this PeopleBook in PeopleBooks Standard Page Element Definitions: **Effective Date, Status, Description,** and **Short Description.**

Payout Formula Criteria

Pay Formula SQL	When you save the record, the system displays the payout formula SQL statement that you define using the fields below. The system checks the syntax of the SQL statement and informs you of any errors.

Rounding Rule

Select a **Rounding Rule** to be applied to award calculations that use this payout formula. The following are the valid rounding values:

Down: Round the value down to the number of significant digits indicated in the **Decimal Places** field.

Standard: Use the standard IEEE rounding rules.

Up: Round the value up to the number of significant digits indicated in the **Decimal Places** field.

If the plan is a stock-type plan, the system uses the rounding rules established on the Stock Option Plan table (ST_OPTION_PLAN) when rounding award calculations.

Decimal Places

Enter the number of decimal places to which you want the system to round the payout formula.

Payout Formula Details

Sequence

The **Sequence** number determines the order in which the SQL generator builds the formula. Entering **Sequence** numbers in increments of 5 or 10 gives you room to add a component to the formula without renumbering all the existing components. When you save the page, the system sorts your components according to their sequence numbers. **Sequence** is a required field.

Insert a new row and enter a **Sequence** number for each component of the SQL statement as you build it.

Operand

Once you enter a **Sequence** number, the system requires that you enter an **Operand** for the step in the SQL statement that you are constructing. The **Operand** that you select determines the other fields that are hidden or displayed on the page. The following table lists the valid **Operand** values and the additional fields displayed for each:

Operand	***Definition***	***Additional Fields That Display***
(none)	Use this value to clear the field of an unwanted value.	None
-	Subtract	None
(	Open Bracket	None
)	Close Bracket	None

Operand	***Definition***	***Additional Fields That Display***
*	Multiply	None
/	Divide	None
+	Add	None
Constant	Fixed value	**Value/Rec/Rate Code**
Rate Code	Refers to a Rate Code that you specify from the Rate Code table.	**Value/Rec/Rate Code**
Rec. Field	Refers to a field that you specify from a record.	**Value/Rec/Rate Code** and **Field Name**

Value/Rec/Rate Code The value that you enter in the **Value/Rec/Rate Code** depends on the **Operand** that you select. The following is a summary of the relationships between the **Operand** and the **Value/Rec/Rate Code:**

Operand Selected	***Value/Rec/Rate Code***
Constant	Enter a fixed amount. This **Value** can be a percent or other fixed value to be used in the calculation. For non-monetary plans, enter the number of units to be awarded to each plan member. For more information, see Non-Monetary Plans.
Rate Code	Enter a **Rate Code** from the Rate Code table.
Rec. Field	Select a **Record** from the available options. Valid values are ***EMPLOYMENT, JOB, PERSONAL_DATA,*** and ***SAL_GRADE_TBL.***

Field Name Select a **Field Name** from the available options for the **Record** that you selected. When the system executes the SQL statement, it uses the value of the selected field in the plan member's record.

Payout Formula Example

To define a payout formula of 1% of the employee's job annual rate, you select the Job record, the Annual Rate field name (on the Job record), the operator *, and the constant .01. You can place the formula in parentheses, so the final formula in the Pay Formula SQL field is: (JOB.ANNUAL_RT * 0.01).

Defining Valuation

For non-monetary plans and stock plans, you set up a valuation ID on the Valuations page. You assign a value to the valuation ID, which represents the value of one unit of the award under the plan (expressed in the currency that you specify). If you change the value of a valuation ID, the system uses the value on the Valuation ID maximum effective-dated row that is equal to or less than the payout period end date.

When the system reports the value of awards under a non-monetary plan or stock plan, the value is calculated by multiplying the number of units awarded to the member (determined by the payout formula and other factors) by the value per unit as defined by the valuation ID. Depending on the plan's business rules, the award value attributed to the employee's compensation package might be reduced by a proration factor, performance factor, or adjustment factor.

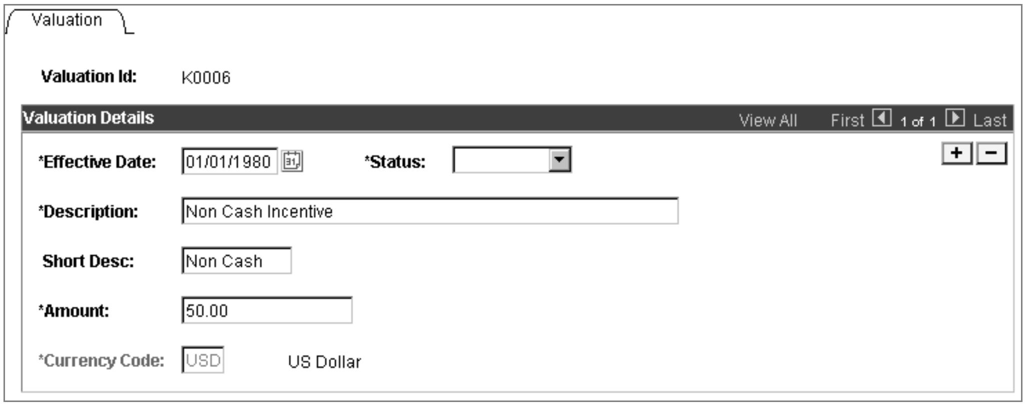
Because of the nature of stock prices, the stock value calculated in this way is used for variable compensation reporting only, because it might not reflect the true value of the stock options at a particular time.

For non-monetary-type plans, the value calculated with the valuation ID is used for payroll tax reporting, as well as data reporting through Managing Variable Compensation and Reporting Total Compensation.

For more information about setting up non-monetary plans and stock plans, see Overview of VC Plan Types.

Valuations Page

Usage	Use the Valuations page to define units of non-monetary and stock awards and to assign a currency value for one unit. This page is required only if you set up non-monetary or stock VC plans.
Object Name	VC_VALUATION
Navigation	**Compensate Employees, Manage Variable Compensation, Setup, Valuations, Valuation**
Prerequisites	None
Access Requirements	Enter a Valuation ID.



Valuations page

The following fields are common to multiple pages and are defined in the preface of this PeopleBook in PeopleBooks Standard Page Element Definitions: **Description** and **Short Desc** (short description).

Effective Date

Enter the effective date of the value that you are entering for the Valuation ID.

If you change the value of the Valuation ID, the system uses the monetary value associated with the Valuation ID on the maximum effective-dated row that is equal to or less than the payout period end date.

Amount

Enter the monetary value of one unit of the non-monetary award represented by this **Valuation ID.** For example, enter the monetary value of one holiday turkey. For stock-type plans one unit is one option/share.

Currency Code

Select the **Currency Code** for the currency in which to administer an award for this **Valuation ID.** When you assign the valuation ID to a VC plan, the currency code of the valuation ID must match the currency code of the plan.

You can override the default value that the system enters. Valid values prompt from the Currency Code table.

Overview of VC Plan Types

When you define a VC plan, you must specify its type. The system provides ten plan types, which fall into four main categories: monetary, non-monetary, stock, and other. In this overview, the following topics describe the unique steps required to set up plans in each of these categories. You’ll find additional setup options and procedures common to all plan types in the discussion of the VC Plan setup pages.

Monetary Plan Types

The following plan types are monetary plans:

Discretionary Bonus	Select this type to label a plan for your own tracking purposes. No special plan setup steps apply. Plan options are available according to the plan member rule.
Goal Sharing	You must select either *Weighted Goals* or *Matrix Goals* and specify weighted goal percents or matrix columns on the VC Plan - Plan Definition Page. For additional setup steps for using goals, see Managing Plans With Goals.
Profit Sharing	Select this type to label a plan for your own tracking purposes. No special plan setup steps apply. Plan options are available according to the plan member rule.

Non-Monetary Plans

A non-monetary plan generates awards in terms of units rather than money. You can use this plan type to manage the award of various kinds of gifts and merchandise to employees. Even though the plan is administered in terms of units, you set up a value per unit that the system then uses to calculate the value of the award for reporting purposes.

Setting Up Non-Monetary Plans

Non-monetary plans require set up of valuation of units for reporting purposes.

To set up non-monetary variable compensation plans:

1. Define units of non-monetary awards and the value per unit on the Valuations Page.
2. Identify the number of units to be distributed to an employee on the Payout Formula Page.

   Select *Constant* as the Operand and enter the number of units in the Value/Rec/Rate Code column.
3. Set up a plan with *Non-Monetary* plan type and select a Valuation ID on the VC Plan - Plan Definition Page.
4. Assign the payout formula to an employee, group, or plan.

Reporting on Non-Monetary Plans

Use the Non-Monetary report to track the number of units awarded under a plan and the value to employees. You can view the data by employee, group, or plan.

For more information about running this report, see Generating the Non Monetary Report.

Stock-Type VC Plans

Stock-type VC plans require you to set up valuation and funding. You can use goals and other optional plan rules. The system uses valuation only for variable compensation reporting purposes, because stock prices can change so rapidly.

The variable compensation system provides five stock plan types for your organization's tracking purposes. Within the Variable Compensation module, the system treats them all the same. You can select one of the following stock plan types:

Stock ISO	Incentive Stock Option
Stock NQ	Nonqualified Stock Option
Stock NSAR	Stock Appreciation Rights in tandem with a Nonqualified Stock Option
Stock RSA	Restricted Stock Award
Stock ISAR	Stock Appreciation Rights in tandem with an Incentive Stock Option

If your organization uses PeopleSoft 8 Stock Administration, the system provides some specific functionality to support the integration of the PeopleSoft Stock Administration application with the PeopleSoft Human Resources Managing Variable Compensation module. The specific functionality will be explained in this documentation wherever it occurs in the variable compensation business process.

If your organization does not use PeopleSoft 8 Stock Administration, you can still select any of the stock plan types for your own tracking purposes, but some of the functionality related to stock-type plans will not be functional for your plans. The system will treat your stock-type plans like a non-monetary plan in everything but the reporting of valuation.

For more information and definitions of stock plan types, see Stock Option Types.

Setting Up Stock-Type Plans

To set up a stock-type variable compensation plan:

1. Define valuation of stock units on the Valuations Page.

2. Specify a Stock ID and Stock Plan on the VC Plan - Plan Definition Page.

   - If you use PeopleSoft 8 Stock Administration, the Stock administrator sets up stock IDs on the Stock Table page, and stock plans on the Stock Plan Table page.

   - If you do not use PeopleSoft 8 Stock Administration to administer your stock plans, the Stock Plan and Stock ID fields will not appear on the Plan Definition page.

3. Specify a Valuation ID on the VC Plan - Plan Definition page.

4. Set up Plan Funding on the Plan Funding Page.

For more information about valuation, see Defining Valuation.
For more information about the funding of stock type variable compensation plans, see Funding VC Plans.

Other Plans

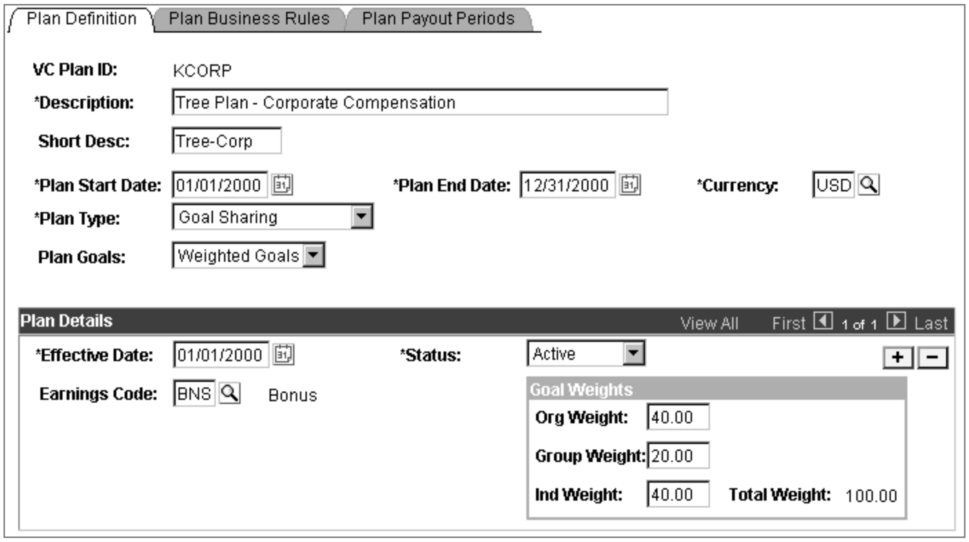
You'll probably find that most plans fit into one of the named plan types. If you have a plan that is not described by one of these plan types, you can use the plan type *Other*. PeopleSoft 8 Managing Variable Compensation provides no specific functionality to support plans labeled "Other," so we recommend selecting one of the remaining nine plan types whenever possible.

Defining a VC Plan

Use the three VC Plan setup pages to define a variable compensation plan as well as its options, business rules, and payout periods. You'll use some of the data that you defined in the variable compensation control tables in these pages.

VC Plan - Plan Definition Page

Usage	Use the VC Plan - Plan Definition page to define a variable compensation plan, plan dates, earnings code, plan type, and specifics related to the plan type.
Object Name	VC_PLAN_TBL
Navigation	**Compensate Employees, Manage Variable Compensation, Setup, VC Plan, Plan Definition**
Prerequisites	If your plan uses goals and valuation IDs, these must be already set up.
Access Requirements	Enter a VC Plan ID.



VC Plan - Plan Definition page

VC Plan ID

The system displays the **VC Plan ID** that you entered when you accessed the page. This is the unique VC plan identifier that you will use to access many of the variable compensation pages.

Description

Enter a **Description** of the plan that you are defining.

Short Desc (short description)

Enter a short description of the plan.

Plan Start Date

Enter the date on which you want the plan to begin. Once you save the plan definition, you cannot change this date.

For stock-type plans, this date cannot be earlier than the stock plan's approval date.

Plan End Date

Enter the date on which you want the plan to end. Once you save the plan definition, you can change the **Plan End Date** only to a later date if you want to extend the plan.

For stock-type plans, this date cannot be later than the stock plan's expiration date.

Currency

Select the currency in which you want the system to calculate, display, and report allocations. For roll up purposes, you must select one currency for the plan. Payout will be in the appropriate currency for the employee.

For stock-type plans, the default value is the currency code for the stock ID on the Stock Exchange table. The currency of the VC plan must match the currency of the Stock plan.

Plan Type

Select a **Plan Type** from the available options. Valid values are ***Discretionary Bonus, Goal Sharing, Non-Monetary, Other, Profit Sharing, Stock ISO, Stock NQ, Stock NSAR, Stock RSA,*** and ***Stock ISAR.***

For more information about these plan types, see Overview of VC Plan Types.

Fields Related to Plan Type

When you select a specific plan type, the system displays the following additional fields:

Plan Type	***Fields That Display***
Discretionary Bonus	**Plan Goals**
Goal Sharing	**Plan Goals**
Non-Monetary	**Valuation ID**
Other	**Plan Goals**
Stock (ISO, NQ, NSAR, RSA, and ***ISAR)***	**Plan Goals, Stock ID, Stock Plan, Valuation ID.**

Plan Goals

Select the type of goal administration that you will use with the plan. The following are the valid values:

(none). Use this value to clear the field of an unwanted value.

Goals Matrix. If you select this value, the **Matrix Columns** field appears in the Plan Details group box.

Weighted Goals. If you select this value, additional fields appear below, in which you define weighting percents for goal levels.

Stock ID

Enter the **Stock ID** that applies to this plan. Valid values prompt from the Stock table. The system then displays the description of the **Stock ID**. This field does not appear if you do not use PeopleSoft Stock Administration.

Stock Plan

Enter the **Stock Plan** ID that applies to this VC plan. Valid values prompt from the Stock Plan table. The system then displays the description of the **Stock Plan.** This field does not appear if you do not use PeopleSoft Stock Administration.

Plan Details

The plan definitions in this section of the page might change during the life of the plan. You can insert a row and enter new data when you want to modify a plan.

Effective Date Enter the **Effective Date** of the plan details that you are defining in this section of the page.

Status Select the **Status** of the effective-dated row.

Earnings Code This field appears only if you have selected PeopleSoft North American Payroll on the Installation Table.

Select an **Earnings Code** to be applied to awards paid out under this plan for payroll reporting purposes. Valid values prompt from the Earnings table.

Valuation ID Select a **Valuation ID** from the available options. Valid values prompt from the VC Valuation table. This field appears only if the **Plan Type** is ***Non-Monetary*** or one of the ***Stock*** types.

The **Valuation ID** that you select must be defined with the same currency code as the **Currency Code** you select for this **Plan ID.**

It is important to note that this field represents only the valuation ID. The monetary value associated with the valuation ID used to calculate the award value is determined by using the maximum effective-dated row on the VC Valuation table that is equal to or less than the payout period end date.

Matrix Columns This field appears if you select ***Goals Matrix*** in the **Plan Goals** field. Select the number of columns that you will set up in your goals matrix. Valid values are ***Three, Five, Seven.***

For more information about setting up a goals matrix, see “Managing Plans With Goals”.

Goal Weights Group Box

In this group box you indicate the relative weighting of goals at each of the three goal levels: organization, group, and individual. The default weight is 0% at each level. Change the percent only for the levels of goals used by the plan. The sum of all levels must be 100%.

Org Weight Enter the relative percentage of organizational goals compared to other goals that are used in administering the plan. If the plan uses only organization goals, the **Org Weight** (organization weight) must be ***100.***

Group Weight

Enter the relative percentage of group goals compared to other goals that are used in administering the plan. If the plan uses only group goals, the **Group Weight** must be ***100.***

You can indicate a weight for group goals only if the plan's Group Member Rule is ***Empl VC Rec with Groups*** or ***Define Tree Group,*** as specified on the VC Plan - Plan Business Rules page.

Ind Weight

Enter the relative percentage of individual goals compared to other goals that are used in administering the plan. If the plan uses only individual goals, the **Ind Weight** (individual weight) must be ***100.***

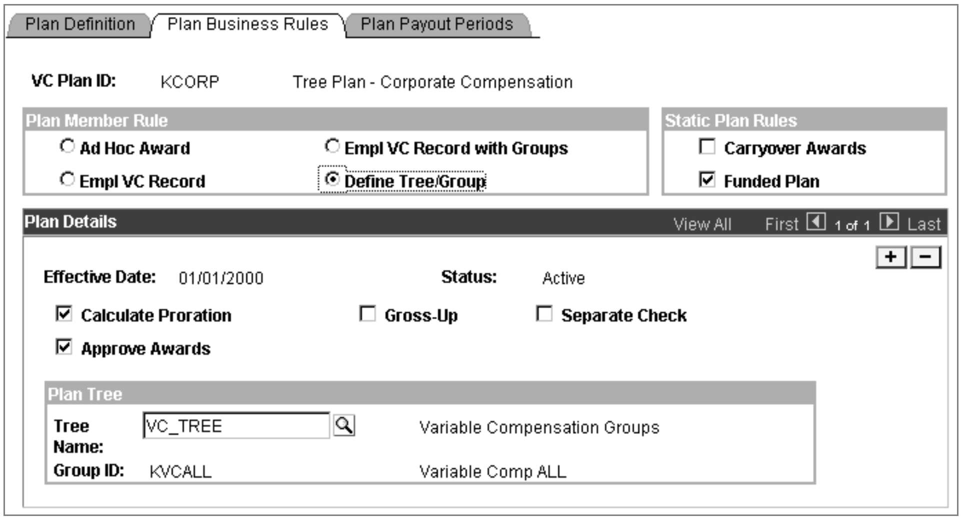
Total Weight

The system computes the totals of the percentages as you enter them at each level and displays the sum in the **Total Weight** field. You can adjust the weights until the sum of all levels is 100%.

For more information about setting up weighted goals, see "Managing Plans With Goals".

VC Plan - Plan Business Rules Page

Usage	Use the VC Plan - Plan Business Rules page to specify the method of administering plan membership and to select optional business rules for the plan.
Object Name	VC_PLAN_BUS_RULE
Navigation	**Compensate Employees, Manage Variable Compensation, Setup, VC Plan, Plan Business Rules**
Prerequisites	None
Access Requirements	Enter a VC Plan ID.



VC Plan - Plan Business Rules page

The following fields are common to multiple pages and are defined in the preface of this PeopleBook in PeopleBooks Standard Page Element Definitions: **Effective Date** and **Status.**

VC Plan ID

The system displays the **VC Plan ID** that you entered to access the VC Plan pages, along with the plan description.

Plan Member Rule

Select the **Plan Member Rule** that you will use to administer membership under this VC plan. Valid options are **Ad Hoc Award, Empl VC Record** (employee variable compensation record), **Empl VC Record with Groups** (employee variable compensation record with groups), and **Define Tree/Group.**

For complete definitions of these options, see "Setting Up and Managing Plan Member Eligibility".

Static Plan Rules

Static Plan Rules remain in effect for the life of the VC plan. You cannot change these rules by inserting a new row.

Carryover Awards

Select **Carryover Awards** if you want to carry over balances at the employee level for unallocated awards. Selecting this check box enables the Carryover Balance, Accum Carryover (accumulated carryover), and Carryover Amount fields on the Award Allocations page. The system maintains the carryover balance for the life of the plan.

Carryover is not an acceptable option for Non-Monetary and stock-type plans.

This field is unavailable if you've selected the **Ad Hoc Award** option as the **Plan Member Rule.**

Funded Plan

Select **Funded Plan** if you will allocate a funding amount to the VC plan.

If you are defining a stock-type plan, you must select **Funded Plan.**

For more information see "Funding VC Plans and Groups".

Plan Details

The plan definitions that you select in the Plan Details group box might change during the life of the plan. To modify a plan, you can insert a row and enter new data.

Calculate Proration

Select **Calculate Proration** if you want to prorate eligibility under the plan. This check box is not available for data entry if you selected the **Ad Hoc Award** option as the **Plan Member Rule.**

For more information about setting up proration periods and calculating proration, see "Setting Up and Managing Plan Member Eligibility".

Gross-Up

Select **Gross-Up** if you want payroll to apply gross-up rules to award payouts under this plan.

Separate Check

Select **Separate Check** if you want payroll to issue the awards on a check separate from the employee's normal paycheck.

If you are processing awards through PeopleSoft Payroll for North America, you must select **Separate Check** if you selected **Gross-Up.**

Approve Awards

Select **Approve Awards** if you want to approve awards by either of the following methods:

- Run the Approve Awards or Approve Awards by Group process to approve or unapprove awards at the plan or group level.
- Designate an approver who can manually approve awards individually under the plan on the Award Allocation page.

Approver

The **Approver** field appears if you select **Approve Awards** for a plan that has **Ad Hoc Award** or **Empl VC Record** as the **Plan Member Rule.** Enter the employee ID of the person authorized to approve awards for the entire plan. The system displays the employee's name next to the employee ID that you enter.

If you administer the plan using groups, the approver is established through VC group tree security, so the **Approver** field remains hidden.

For more information about award approval, see "Managing Awards Approval and Payout"

Plan Tree

The **Plan Tree** group box appears on the page only if the **Plan Member Rule** is ***Empl VC Record with Groups*** or ***Define tree/Group.***

Tree Name

Select the name of the VC Tree that you want to associate with this VC plan.

Effective Date

The system displays the **Effective Date** of the tree that you select in **Tree Name.**

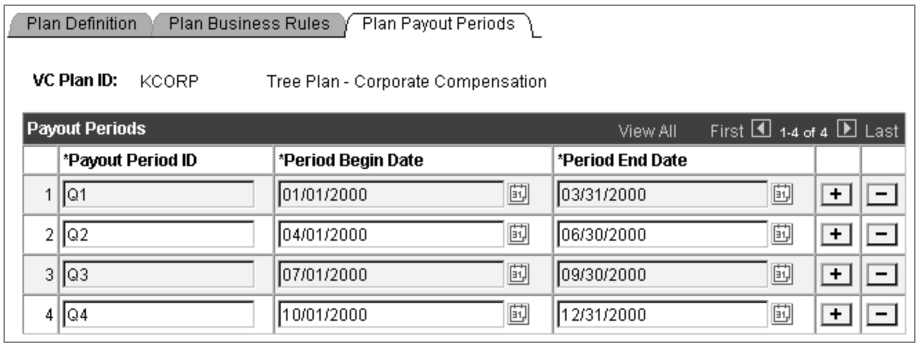
Group ID

The system displays the ID of the highest group on the tree that you select in **Tree Name.**

VC Plan - Plan Payout Periods Page

Usage	Use the Plan Payout Periods page to define or change the beginning and ending dates of a VC plan's payout periods. The Plan Payout Period rows are not available for data entry if the VC plan has expired or if any approved awards exist for that payout period.
Object Name	VC_PAYPRD_TBL

Navigation	**Compensate Employees, Manage Variable Compensation, Setup, VC Plan, Plan Payout Periods**
Prerequisites	Establish a VC Plan ID on the Plan Definition page.
Access Requirements	Enter a VC Plan ID.



VC Plan - Plan Payout Periods page

VC Plan ID

The system displays the **VC Plan ID** that you entered when you accessed the page along with its description.

Payout Periods

Payout Period ID

Enter an identifier for the payout period, such as Q1 for the first quarter.

Period Begin Date

Enter the beginning date of the payout period. As the default date, the system enters the day after the prior period's end date. For example, if the prior period's end date is 01/31/2000, the next period's default begin date is 02/01/2000.

The system sorts the rows by **Period Begin Date** after you save the page.

Period End Date

Enter the last date in the payout period. If the **Period End Date** that you enter is later than the Plan End Date as defined on the Plan Definition page, the system issues the error message "Period End Date must not exceed the Plan End Date of [selected plan end date]."

If the **Period Begin Date** of one period overlaps with the **Period End Date** of another period, the system issues the message, "Payout Period dates must not overlap."

Assigning Payout Formulas

Use the Plan Payouts page or the Plan Payouts with Groups page to assign payout formula IDs to target, minimum, or maximum payouts under the plan.

If you are administering the plan using matrix goals, you do not assign payout formulas on this page. Instead, you associate payout formulas with the goals matrix on the Matrix Goals: Payout Schedule Page.

Determining Payout Award Formulas

Minimum Payout The minimum award that a plan or group member should receive.

Target Payout The award a plan member would receive upon 100% completion of objectives.

Maximum Payout The maximum award that a plan or group member should receive.

The Determine Allocation process calculates the target, minimum, and maximum awards. If the employee is eligible for the entire period, after the Calculate Awards process applies the performance factor to the target award, it compares the calculated award to the minimum and maximum awards.

If the calculated award is less than the minimum award, the process overwrites the calculated award with the minimum. If the calculated award exceeds the maximum, the process overwrites the calculated award with the maximum. When the process overwrites the calculated award with the minimum or maximum, it sets a Calculation Source indicator on the Award Allocation Page.

Deciding Which Payouts Page to Use

Use the following table to determine which of the Plan Payouts pages to use:

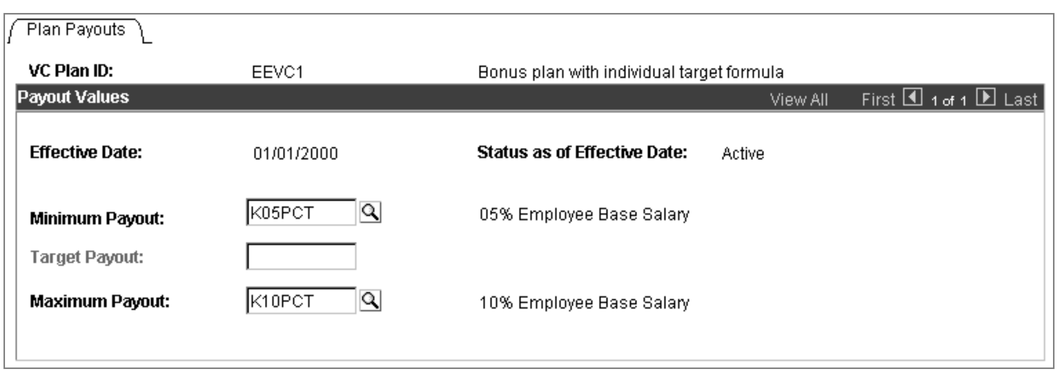
Plan Rule	***Plan Payouts Page***
Ad Hoc	You do not assign payout formulas. Instead, you enter the award amount directly on the Award Allocations page.
Employee VC Record	Use the Plan Payouts page to assign optional minimum and maximum payouts at the plan level. (You assign the Target Payout at the employee level on the Employee Variable Compensation page.)
Employee VC Record with Groups.	Use the Plan Payouts with Groups page to assign optional minimum and maximum payouts at the group level. (You assign the Target Payout at the employee level on the Employee Variable Compensation page.)

Plan Rule	Plan Payouts Page
Define Tree/Group	Use the Plan Payouts with Groups page. The system applies payouts established on this page to all members of the selected group and to child groups for which you do not specify otherwise.
Matrix goals (with any plan member rule)	You do not use either of these pages. Instead, you associate payout formulas with the goals matrix on the Matrix Goals: Payout Schedule Page.

For more information about calculating awards, see Calculating Allocations and Awards.

Plan Payouts Page

Usage	Use the Plan Payouts page to assign payout formulas at the minimum and maximum levels under the plan. Use the Plan Payouts page if the Plan Member Rule is Empl VC Record.
Object Name	VC_PAYOUT
Navigation	**Compensate Employees, Manage Variable Compensation, Setup, Plan Payouts, Plan Payouts**
Prerequisites	Set up payout formulas on the Payout Formula page (VC_PAYFORM_TBL).
Access Requirements	Enter a VC Plan ID.



Plan Payouts page

The following fields are common to multiple pages and are defined in the preface of this PeopleBook in PeopleBooks Standard Page Element Definitions: **Effective Date** and **Status as of Effective Date.**

VC Plan ID	The system displays the **VC Plan ID** that you entered when you accessed the page.

Payout Values

To establish a payout, select a payout formula from the available options. Valid values prompt from the Payout Formula table (VC_PAYFORM_TBL). All payout fields are unavailable for data entry if awards have been approved or sent for payout/distribution for the period during which the **Effective Date** falls.

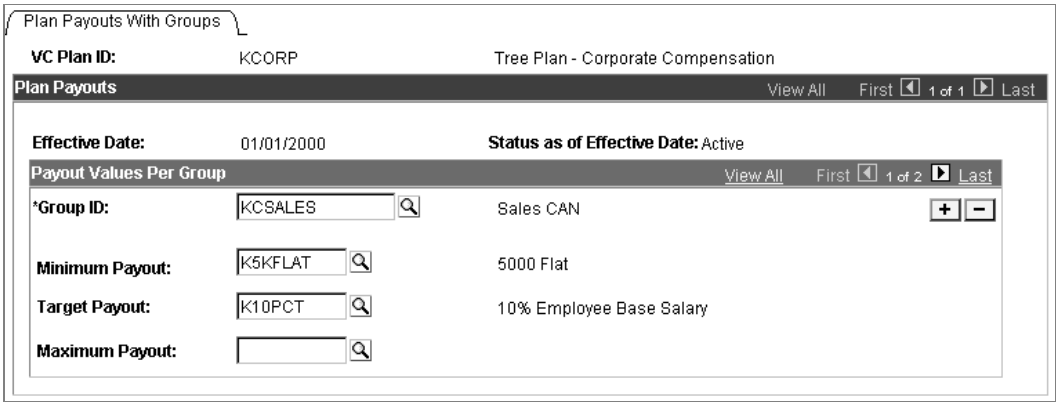
The system applies the payout to all members of the plan.

Depending on the Plan Member Rule, some fields are unavailable for data entry and some fields are optional, as summarized in the following table:

Field	*Empl VC Record*	*Ad Hoc Award*
Minimum Payout	Optional field.	Field not available for data entry.
Target Payout	Field not available for data entry. Set the **Target Payout** at the employee level on the Employee Variable Compensation Page.	Field not available for data entry. Enter the award at the employee level directly on the Award Allocation Page.
Maximum Payout	Optional field.	Field not available for data entry.

Plan Payouts with Groups Page

Usage	Use the Plan Payouts with Groups page to assign payout formulas at the target, minimum, and maximum levels under the plan. Use the Plan Payouts with Groups page if the Plan Member Rule is either Empl VC Record with Groups or Define Tree/Group.
Object Name	VC_PAYOUT_WG
Navigation	**Compensate Employees, Manage Variable Compensation, Setup, Plan Payouts with Groups, Plan Payouts With Groups**
Prerequisites	Set up payout formulas on the Payout Formula page (VC_PAYFORM_TBL).
Access Requirements	Enter a VC Plan ID.



Plan Payouts With Groups page

The following fields are common to multiple pages and are defined in the preface of this PeopleBook in PeopleBooks Standard Page Element Definitions: **Effective Date** and **Status as of Effective Date.**

VC Plan ID The system displays the **VC Plan ID** that you entered when you accessed the page.

Group ID Select a **Group ID** from the available options. Valid values are groups in the VC Tree that you specified for the plan. The default **Group ID** is the root group of the tree.

You can set the payouts for the highest group to which it applies. The system automatically applies the payout to all child groups in the tree unless a specific payout formula is applied to a child group.

Payout Values Per Group

To establish a payout, select a payout formula from the available options. Valid values prompt from the Payout Formula table (VC_PAYFORM_TBL). No payout fields are available for data entry if awards have been approved or sent for payout/distribution for the period during which the **Effective Date** falls.

The system applies the payout to all members of the selected group and its child groups if you do not define payouts at lower levels on the tree.

Depending on the Plan Member Rule, some fields are unavailable for data entry and some fields are optional, as summarized in the following table:

Field	***Empl VC Record with Groups***	***Define Tree/Group***
Minimum Payout	Optional field.	Optional field.
Target Payout	Field not available for data entry. Set the **Target Payout** at the employee level on the Employee Variable Compensation Page.	Required field except when the plan uses matrix goals.

Field	Empl VC Record with Groups	Define Tree/Group
Maximum Payout	Optional field.	Optional field.

Setting Up for Goals, Funding, and Proration

You might have to set up goals, funding, or proration depending on the plan type, plan options, and plan business rules that you defined on the VC Plan setup pages.

For more information about setting up goals, see Managing Plans With Goals. For more information about setting up funding, see Funding VC Plans and Groups. For more information about setting up eligibility proration, see Setting Up and Managing Plan Member Eligibility.

CHAPTER 3

Setting Up and Managing Plan Member Eligibility

This chapter tells you how to determine the plan member rule for a variable compensation plan, how to set up plan membership for employees according to the plan member rule you determine, how to calculate eligibility and the eligibility proration factor, and how to adjust plan member eligibility.

Overview of Plan Member Eligibility

Following is a summary of the basic steps for setting up and managing variable compensation plan member eligibility. Some of these steps do not apply to certain plan member rules. You can find details for each of these steps in the topics that follow.

To set up plan members:

1. Determine the plan member rule that you want to apply to the plan.
2. Create groups in Group Build (only if the plan member rule uses groups).
3. Attach groups to variable compensation trees (only if the plan member rule uses groups).
4. Assign employees or groups to the variable compensation plan.
   - If the plan member rule is Ad Hoc Awards, enter employees directly on the Plan Members Page.
   - If the plan member rule is Empl VC Record (without groups), enter an Eligibility Date for the VC Plan ID on the Employee Variable Compensation Page.
   - If the plan member rule uses groups, enter the Tree Name and Group ID on the VC Plan - Plan Business Rules Page.

To set up prorated eligibility (optional):

1. Select Calculate Proration on the VC Plan - Plan Business Rules Page.
2. Set up proration period frequency on the Prorate Periods Page.

To calculate and update plan member eligibility:

1. Run the Calculate Eligibility/Proration process (does not apply to Ad Hoc Awards).

2. Adjust eligibility status manually as necessary on the Plan Members Page, Plan Members with Groups Page or the Employee Variable Compensation Page.

Determining the Plan Member Rule

On the VC Plan - Plan Business Rules Page, you designate one of four ways of setting up plan membership for each variable compensation plan that you create. Valid options on this page are:

- Ad Hoc Award
- Empl VC Record (employee variable compensation record)
- Empl VC Record with Groups (employee variable compensation record with groups)
- Define Tree/Group

This topic describes each of these options and the factors to consider when setting up the plan member rule.

Factors to Consider

In choosing which of these plan member rules to set up for your plan, you'll consider three factors:

- Whether to administer the plan with or without groups.
- Whether to establish a target payout at the individual employee level or group level.
- Whether the optional plan business rules that you want to define for the plan are available to the plan member rule that you select.

Administering the Plan With or Without Groups

You can assign employees individually to a plan or assign employees to groups with trees and attach the trees and groups to a plan. An employee can be a member of any number of groups and plans during the same time period.

Plan Member Rules Without Groups

- Ad Hoc Awards
- Empl VC Record (employee variable compensation record)

Administering a plan without groups enables you to establish target payouts and eligibility dates for each employee individually within a plan.

Plan Member Rules With Groups

- Empl VC Record with Groups (employee variable compensation record with groups)
- Define Tree/Groups

Administering a plan with groups provides the efficiency of administering variable compensation for any number of employees in a group as one. You can attach multiple groups to trees, which you attach to a plan. Because all groups roll up in the tree, you can manage security, approvals, funding, and payout formulas for child groups at the level of the highest parent group that has the same attributes. You can create groups specifically for managing variable compensation or use groups that you have defined for other purposes in your organization.

Target Payout at the Individual or Group Level

You might choose the plan member rule based upon how you want to establish target payouts under the plan. You have three choices with regard to establishing target payouts:

No Target Payouts

- Ad Hoc Awards

  Enter the actual award directly on the Award Allocation Page.

Target Payouts at the Individual Employee Level

- Employee Variable Compensation Record.

  Establish each employee's target payout formula on the Employee Variable Compensation Page. You can set optional minimum and maximum payouts at the plan level on the Plan Payouts Page.

- Employee Variable Compensation Record With Groups.

  Establish each employee's target payout formula on the Employee Variable Compensation Page. You can set optional minimum and maximum payouts at the group level on the Plan Payouts with Groups Page.

Target Payouts at the Group Level

- Define Tree/Group.

  On the Plan Payouts with Groups Page, establish the target payout formula for child groups at the level of the highest parent group that shares the same target payout. You can optionally establish, in the same way, minimum and maximum payouts for groups on this page.

Restrictions on Plan Options

If you choose Ad Hoc Awards as the plan member rule, you will be unable to use proration, goals, carryover, guarantees, or target/minimum/maximum payouts.

For other plan member rules there are no restrictions on plan options or plan business rules. Group level goals and group funding are only available when the plan member rule uses groups.

Plan Member Rule Definitions

The following is a description of each of the valid plan member rules as it relates to groups, target payouts, and plan options.

Ad Hoc Awards

Ad Hoc Award plans are designed for low volume, occasional awards. For Ad Hoc awards you do not set up groups or target payouts. You enter employees for each plan directly on the Plan Members page and enter their awards directly on the Award Allocations page. You do not run any calculation processes.

Target, minimum, and maximum payouts, carryovers, guarantees, goals, and prorated eligibility are not available options when you choose this plan member rule. Goal Sharing is not an available Plan Type.

Employee Variable Compensation Record

When you choose this plan member rule, you do not set up groups. On the Employee Variable Compensation page, you associate an employee with one or more variable compensation plans and specify target payouts and an optional guarantee for the employee. The employee's eligibility for a plan is based on the eligibility date you specify on this page.

You can optionally specify minimum and/or maximum payouts at the plan level on the Plan Payouts page. You can choose any plan type and any plan options that do not require groups.

Employee Variable Compensation Record With Groups

When you use this plan member rule, you create a group of employees in the Group Build module and assign the group to a Variable Compensation tree. You attach the tree and group to a VC Plan on the VC Plan - Plan Business Rules page. The employee's eligibility for a plan is based on eligibility in the group.

On the Employee Variable Compensation page, you specify target payouts and an optional guarantee for the employee under the VC Plan ID. You can optionally specify minimum and/or maximum payouts at the group level on the Plan Payouts with Groups page.

You can choose any plan type and specify any plan options.

Define Tree/Group

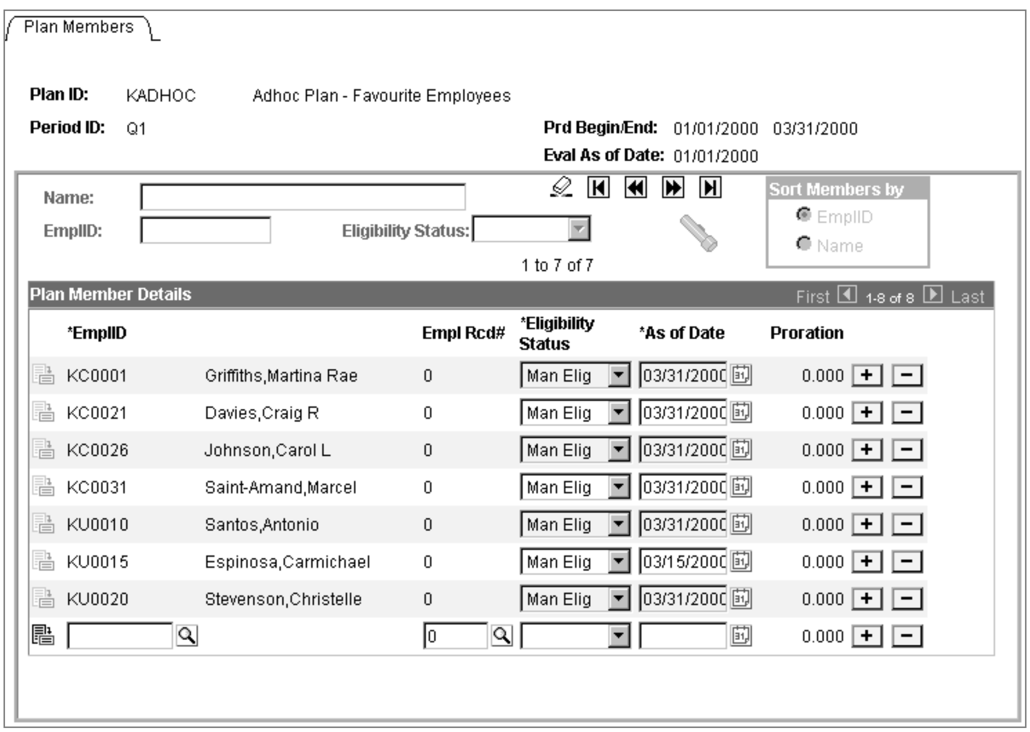
With this plan member rule, you create a group of employees in the Group Build module and assign the group to a Variable Compensation tree. You attach the tree and group to a variable compensation plan on the VC Plan - Plan Business Rules page.

On the Plan Payouts with Groups page, you specify employees' target payout and optional minimum and maximum payouts for employees in groups on the tree. You set the payout formulas for child groups at the level of the highest parent group that shares the same payout formula. Employee guarantees are not an option.

You can choose any Plan Type and specify any optional plan business rule.

Setting Up Plan Members for Ad Hoc Awards

Usage	You enter employees who will receive ad hoc awards directly on the Plan Members Page. This page is fully explained later in this section because it is used to view and adjust eligibility for plans that use other plan member rules. This topic presents the basic instructions for entering a new member for an Ad Hoc plan.
Navigation	**Compensate Employees, Manage Variable Compensation, Use, Plan Members**
Prerequisites	The Plan ID must have Ad Hoc Awards defined as the plan member rule.
Access Requirements	Enter a valid VC Plan ID and Payout Period ID.



Adding Ad Hoc Members to the Plan Members page

Plan ID	The system displays the VC Plan ID that you entered when you accessed the page.
Period ID	The system displays the payout period ID that you entered when you accessed the page.
Prd Begin /End (period begin and end dates)	The system displays the begin and end dates of the payout period as you defined them on the Payout Periods table.
Eval As of Date (evaluation as of date)	This is the date as of which the employee's eligibility status is modified. The system enters the current date by default. This date is not available for change.
	Click the **Search** button to load existing plan members into the page.
Sort Members by	Select whether you want the members to appear in the list in order **By EmplID** or **By Name.**

Plan Member Details

EmplID (employee ID)	To add a new member, insert a new row and enter the employee's ID.
Empl Rcd# (employee record number)	Choose the appropriate **Empl Rcd#** for the employee from the available options.
Eligibility Status	For Ad Hoc plans, the status defaults to ***Man Elig*** (manually eligible). If you try to change it to an Auto status, the system gives you a message saying, "Only 'manual' status can be entered."
As of Date	Enter the date as of which the employee is eligible for the ad hoc award. The date must be between the current date and the payout period end date. If you enter a date outside of that range, the system issues an error message informing you of the valid date range.

For more information and full instructions about using the Plan Members page, see Viewing and Adjusting Plan Member Eligibility.

Setting Up Members With Employee Variable Compensation Record

Use the Employee Variable Compensation page to specify a target payout formula and/or guarantee for individual employees. The system writes this information to the Employee Variable Compensation record. For one employee, you can select multiple VC plans and specify a different target payout and/or guarantee for each. For example, an employee might be eligible for your organization's profit sharing plan and an individual performance plan.

Even though you establish the target payout at the individual employee level, you can still choose whether to assign employees to a plan individually or through groups.

Plans Without Groups

If you set the employee's target payout and/or guarantee for a VC plan that specifies Employee Variable Compensation Record as the plan member rule, you enter the employee's Eligibility Date for the plan on the Employee Variable Compensation page. The system calculates the employee's eligibility/proration based on this date.

If your organization uses Workflow functionality and has set the VC administrator role, the system sends a workflow notification to the VC administrator when an employee is hired, rehired, promoted, or has a change in Job code. The VC administrator can then establish or modify the employee's VC Plan eligibility, target payouts, and guarantee.

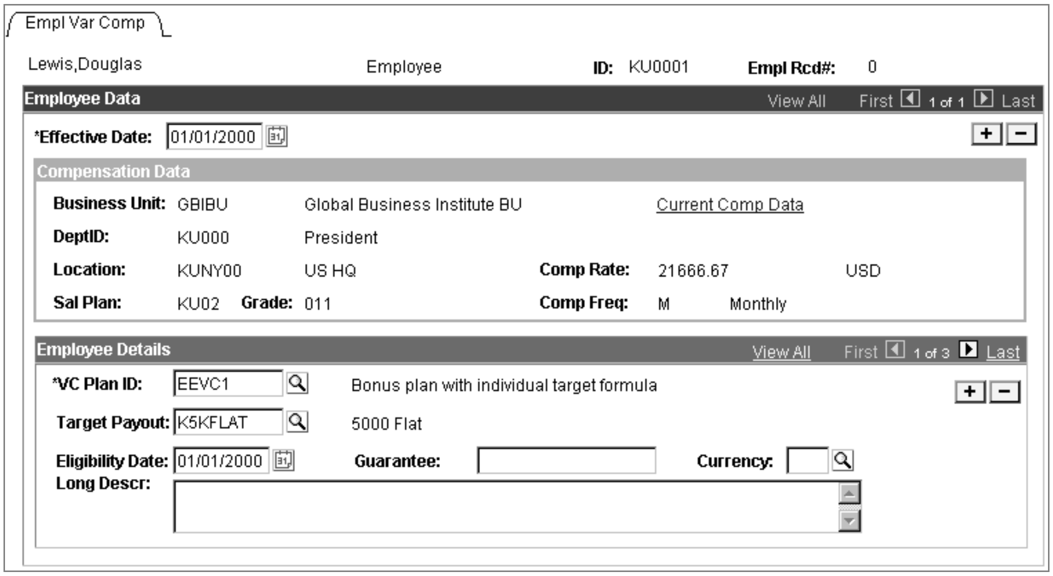
Plans With Groups

If Employee VC Record with Groups is the plan member rule, the system does not use the Eligibility Date that you enter on the Employee Variable Compensation page to calculate eligibility. Instead, it bases plan eligibility on group eligibility.

For more information about setting up groups and trees, see Setting Up Plan Members With Groups.

Employee Variable Compensation Page

Usage	Use the Employee Variable Compensation page to set up a target payout formula and/or guarantee for individual employees. You also specify the Plan Eligibility Date that is used by the Calculate Eligibility process if the VC Plan does not use groups. For plans that specify Employee Variable Compensation Record (without groups) as the plan member rule, use this page to add or delete plan members or to change a member's Target Payout or Guarantee at any time in the life of the plan.
Object Name	VC_EE_VCOMP
Navigation	**Compensate Employees, Manage Variable Compensation, Use, Employee Variable Comp, Empl Var Comp**
Prerequisites	The Plan Member Rule defined for the Plan ID must be Empl VC Record or Empl VC Record with Groups.
Access Requirements	Enter a valid employee ID.



Employee Variable Compensation page

The following fields are common to multiple pages and are defined in the preface of this PeopleBook in PeopleBooks Standard Page Element Definitions: **ID, Empl Rcd#,** and **Effective Date.**

The employee's name, Employee ID, and Employee Record number appear at the top of the page.

Compensation Data

All data displayed in the **Compensation Data** group box defaults from the employee's Job record as of the **Effective Date** that you entered on this page. This data is for information only. The following information is displayed:

Business Unit

DeptID (department ID)

Location

Comp Rate (compensation rate)

Compensation Rate and Currency Code.

Sal Plan (salary plan)

Grade

Comp Freq (compensation frequency)

Current Comp Data (current compensation data)	Click the **Current Comp Data** link to view a page that displays the data from the employee's Job record that is effective as of the current date.

For more information about this data in the employee's Job record, see Hiring Your Workforce.

Employee Details

VC Plan ID (variable compensation plan ID)	Select a valid **VC Plan ID** from the available options. The system displays the description of the plan. Only plans that define Employee Variable Compensation Record (with or without groups) as the plan member rule appear in the list. Valid values prompt from the VC Plan table. If the plan that you select in this field has expired (that is, the end date of the Plan ID on the VC Plan table is prior to the current date), the remaining fields on the page will be unavailable for data entry.
Target Payout	Select a **Target Payout** for the employee from the available options. Valid values prompt from the Pay Formula table. The system displays the description of the Target Payout formula that you select. If you do not enter a **Target Payout,** the system issues a warning when you save the page. The warning specifies the Plan ID for which no target payout formula has been entered.
Eligibility Date	Enter the date on which the employee becomes eligible for a payout from the **VC Plan ID** that you selected. The system enters the VC Plan Start Date from the VC Plan table as the default. The Calculate Eligibility/Proration process calculates plan eligibility and proration as of this date for plans that do not use groups. The system does not use this date for eligibility processing if the plan uses groups.
Guarantee	Enter an amount that is guaranteed for the employee under this **VC Plan ID.** This is an optional field. The amount will appear for your information on the Award Allocations page, where you will be able to manually adjust the calculated award as required.
Currency	Select the currency of the guarantee.

Long Descr (description) Enter any pertinent information about this employee and the VC Plan.

Adding Additional Data Rows

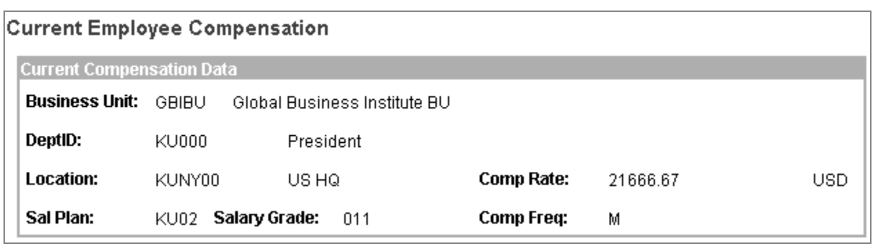
You can add additional rows of data for the same or different effective dates. When you add a new effective-dated row, the system asks if you want to copy forward all existing rows from the previous effective date. If the plan of the previous effective date is still an active plan, you would want to carry forward the rows. You probably would not want to carry the rows forward if the plans in the rows have expired. You do not lose historical data by not carrying the rows forward.

Tips and Tricks for Administering Guarantees

You can set up and define a VC Plan specifically to administer guarantees. On the Employee Variable Compensation page, select the **Plan ID,** leave the **Target Payout** field blank, and enter the employee's **Guarantee** amount. When you run the Calculate Awards process, the system enters only the employee's guarantee amount on the Award Allocations page. You can then place the amount, or some portion of it, into the Actual Award field and approve it for payout.

Employee Variable Compensation: Current Employee Compensation Page

Usage	Use the Current Employee Compensation page to view the employee's compensation data as of the current date. This information might be helpful in deciding the Target Payout and Guarantee for the employee.
Object Name	VC_CURRNT_COMP_SEC
Navigation	Click the **Current Comp Data** (current compensation data) button on the Employee Variable Compensation page.



Employee Variable Compensation: Current Employee Compensation page

The fields on this page are identical to the fields in the Compensation Data group box on the Employee Variable Compensation Page. The only difference is that the data on this page defaults from the employee's Job record as of the Current Date rather than the Effective Date.

Setting Up Plan Members With Groups

Follow these procedures if you have defined one of the following plan member rules for a plan on the VC Plan table:

- Empl VC Record with Groups (employee variable compensation record with groups)
- Define Tree/Group

To set up variable compensation groups and trees:

1. Set up groups using the Group Profile and Group Definition pages.

   You can create groups specifically for administering variable compensation plans or use groups already defined by your organization for other purposes. If you create the groups just for administering variable compensation, do not set up security in Group Build.

2. Attach the groups to hierarchical trees in Tree Manager.

   Use special variable compensation settings in Tree Manager.

3. Set up Variable Compensation tree security on the Group Tree Security Page.

   You must set up variable compensation group tree security even if you use predefined groups for which you have already set up group security in Group Build.

Creating Groups Using Group Build

You can use previously defined groups or define groups of eligible plan members based on any number of criteria as identified in Group Build records. The Calculate Eligibility/Proration process generates group membership based on the group definitions that you set up in Group Build and the dates that you specify on the process run control.

For your convenience, the Group Build - Group Profile and Group Build - Group Definition pages that you need for managing variable compensation are available in the Manage Variable Compensation Setup menu.

For more information and complete instructions about using these VC Group Build pages, see Working With Groups.

Important Information About Using Group Build Pages to Create VC Groups

- You designate the manager and approver of each group on the Group Definition - Group Profile Page when you set up groups in group build. The approver of a group is generally the manager of the immediate parent group (the group manager's manager). This arrangement works best for group funding allocations.
- If you define new groups for managing variable compensation, do not set up group security in the group build security pages (Group Security Default page, Security by Group page, or Security by User page). Instead, proceed directly to the Tree Manager to create the Variable Compensation tree. You will set up security for the groups on the tree. You will not be able to modify a group definition until you have attached it to a tree and set up security.

- Group build comes with a "No Group" group ID. This group is required for Variable Compensation processing. The system assigns this group ID when it needs to simulate a group for a plan that does not use groups. You should never delete this group ID or assign this group ID when building or using groups.

Attaching Groups to Trees

Once you've defined groups, you must attach them to a Variable Compensation tree. You can create any number of group trees, and any group ID can be used in multiple trees. You can define a tree with a single group ID or multiple group IDs. The tree structure enables you to arrange your groups in a hierarchy that shows parent-child relationships. You can have as many nodes on the tree as you want, but the maximum number of levels is twelve. All parent and child groups must be defined separately in Group Build pages.

With hierarchical trees you can administer variable compensation plans in a number of ways:

- For typical, business rollup reporting.
- For rollup funding of groups at each level, from the top down. The system uses the hierarchy to ensure that funding at lower levels does not exceed the allocation at the upper levels of the hierarchy.
- For the inheritance of goals, goal attainments, and payout formula (target, minimum, and maximum). Inheritance eases the burden of data entry for groups that have the same goals, attainments, or payouts as groups above them.
- To provide user security that is inherited from parent to child groups when accessing Variable Compensation pages. Security inheritance eases the burden of setting up user security for each level of the tree.

Once you've defined groups in Group Build, you must use the Tree Manager to attach them to a Variable Compensation tree. For the most part, the procedures that you use for this step are the standard procedures for creating hierarchical trees in Tree Manager. There are, however, a few additional points that you need to keep in mind when creating Variable Compensation trees.

Important Points About Creating Variable Compensation Trees

- All parent and child groups that you attach to the tree must be defined separately in Group Build.
- If you used group build pages to copy your department structure to groups, you still must attach the groups to a VC tree and set up VC tree security.
- When the Calculate Eligibility/Proration process generates the groups, it eliminates parent-child duplicates. It does not eliminate sibling duplicates, which you can manage with the help of the Tree Member Overlap Report.
- In Variable Compensation transactions, you reference groups through the tree name that you enter in the Tree Manager.

- You must use the proper Variable Compensation settings in Tree Manager. The next topic details these settings.

Variable Compensation Settings in Tree Manager

You must follow certain conventions when you use the Tree Manager to create or maintain Variable Compensation trees. By definition, Variable Compensation trees are Detail trees.

Log on to the PeopleTools Windows Client and use the New Tree Definition Properties page in Tree Manager to specify the Variable Compensation tree settings. This section describes only the fields in the New Tree Definition Properties page that have specific settings for creating Variable Compensation trees.

New Tree Definition - Structure

On the **Structure** tab of the New Tree Definition page, the following fields require specific settings for Variable Compensation trees:

Structure ID

Select ***VC_GROUP_STRUCT*** from the available values. This means that the tree is a tree of groups created in Group Definition and the tree is for Variable Compensation purposes.

Selecting ***VC_GROUP_STRUCT*** tells the system that you are creating a Detail tree.

Tree Name

You will use the name that you enter here to reference the tree in Variable Compensation pages

Effective Date

The effective date of the tree must be equal to or later than the effective date of groups on the tree.

Description

Enter a description of the Variable Compensation Tree that you are defining.

Category

This field is not specific to Variable Compensation trees. See PeopleTools Tree Manager documentation for information about completing this field.

New Tree Definition - Levels

On the Levels tab of the New Tree Definition Page, select ***Not Used***.

For more information and complete instructions about setting up trees in Tree Manager, see Tree Manager.

Effective-dated Trees and Variable Compensation

PeopleSoft trees are effective-dated. When you add a group to a tree, the Tree Manager checks to make sure the effective date of the group is equal to or less than the tree's effective date. If the group effective date is greater than the tree effective date, the Tree Manager displays this message: "To add a node, you must enter node data that is effective as of the effective date of the tree."

For VC award calculation, the system uses the tree that is effective as of the plan's payout period end date. Employees who are members of groups still residing on the tree receive an award allocation. If you modify a tree during the payout period, the new tree has a later effective date than the original tree. If you modified the tree by deleting any one or more employees or groups, the system does not calculate an award for the deleted employees or groups because they are not part of the tree that is effective as of the payout period end date.

If a new effective-dated tree causes employees or groups to "fall off" a tree during the payout period, the effected employees might still be eligible for an award if the plan is prorated. For prorated plans, the Consistency Report provides a list of employees who have fallen off a tree, and the groups to which they belonged. The VC administrator or the employees' managers can use this information to ensure that these individuals get the appropriate awards.

For more information about allocating awards to members who fall off the tree, see Calculating Proration for Plan Members Who Fall Off a Tree.

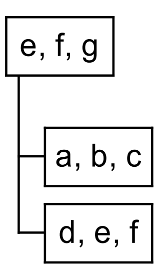
Deleting Parent-Child Duplicates for Rollup

For the purpose of accurate rollup accounting, the Calculate Eligibility/Proration process removes a member from the parent group when that member is also included in a child group. The system deletes the parent-child duplication of membership to avoid double accounting of allocation amounts for the duplicate member.

Here's how the parent-child duplicate deletion works.

Example

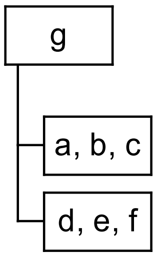
Three groups containing employees **a-f** are created separately in Group Build and arranged in a tree that looks like this:



Employees **e-f** arranged in groups on a VC tree

Notice that employees **e** and **f** are members of both the parent group and a child group. The allocation amounts for these two employees would be accounted twice in rollup to the parent group if the system did not eliminate the duplication.

The Calculate Eligibility/Proration process removes the duplicate employees **(e** and **f)** from the parent group, as shown in the following illustration:



The VC tree after the Calculate Eligibility/Proration process deletes duplicate members from the parent group

After the process removes duplicate members from the higher groups, allocation rollup is free of double accounting.

For an example of group member and allocation rollup, see Allocating Funds to Groups.

Deleting Duplicates Does not Change Group Definitions

It is important to note that groups in a VC Tree do not always retrieve the same content as if they were used on their own. The Delete Duplicates process is within Variable Compensation only, and it does not modify the Group Definition that was set up in Group Build.

- If you generate a list of members for the group ID that is illustrated above, the list will always show all three employees, **e, f,** and **g,** even after the Delete Duplicates process runs.
- But if you use the illustrated group ID for funding and allocation processing, the group will appear to have only one member **(g).**

Checking for Membership in Overlapping Groups

The Calculate Eligibility/Proration process only eliminates parent-child duplicates. It does not eliminate sibling duplicates. A sibling duplicate occurs when an employee is a member of two or more child groups under the same parent group.

Sometimes one employee is eligible for more than one group on the same tree, and is eligible for multiple awards under one Plan ID in the same Payout Period. To accommodate this situation, the system allows member overlap on a tree. To help you make sure that member overlap on a tree is not an error, we provide the Tree Member Overlap report. This report identifies employees who exist multiple times on a tree, so that you can validate or correct the group membership as appropriate.

The report does not delete any duplicates; it merely informs you of the duplicates. If you want to eliminate a sibling duplication that you see on the report, you must manually modify the group definitions in Group Build in order to eliminate the overlap.

For more information about this report, see Generating the Tree Member Overlap Report.

Overview of Managing Tree Security

Group tree security functions at two levels: Tree Manager Security and Group Tree Security.

Tree Manager Security

Tree Manager Security enables the Security Administrator to determine which users can create or modify a tree. Security at this level is controlled through the Security Administrator tools.

For more information about security, see Understanding PeopleSoft Security.

Group Tree Security

Group security enables a user to access all group members in defined components, regardless of department security. For example, a user who does not have read/write access to employees in department 10100 through the Department Security Tree can still see all members in Group 1 for defined components, even though Group 1 includes members in department 10100.

When you add groups to a tree for Variable Compensation, a user who has access to the root of the tree automatically has access to all groups in the tree. Similarly, a user who has access to a group automatically has access to all of its child groups. However, the reverse is not true; a user who has access to a child group does not automatically have access to its parent groups. You set up this hierarchical Variable Compensation Group Tree Security on the Group Tree Security Page.

It is important to set up your Group Tree Security so that you give access to both the manager and the approver of a group.

Group Tree Security Limits Page Access

Group Tree Security is a security relationship between a group and its child groups, a user, and the Variable Compensation pages. Once you set up Group Tree Security, the system restricts user access to pages as follows:

- **Prompt Dialog Boxes.** When a user enters a Variable Compensation page, its prompt boxes display only the groups and trees to which the user has access.

- **Tree Control Views.** Tree control views display all Group IDs, but only the groups to which the user has access are displayed as hyperlinks; the others cannot be activated. When an authorized user clicks a hyperlink, the system loads the data for the group in the right pane of the page.

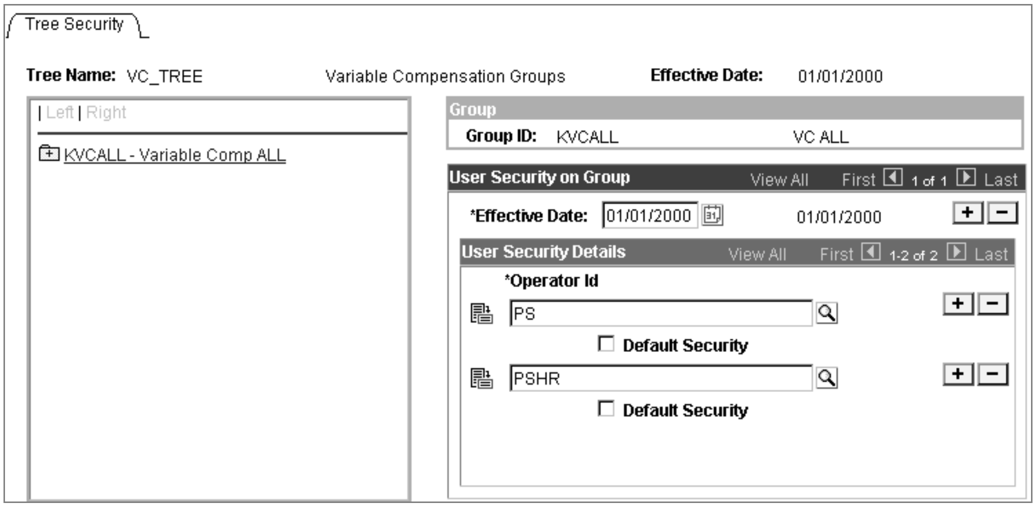
By default, security granted in the Group Tree Security page applies only to Variable Compensation pages. Therefore, Group Tree Security does not alter security for predefined groups when your organization uses them in other business processes. If you define groups specifically for administering variable compensation, you do not set up security in the Group Build - Group Security page. Instead, you set up all group security only on the Variable Compensation Group Tree Security page.

Troubleshooting Tips for Setting Up Groups in VC Group Definition

After you create a group from scratch in the VC Group Definition page and you save/quit the page, if you want to modify this group from the same VC Group Definition page, the group ID does not appear in the search box. This is because you must first attach the group to a VC tree and set up security for the tree. Once you have set up tree security you can go back to the Group Definition page and modify the group.

Group Tree Security Page

Usage	Use the Group Tree Security page to set up a security relationship between a group on a Variable Compensation tree, a user, and the Variable Compensation components. Access to a group provides access to VC components for all its child groups as well.
Object Name	VC_TREE_SEC_TABLE
Navigation	**Compensate Employees, Manage Variable Compensation, Setup, Group Tree Security, Tree Security**
Prerequisites	Set up groups in Group Build and attach them to VC trees in Tree Manager.
Access Requirements	Enter a Tree Name and Effective Date. You define Tree Name and Effective Date when you set up the tree in Tree Manager.



Group Tree Security page

Tree Name

The name of the tree that you entered in the search page, along with its description, appears at the top of the page.

Effective Date

The default is the date that you entered in the Effective Date field of the search page. Change the date to access the same tree as of a different **Effective Date.**

Using the Tree Control View

The Tree Control View on the left side of the page displays the tree as it is defined in Tree Manager. Each node represents a group. The node description is the Group ID.

In the Tree Control View, select a node for which you want to define security access. The **Group ID** and description of the group are displayed on the right side of the page.

User Security on Group

Effective Date

Enter the effective date of the user's security access. You can add rows of data with different effective dates. You can delete a row if you enter the page in Correct History mode. **Effective Date** is a required field.

User ID

You see a data row for each User ID who has security access to the selected **Group ID** for the specified **Effective Date.** You can add a user by adding a data row and selecting a user ID from the available options. Options prompt from the User Definition record.

It is important to set up your Group Tree Security so that you give access to both the manager and the approver of a group.

You cannot delete users whose access to this group is inherited from a parent group (the Default Security check box is selected). The system performs this check within the tree and between trees when the parent group is reused in another tree. If you try to delete a data row for inherited access, the system issues a message that specifies the User ID along with the **Tree Name** and **Group ID** of the parent group.

Click the **Component Security** button to the left of a **User ID** to access the VC - Tree Group Security Page, where you set security on components for that user.

Default Security

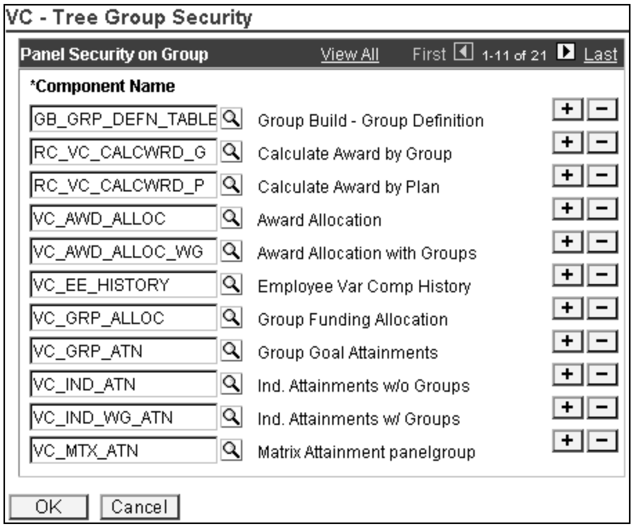
Select the **Default Security** check box if you want the automatic VC tree security update process to grant the user access to VC pages for all groups that you might place as a child under the selected group in future tree modifications.

Example. You grant User 1 **Default Security** access to Group A. Later you place Group D (which was formerly a sibling of A) as a child of Group A. The automatic VC tree security update process then grants User 1 default access to Group D as long as D remains a child of A. If you later modify the tree so that Group D is no longer a child of Group A, the system will warn you if there is an inconsistency in security. User 1 might no longer have access to VC pages for Group D.

You cannot remove a user's security access to a group if the access is granted by default. If you try to delete a row that has inherited access from a parent group, the system issues an error message that specifies the **User ID** along with the **Tree Name** and **Group ID** of the parent group.

VC - Tree Group Security Page

Usage	Use the VC - Tree Group Security page to specify the components for which the selected user has security access.
Object Name	VC_TREE_SECU_SEC
Navigation	Click the Component Security button to the left of the User ID.



Group Tree Security: VC - Tree Group Security page

Component Name	By default, a new user has access to all Variable Compensation components. On the VC - Tree Group Security page, you can delete the data rows for any components that you don't want the user to access. The system applies your component selections to the selected Group ID, User ID, and Effective Date. Your selections also apply to any child groups of the selected Group ID.

Updating Trees and Tree Security

When the VC administrator modifies a Variable Compensation tree in the Tree Manager, the new structure of the tree might not be in accordance with the existing Group Tree Security. You can configure your application server so that the system automatically launches a process to correct security inconsistencies resulting from the different types of tree modifications.

When the system launches the automatic process to synchronize group tree security, it also generates email notification and, in some cases, a work list entry, depending on the nature of the tree modification. Depending on whether it is a tree delete/rename or modification, the email informs the user that a synch process has been launched. In addition, depending on the cases, it triggers work list entries describing the additional manual actions required by the VC administrator.

Deleting a Tree

If you delete a VC tree in Tree Manager, the automatic process launches the following actions:

- Removes the tree name from the Variable Compensation records.
- Sends an email notification to the VC administrator that the synchronization process has been launched.
- Sends a work list entry to the VC administrator with instructions to enter a new tree name in

the records. The email specifies the old deleted tree name, the deleted tree Effective Date, and the impacted VC Plan ID.

Renaming a Tree

If a VC tree is renamed in Tree Manager, the automatic process launches the following actions:

- Changes the tree name in the Variable Compensation records.
- Sends an email notification to the VC administrator that the synchronization process has been launched. The email specifies the old tree Name and Effective Date and the new tree Name and Effective Date.

Restructuring a Tree

If the structure of a Variable Compensation tree is modified in Tree Manager, the automatic process launches the following actions:

- Updates the VC Group Tree Security.
- Sends an email notification to the VC administrator and security administrator that the synchronization process has been launched. The email identifies the tree that has changed and the impact to groups and security.

You must configure your application server so that the automatic update process will run when you delete, rename, or restructure trees in Tree Manager. Moreover, it is very important that the messaging server is up on the app server for the message channel "**TREE_MAINT**" when modifying a tree. If it is not up, the update process will not be triggered and the Security administrator will have to update security manually with the Tree Group Security page. You can use the Application Message Monitor to verify that **TREE_CHANGE** messages are processed correctly.

For more information about configuring your application server for messaging, see PeopleSoft Application Messaging.

Calculating Eligibility and Proration

The Calculate Eligibility/Proration process tracks the eligibility history of each plan member from the payout period start date to the payout period end date. You can run the Calculate Eligibility/Proration process at any time during the life of the plan. If any awards have been submitted for payout or distribution for a payout period, you will not be able to rerun eligibility for that payout period.

If you rerun the Calculate Eligibility/Proration process after you have run the Determine Allocations or Calculate Awards process, you will have to run these processes again. The system issues a warning that you will lose all award calculations if you rerun the eligibility process.

To Calculate Eligibility/Proration:

1. Set up plan membership through the Employee Variable Compensation page or by setting up groups and trees.

For more information about setting up eligibility, see Setting Up and Managing Plan Member Eligibility.

2. Set up proration periods on the Prorate Periods Page (for prorated plans).
3. Run the Calculate Eligibility/Proration process to generate a list of employees who are eligible under the plan.

View and adjust plan member eligibility on the Plan Members Page or the Plan Members with Groups Page.

For plans that define Calculate Proration as a plan business rule, the Calculate Eligibility process calculates a proration factor that the system applies when it calculates the award allocation.

Setting Up Proration Periods

If you selected Calculate Proration on the VC Plan - Plan Business Rules Page, you set up proration periods on the Prorate Periods setup page. Proration periods are a subset of a specific plan payout period. The Calculate Eligibility/Proration process evaluates plan member eligibility as of the end dates of the proration periods.

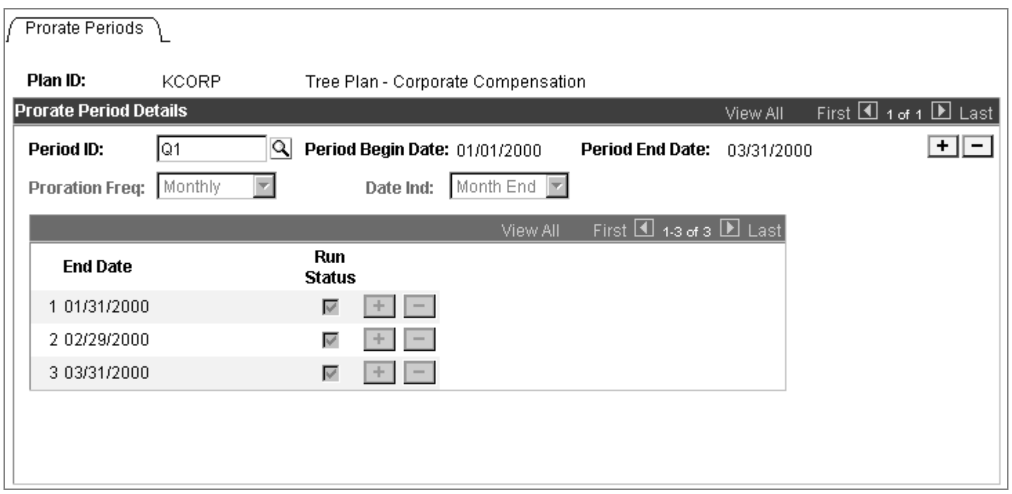
The frequency of the proration periods determines the accuracy of the eligibility calculation. For example, daily eligibility calculation is more accurate than weekly calculation. But the shorter the frequency, the longer it takes to run the process.

After you define the proration frequency parameters on the Prorate Periods setup page, the system calculates and displays the proration period end dates for the entire payout period you specify. The system verifies eligibility as of these end dates. For example, if you define weekly proration periods with Friday as the end date, the plan member must be eligible on Friday of the week in order to be considered eligible for the week. The system performs this evaluation for each proration period in the payout period and calculates a cumulative proration factor.

For more information about how proration is calculated, see Overview of Proration.

Prorate Periods Page

Usage	Use the Prorate Periods page to define proration frequency parameters for a prorated plan's payout periods. The Calculate Eligibility/Proration process evaluates eligibility as of the proration period End Dates generated on this page. You use this page only if you choose to prorate eligibility under the plan.
Object Name	VC_PRORATE_PRD
Navigation	**Compensate Employees, Manage Variable Compensation, Setup, Prorate Periods, Prorate Periods**
Prerequisites	Select Calculate Proration on the VC Plan - Plan Business Rules setup page when setting up the VC Plan ID. If you do not, the page will not open for the VC Plan ID.
Access Requirements	Enter the VC Plan ID.



Prorate Periods page

Plan ID The system displays the VC Plan ID that you entered, along with the description of the plan.

Period ID Select a payout period from the available options. Valid values prompt from the VC_PAYPRD_TBL. The system displays the payout Period Begin and Period End Dates that you defined on the VC Plan - Plan Payout Periods Page.

Period Begin Date The system displays the payout **Period Begin Date** that you defined on the VC Plan - Payout Periods page.

Period End Date	The system displays the payout **Period End Date** that you defined on the VC Plan - Payout Periods page.
Proration Freq (proration frequency)	Select a **Proration Freq** from the available options. The following are the valid values: ***Daily.*** If you select ***Daily,*** the system will calculate eligibility as of each day. This is the most accurate calculation. ***Weekly.*** If you select ***Weekly,*** the **Day** field appears when you press **TAB** to move out of the field. ***Monthly.*** If you select ***Monthly,*** the **Day Ind** field appears when you press **TAB** to move out of the field.
Day	If you selected ***Weekly*** **Proration Freq,** in the **Day** field select the day of the week as of which you want the system to calculate proration. Valid values are the following: ***1 - Sunday*** ***2 - Monday*** ***3 - Tuesday*** ***4 - Wednesday*** ***5 - Thursday*** ***6 - Friday*** ***7 - Saturday***
Date Ind (date indicator)	If you selected ***Monthly*** **Proration Freq,** select a date indicator in the **Date Ind** field. Valid values include the following: ***E - End of Month.*** If you select this value, the system will calculate eligibility as of the end of each month. This is the default **Date Ind.** ***D - Day of Month.*** If you select this value, the **Day of Mon** field appears.
Day of Mon (day of the month)	Enter the number of the day of the month as of which you want the system to calculate eligibility. You can select any number from ***1 - 28.*** The default value is ***1.*** The system sets the **Date Ind** to ***End of Month*** if you select a number higher than 28.
End Date	When you press **TAB** to move out of the last Proration Frequency definition field, the system displays the **End Date** of each proration period within the payout period you specified.

Run Status	The system selects the **Run Status** check box when the Calculate Eligibility/Proration process completes the eligibility calculation for the corresponding proration period.

Overview of Proration

The Calculate Eligibility/Proration process calculates eligibility proration for plans that have Calculate Proration selected on the VC Plan - Plan Business Rules Page. The process tracks members as they enter and depart the plan and credits each member with an associated proration factor based on whether they were eligible as of the end date of each of the proration periods evaluated. Proration periods correspond to the proration frequency (daily, weekly, or monthly) that you define for the plan on the Prorate Periods Page.

The proration process calculates the eligibility proration factor for each plan member for the time period specified by the Eligibility Evaluation Begin and End Dates on the Calc Eligibility / Proration Process Page. Each time you run the process, it calculates the cumulative eligibility proration factor for the member from the begin date of the plan payout period through the eligibility evaluation end date. The system displays the proration factor on the Plan Members or Plan Members with Groups pages and on the Award Details section of the Award Allocation page.

The Calculate Awards process uses the proration factor in awards calculation. Before you calculate awards, make sure that you have calculated proration for the entire plan payout period.

Calculating the Proration Factor

The proration factor is a number that expresses the amount of the evaluation period that an individual was an eligible plan member. The highest proration factor is 1, which means that the individual was eligible for the entire evaluation period.

The calculation formula for the proration factor is the number of proration periods eligible over the number of proration periods in the evaluation period. You define the evaluation period on the Calculate Eligibility/Proration run control page. You establish the proration periods on the Prorate Periods Page.

Example of Proration Factor Calculation

Evaluation Period Begin Date:	01/01/2000
Evaluation Period End Date:	03/31/2000
Proration periods:	January, February, March (monthly frequency with end of month as the period end date)

The process would evaluate eligibility for each of the three monthly proration periods from 01/01/2000 (evaluation period start date) to 03/31/2000 (evaluation period end date). It would calculate eligibility as of 01/31/2000 for the first proration period, as of 02/29/2000 for the second proration period, and as of 03/31/2000 for the third proration period.

The process would credit qualifying members with a proration factor of 1/3 (proration period / the number of proration periods) for each proration period for which they were eligible.

- A member who was eligible in only one of the three proration periods would receive a proration factor of 1/3.
- A member who was eligible in two of the three proration periods would receive a proration factor of 2/3.
- A member who was eligible in all three proration periods would receive a proration factor of 1 (3/3).

Calculating Proration for Plan Members Who Fall Off a Tree

Sometimes an employee is a member of a group that was on the VC Tree for part of a payout period, but by the end of the period, the employee or group is no longer on the tree due to reorganization or other factors. The Calculate Eligibility/Proration process does not calculate the proration factor for such employees who fall off the tree. For prorated plans, the Consistency Report provides a list of the name and employee ID of employees who have fallen off a tree, along with the group ID to which they belonged. The VC administrator or the employees' managers can use this information to manually add the employees back into the tree in a special group for this purpose.

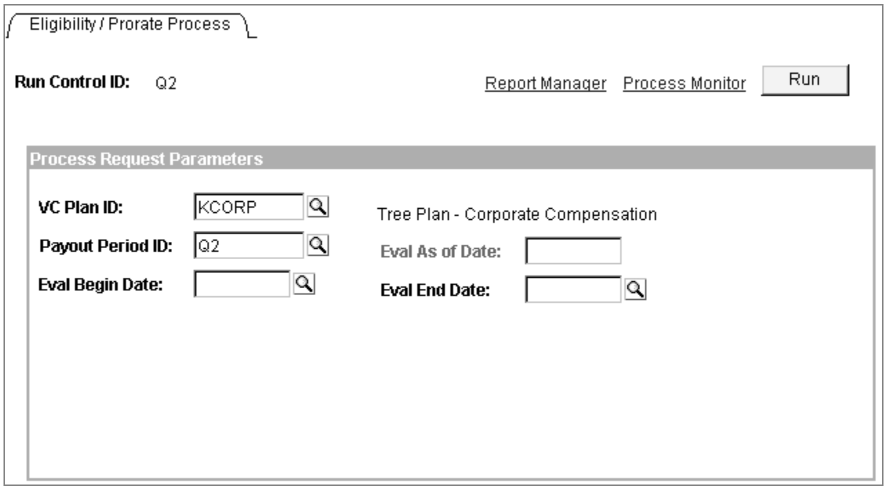
To recalculate eligibility for employees who fall off a tree:

1. Create a group with all of the employees who fell off the tree.
2. Manually attach this group to the tree.
3. Run the eligibility process to correctly calculate the proration factor for members in the group.

Calc Eligibility / Proration Process Page

Usage	Run the Calc (calculate) Eligibility/Proration process to populate the Plan Members and Plan Members with Groups pages, to update eligibility status, and to calculate proration for prorated plans. You run this process to calculate and update eligibility for all plans except those having Ad Hoc Awards as the plan member rule. For Ad Hoc Award plans, you manually enter and change member eligibility on the Plan Members page.
Object Name	RUNCTL_VC_ELIG
Navigation	**Compensate Employees, Manage Variable Compensation, Process, Calc Eligibility / Proration, Eligibility / Prorate Process**
Prerequisites	For prorated plans, you must set up proration periods for the plan in the Prorate Periods Page before running this process.

Access Requirements	Enter a Run Control ID.



Eligibility / Prorate Process page

Run Control ID The system enters the **Run Control ID** that you entered when you accessed the page.

VC Plan ID Select the VC Plan for which you want to calculate eligibility/proration. Valid options prompt from the VC Plan table.

Payout Period ID Select the ID for the payout period during which you want to calculate eligibility/proration. Valid options are the payout periods that you defined for the **Plan ID** that you selected. Only those payout periods for which awards have not been finalized or canceled are available options.

Determining the Period of Calculation

Depending on whether the Plan ID you select is a prorated plan, certain fields will be available for data entry and others will not.

Plan Rules	***Available Fields***
Plans without Proration	Eval As of Date
Prorated Plans	Eval Begin Date
	Eval End Date

Field Definitions

Eval As of Date (evaluation as of date)	The **Eval As of Date** field is only available for nonprorated plans. Enter the date as of which you want the process to evaluate eligibility. The current date is the default value, but you can change it. The date must fall within the **Payout Period ID** that you entered.
Eval Begin Date (evaluation begin date)	The **Eval Begin Date** is only available for prorated plans. From the available options, select the date from which the process should begin the eligibility proration calculation. If you are running the process for the first time in the payout period, the payout period start date is the only option. This option is always available. If you have already run the process during the payout period, the other available option is the start date of the proration period that follows the last proration period calculated. For example, if you last ran the process for the period 01/01/2000 (payout period start date) through 03/31/2000 (proration period end date), the two available options would be 01/01/2000 (payout period start date) and 04/01/2000 (the next proration period start date).
Eval End Date (evaluation end date)	The **Eval End Date** is only available for prorated plans. From the available options, select the date through which the process should calculate eligibility proration. The available options are all proration period end dates as defined for the plan on the Prorate Periods table.

Click **Run** to run this request. Process Scheduler runs the Calculate Eligibility/Proration process at user-defined intervals.

For more information about Process Scheduler, see Process Scheduler.

Overview of Eligibility Status

The Calculate Eligibility/Proration process calculates the eligibility status for each plan member except members of Ad Hoc Award plans. You always establish eligibility status manually for Ad Hoc Award plans.

Automatic Status Compared to Manual Status

Eligibility falls into the categories of automatic status and manual status. The Calculate Eligibility/Proration process calculates automatic status based on a member's eligibility for a plan or group as established on the Employee Variable Compensation page or in group definition criteria. You can override the automatic status by entering a manual status for the plan member on the Plan Members page or Plan Members with Groups page. The system does not override a manual status with an automatic status.

Throughout the life of a VC Plan, a plan member's eligibility status can change for a number of reasons. To track changes, the system displays the member's eligibility status along with a date as of which that eligibility status is effective.

Source of the Eligibility As Of Date

The following table summarizes the source of the eligibility as of date, which depends upon the individual conditions of the plan and member:

Plan Member Rule	***Source of Automatic Status***	***Source of Manual Status***
Ad Hoc Awards	Not possible.	Entered on the Plan Members page
Employee VC Record (without groups)	Eligibility Date entered on the Employee Variable Compensation page.	Entered on the Plan Members page. Overrides automatic status.
Employee VC Record with Groups or Define Tree/Group	The member meets the Group Build criteria for the group on the date as of which the process calculates eligibility.	Entered on the Plan Members with Groups page. Overrides automatic status.

Definitions of the Five Eligibility Status Codes

The five eligibility status codes are **Auto Elig** (automatic eligible), **Auto Inelig** (automatic ineligible), **Elig Pro** (eligible prorated), **Man Elig** (manual eligible), and **Man Inelig** (manual ineligible).

Auto Elig (automatic eligible)

The Calculate Eligibility/Proration process generates the Auto Elig status; you cannot manually enter this status. The calculation of Auto Elig status depends on the rules of the plan as follows:

Plan Member Rule	***Nonprorated Plan***	***Prorated Plan***
Ad Hoc Awards	Automatic status is not possible	Automatic status is not possible

Plan Member Rule	***Nonprorated Plan***	***Prorated Plan***
Employee VC Record (without groups)	The member is active in the Employee VC table on the eligibility evaluation As of Date.	The member is active in the Employee VC table during the entire eligibility evaluation period.
Employee VC Record with Groups or Define Tree/Group	The member meets all of the Group Build group definition criteria on the eligibility evaluation as of date.	The member meets all of the Group Build group definition criteria during the entire eligibility evaluation period.

Auto Inelig (automatic ineligible)

The Calculate Eligibility/Proration process generates the Auto Inelig status; you cannot manually enter this status. The system does not calculate an award allocation for plan members whose eligibility status is Auto Inelig. The calculation of the status depends on the rules of the plan as follows:

Plan Member Rule	***Nonprorated Plan***	***Prorated Plan***
Ad Hoc Awards	Automatic status is not possible	Automatic status is not possible
Employee VC Record (without groups)	The member is not active in the Employee VC table on the eligibility evaluation As of Date.	The member is not active in the Employee VC table during the entire eligibility evaluation period.
Employee VC Record with Groups or Define Tree/Group	The member does not meet all of the Group Build group definition criteria on the eligibility evaluation as of date.	The member does not meet all of the Group Build group definition criteria during the entire eligibility evaluation period.

Elig Pro (eligible prorated)

The Calculate Eligibility/Proration process generates the Elig Pro status; you cannot manually enter this status. Only prorated plans use this status. Elig Pro status indicates that the member was eligible for the plan on the end date of at least one, but not all, of the proration periods for which eligibility has been calculated within the plan payout period.

Man Elig (manual eligible)

The member was added to the plan manually. Man Elig is the default status when you insert a new row on the Plan Members or Plan Members with Groups page.

Man Inelig (manual ineligible)

The member was manually made ineligible for the plan. The system does not calculate an award allocation for plan members whose eligibility status is Man Inelig.

Viewing and Adjusting Plan Member Eligibility

When you run the Calculate Eligibility/Proration process, the system enters eligible plan members and their eligibility Status on the Plan Members Page or the Plan Members with Groups Page. After calculating eligibility, you can use these pages to view the most recent list of eligible plan members. You can also use these pages to manually adjust eligibility at any time in the life of the VC Plan.

You must rerun the Calculate Eligibility/Proration process if you manually adjust eligibility on the Plan Members pages.

The following table illustrates which page the system populates, depending on the plan member rule:

Plan Member Rule	***Page Populated by the Calculate Eligibility/Proration Process***
Ad Hoc Awards	The eligibility calculation process does not apply. Manually enter member eligibility on the Plan Members page.
Employee Variable Compensation Record (without groups)	Plan Members page
Employee Variable Compensation Record with Groups	Plan Members with Groups page
Define Tree/Group	Plan Members with Groups page

These pages show current automatic eligibility status along with current and future manual eligibility status. The system tracks each change of eligibility status and keeps a full record of historical eligibility data for each employee, which you can view on the Member History Page. You can access the Member History page from a member's data row on the Plan Members page or Plan Members with Groups page.

Using the Plan Member Page for Ad Hoc Awards

For Ad Hoc Awards, you add a new row in the grid for each new plan member who will get an award for the Plan ID and Payout Period ID.

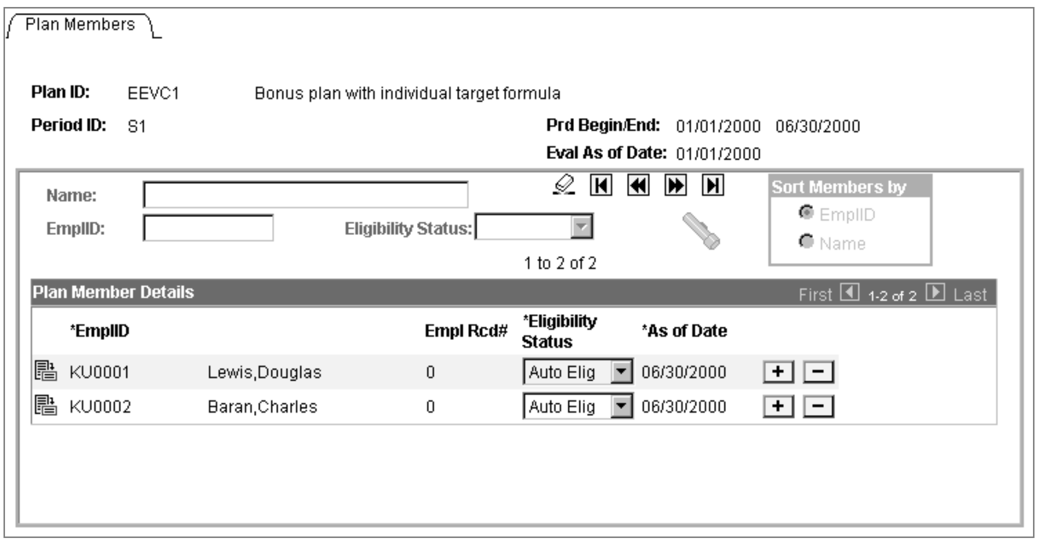
For more information about using this page to add new members to a plan for Ad Hoc Awards, see Setting Up Plan Members for Ad Hoc Awards.

Using the Plan Member Page for Employee VC Record Without Groups

When the plan member rule is Employee Variable Compensation Record (without groups), you can use the Plan Members page to view plan member eligibility or to change a member's eligibility status to a manual status, but you cannot manually add members. You add members on the Employee Variable Compensation Page.

Plan Members Page

Usage	Use the Plan Members page to view and adjust member eligibility. Use this page to add employees to a plan for Ad Hoc Awards.
Object Name	VC_PLAN_MEM_TBL
Navigation	**Compensate Employees, Manage Variable Compensation, Use, Plan Members, Plan Members**
Prerequisites	For all plans except Ad Hoc Award plans, you must run the Calculate Eligibility/Proration process to populate or update this page.
Access Requirements	Enter a Plan ID and Payout Period ID.



Plan Members page

Plan ID

The system displays the **Plan ID** that you entered in the search page, along with the plan's description.

Period ID

The system displays the payout **Period ID** that you entered in the search page.

Prd Begin/End (period begin and end)

The system enters the **Prd Begin/End** dates that you defined for this VC Plan and payout period ID in the Payout Periods table.

Eval As of Date (evaluation as of date)

The system enters different values depending upon the following VC Plan conditions:

VC Plan Conditions	***Default Value***
Ad Hoc Awards	The current date. This date is not available for change.

Non-prorated plan	The Eval As of Date You enter this date on the Calculate Eligibility/Proration process run control page.
Prorated plan	The Eval End Date You enter this date on the Calculate Eligibility/Proration process run control page.

Populating Plan Members in Chunks

Because the number of plan members could be very large, the system loads members into this page in chunks. If members exist for the current Plan ID, Payout Period, and Group, the system loads the first chunk into the page by default. Click the **Refresh** button to view the members. You determine the number of rows in a chunk in the Max Number of Rows in Scrolls field on the Installation Table. You manage the display of chunks using filters and navigator buttons.

Filters enable you to enter search criteria for identifying a chunk of members. You can enter information into one or more of the filter fields to narrow your search. After entering information into the filter fields, click the **Refresh** button to populate the page with members who meet the search criteria. Navigator buttons enable you to move from one chunk to another.

Use the following filters and navigator buttons to move from one chunk of members to another:

Name Entering one or more letters in this filter field instructs the system to populate the page with employees whose last names begin with the letters that you entered.

EmplID (employee ID) Entering one or more numbers in this filter field instructs the system to populate the page with employees whose employee IDs begin with the numbers that you entered.

Eligibility Status Selecting one of the available values instructs the system to populate the page with employees whose eligibility status matches the value that you selected. Valid values prompt from the Translate table.

For more information about these values, see Overview of Eligibility Status.

	Click the Search button to display the first chunk of members and to display the results of a new search. The field to the left of the Search button tells you which rows are visible compared to the total number of rows that match the current search criteria. For example, ***12 to 20 of 56*** means that rows 12 to 20 are displayed out of a total of 56 rows.
	Click the **Refresh Search Fields** button to clear all the previously entered search criteria from the filter fields.
	Click the **First Item** button to display the first chunk of members.
	Click the **Previous Item** button to display the previous chunk of members.
	Click the **Next Item** button to display the next chunk of members.
	Click the **Last Item** button to display the last chunk of members.
Sort Members by	Select whether you want the members to appear in the list in order by ***EmplID*** or ***Name***. ***EmplID*** is the default.

Plan Member Details

The system loads the first chunk of members for the current Plan ID, Payout Period, and Group into the page when you click the **Search** button. You can view a different chunk by using the Plan Member Chunking Controls. For Ad Hoc Award plans, the grid is empty if you have not previously entered members for the Plan ID and Payout Period ID.

Member information displayed in this grid is the current and future information about each member, as of the **Eval As of Date** displayed at the top of the page. In other words, the **As of Date** in the grid data row is equal to or later than the **Eval As of Date** at the top of the page.

Because there is no Effective Date on this page, for certain data changes you must use Correct History mode. These will be pointed out in the tables that follow. Rules about adding and deleting rows depend upon which plan member rule is in effect for the Plan ID:

Plan Member Rule	***Insert a Row***	***Delete a Row***
Ad Hoc Awards	Authorized in Update/Display or Correct History mode Purpose: To add a new member.	Authorized in Update/Display or Correct History mode Purpose: To delete a member entered by mistake.

Plan Member Rule	***Insert a Row***	***Delete a Row***
Employee Variable Compensation (without groups).	Not authorized. (Add members on the Employee Variable Compensation page.)	Not authorized.
Employee VC Record with Groups or Define Tree/Group	Authorized in Update/Display or Correct History mode. Purpose: To add a new member. The system sets the **Eligibility Status** of a new row to ***Man Elig***.	Not authorized. You cannot delete a row, but you can change the **Eligibility Status** of an existing row to ***Man Inelig.***

EmplID (employee ID)

The system displays the plan member's employee ID. Entering or changing the **EmplID** is subject to the following conditions:

Plan Member Rule	***Add EmplID***
Ad Hoc Awards Or Employee VC Record with Groups Or Define Tree/Group	Authorized in Update/Display or Correct History mode Purpose: when adding an employee to the plan in a new data row. After selecting an **EmplID,** the system displays the Employee Name. The system sets the **Eligibility Status** of the new row to ***Man Elig.***
Employee Variable Compensation (without groups).	Not authorized.

Empl Rcd# (employee record number)

The system displays the member's **Empl Rcd#** from the latest Job record having an effective date equal to or less than the eligibility **As of Date.**

Eligibility Status

The system displays the current or future **Eligibility Status.** The following are the valid values:

Auto Elig (automatic eligible). The eligibility process calculates this status.

Auto Inelig (automatic ineligible). The eligibility process calculates this status.

Elig Pro (eligible prorated). The eligibility process calculates this status.

Man Elig (manual eligible). This value is the default when you add a new row.

Man Inelig (manual ineligible).

For more information about Eligibility Status, see Overview of Eligibility Status.

Entering or changing the **Eligibility Status** on the Plan Members page or Plan Members with Groups page is subject to the following conditions:

Plan Member Rule	***Add Eligibility Status***	***Change Eligibility Status***
Ad Hoc Awards	Authorized in Update/Display or Correct History mode. Only authorized in a new data row. ***Man Elig*** is the default when adding a new row.	Authorized in Correct History mode only. You can change ***Man Elig*** to ***Man Inelig*** or ***Man Inelig*** to ***Man Elig.***
Employee Variable Compensation (without groups).	Not authorized.	Authorized in Correct History mode only. You can change ***Man Elig*** to ***Man Inelig*** or ***Man Inelig*** to ***Man Elig,*** or you can change an automatic status to a manual status.
Employee VC Record with Groups or Define Tree/Group	Authorized in Update/Display or Correct History mode. Only authorized in a new data row. ***Man Elig*** is the default when adding a new row.	Authorized in Correct History mode only. You can change ***Man Elig*** to ***Man Inelig*** or ***Man Inelig*** to ***Man Elig,*** or you can change an automatic status to a manual status.

As of Date

The **As of Date** indicates the changes in eligibility during a given payout period.

When the **Eligibility Status** is ***Auto Elig, Auto Inelig,*** or ***Elig Pro,*** this date is the date as of which the system calculated eligibility. When the **Eligibility Status** is an auto status, you cannot change the date.

When the **Eligibility Status** is ***Man Elig*** or ***Man Inelig,*** you can change the **As of Date** only in Correct History mode.

The date you enter here must be between the **Eval As of Date** and the payout period end date.

Proration

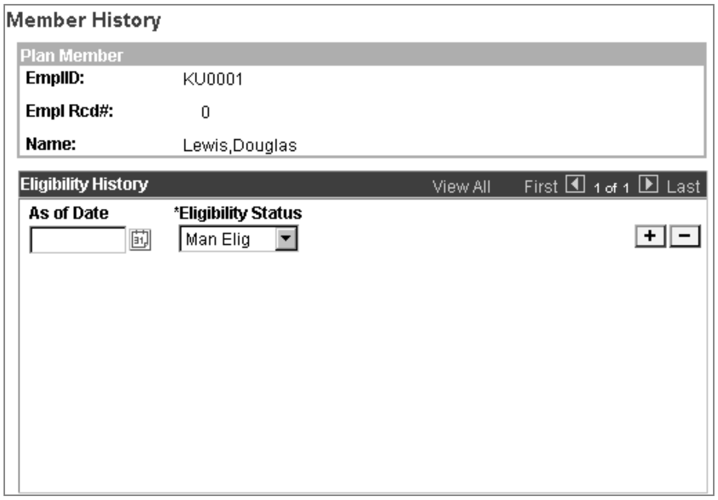
The **Proration** field is hidden if the plan is not a prorated plan. The Calculate Eligibility/Proration process calculates this proration factor, which is not available for change.

Click the **Member History Data** button to access the Member History page, where you can view and modify the selected member's eligibility history under this Plan ID and Payout Period ID.

This button is not available if the plan member rule is Ad Hoc Award.

Member History Page

Usage	Use the Member History page to view or correct historical plan member eligibility data.
Object Name	VC_PLAN_MEM_SEC
Navigation	Click the Member History Data button to the left of the plan member's data row on the Plan Members or Plan Members with Groups page.



Member History page

The system displays the plan member's **EmplID** (employee ID), **Empl Rcd#** (employee record number) and **Name** from the corresponding data row in the Plan Members page or Plan Members with Groups page.

Eligibility History

As of Date

The date as of which the eligibility status changed.

You can change the **As of Date** only if the **Eligibility Status** is a manual status and you are in Correct History mode. The **As of Date** that you enter must be between the plan's payout period begin date and Eval As of Date at the top of the Plan Members page or Plan Members with Groups page.

Eligibility Status

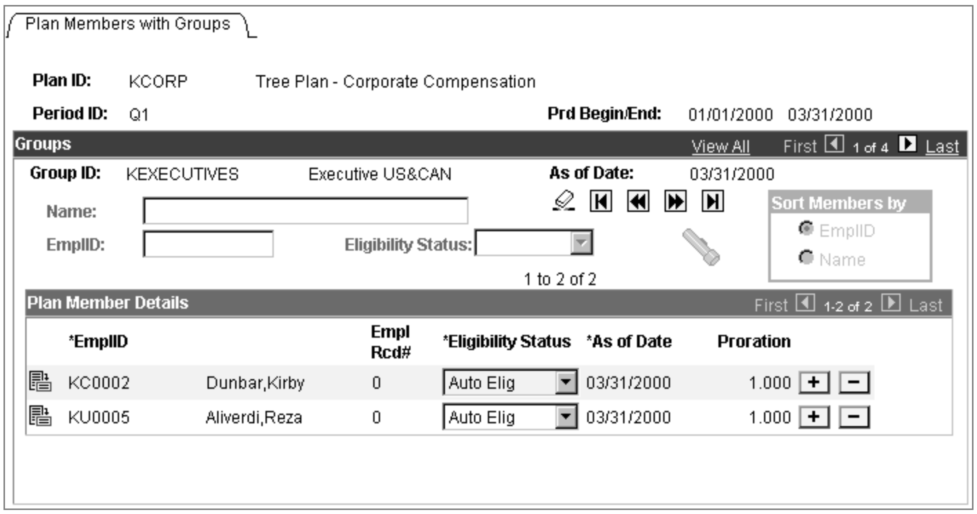
You must be in Correct History mode to change the **Eligibility Status.** You can change an automatic status to a manual status, but you cannot change manual to automatic. You can change ***Man Elig*** to ***Man Inelig*** or ***Man Inelig*** to ***Man Elig.*** You would only change the status to correct the historical information.

The system does not maintain historical data for Ad Hoc plans.

Plan Members with Groups Page

Usage	Use the Plan Members with Groups page to view and adjust member eligibility if the plan uses groups.

Object Name	VC_PLAN_MEM_WG_TBL
Navigation	**Compensate Employees, Manage Variable Compensation, Use, Plan Members with Groups, Plan Members with Groups**
Prerequisites	You must run the Calculate Eligibility/Proration process to populate or update this page.
Access Requirements	Enter a Plan ID and Payout Period ID.



Plan Members with Groups page

The fields on this page are identical to the fields on the Plan Members Page with the following additional field:

Group ID The system displays the **Group ID** and the group description for the active group. Use the **previous** and **next** buttons to select a different group.

For complete documentation of the fields on this page, see Plan Members Page.

Maintaining the Employee Variable Compensation Record

For plans that specify Employee Variable Compensation Record (without groups) as the plan member rule, you update plan member information using the Employee Variable Compensation Page or the Plan Members Page.

- Use the Employee Variable Compensation Page to add or delete plan members or to change target payout information at any time in the life of the plan.

To add or delete a member on the Employee Variable Compensation page, insert a new effective-dated row. The system asks whether you want to copy forward all existing plan rows from the previous effective date. You want to copy the rows forward if the employee is still active in the plans. You then delete an unwanted plan row or insert a new plan row and enter data as necessary.

- Use the Plan Members Page to change a member's eligibility status.

C H A P T E R 4

Managing Plans With Goals

You can select either weighted goals or a goals matrix to manage performance-based plans.

- In a weighted goal plan, goal attainments at the organization, group, and/or individual level determine a performance factor that modifies the final payout calculation.

- In a matrix goal plan, organization and/or group goal attainments determine the threshold, target, and stretch payout formulas.

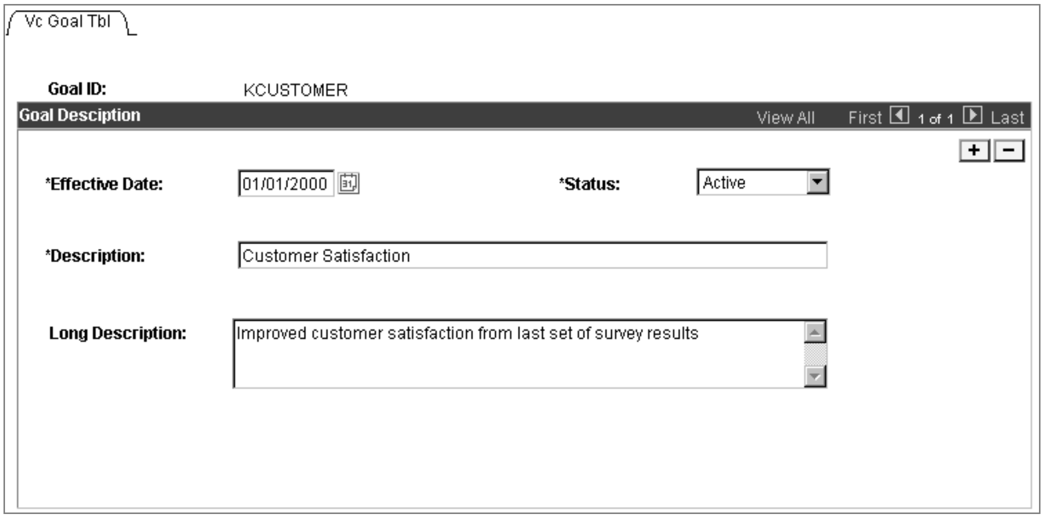
Goals are not an option if the plan member rule is Ad Hoc Award.

Defining Goals

You will use goals that you define on the VC Goal Table page to set up a plan with either weighted goals or matrix goals.

VC Goal Table Page

Usage	Use the VC Goal Table page to define generic goals to use with VC plans. The goals that you define are stored on the VC Goal table. You will use these goals when you set up weighted goals or matrix goals for a VC plan. You do not need this page if you do not administer plans with goals.
Object Name	VC_GOAL_TBL
Navigation	**Compensate Employees, Manage Variable Compensation, Setup, Goals, Vc Goal Tbl**
Prerequisites	None
Access Requirements	Enter a Goal ID, which is the unique identifier for the goal that you define.



VC Goal Table page

The following fields are common to multiple pages and are defined in the preface of this PeopleBook in PeopleBooks Standard Page Element Definitions: **Effective Date, Status, Description,** and **Long Description.**

Managing Plans With Weighted Goals

When you use weighted goals to manage a performance driven plan, you set up goals and record goal attainments at the organization, group, and/or individual level, according to your needs. The system calculates a performance factor and applies it to the plan member's predefined target payout formula at the end of the calculation process.

Overview of Managing Plans With Weighted Goals

The following is a brief summary of the steps that you follow when managing plans with weighted goals:

To manage a plan with weighted goals:

1. Define Goal IDs on the VC Goal Table page.
2. Define Weighted Goals as a plan option on the VC Plan - Plan Definition Page.
   - Select *Weighted Goals* as the Plan Goals type.
   - Specify the Plan Goal Weights for each of the three goal levels. The total must be 100%.
3. Set up weighted goals on the Plan Goals pages or Plan Goals with Groups pages.
4. Enter Goal attainments for each level of weighted goals on the goal attainments pages.
5. Calculate a performance factor for organization and group goals during the Determine

Allocation process.

6. Calculate a performance factor for individual goals during the Calculate Awards process.

7. Apply the performance factor to the target payout during the Calculate Awards process.

Terms and Definitions

The following terms are important in order to understand weighted goals and the performance factor calculation:

Goals	The performance measures that you define on the VC Goals Table setup page.
Goal Level	The three levels at which you can assign goals: organization, group, and individual.
Plan Goal Weights	The weighting percents that you assign to the three goal levels when you define the plan on the VC Plan - Plan Definition Page. You assign a weight of 0% for a level that does not apply in your plan.
Weighted Goal Percents (also **Weighting Percents**)	The weighting percents that you assign to the various performance goals that you set up at each goal level.
Attainment Percents	The percent of accomplishment of performance goals at each goal level.

For more information about the performance factor calculation, see Calculating the Performance Factor.

Understanding Goal Levels

You can manage a variable compensation (VC) plan with weighted goals at one, two, or three levels. The three levels are: organization, group, and individual. When you define the plan, you assign a Plan Goal Weight to each level. The Plan Goal Weight indicates the relative value of each level in the final performance factor calculation. If you don't use a level, you assign a Plan Goal Weight of 0%.

Organization Goals

Organization goals are performance goals that you set for the entire organization. You assign a weighted goal percent to each organization goal to determine its importance relative to other goals at the same level. The attainment percent of organization goals impacts the VC calculation of all plan members equally. For example, an organization goal could be financial (revenues) or operational (headcount).

Group Goals

You can use group goals if you administer the plan using groups. Group goals are performance goals that you set for all members of a group. Child groups inherit the group goals of parent groups unless you establish different goals at the child group level. You assign a weighted goal percent to each group goal to determine its importance relative to other goals at the same level. The attainment percent of group goals impacts the VC calculation of all members of the group equally.

For more information about inheritance of group goals, see Understanding Inheritance of Group Goals.

Individual Goals

Individual goals are performance goals that you set for individual plan members. You assign a weighted goal percent to each individual goal to determine its importance relative to other goals at the same level. The attainment percent of individual goals impacts only the VC calculation of the individual plan member.

Setting Up Weighted Goals

On the Plan Goals pages or Plan Goals with Groups pages, you set up goals and weighting percents at each level for which you indicated a Plan Goal Weight of more than 0% on the Plan Definition page. You can add a comment to help you track specifics of the goal. You can set up any number of goals at each level, as long as the total weighting percent at each level is 100%.

Example of One Goal at One Level

Goal	ROI (return on investment)
Weighting Percent	100%
Comments	ROI goal of 18%

Example of Three Goals at One Level

Goal	ROI	EPS	TSR
Weighting Percent	50%	25%	25%
Comments	ROI goal of 18%	EPS of $2.35	11% of TSR

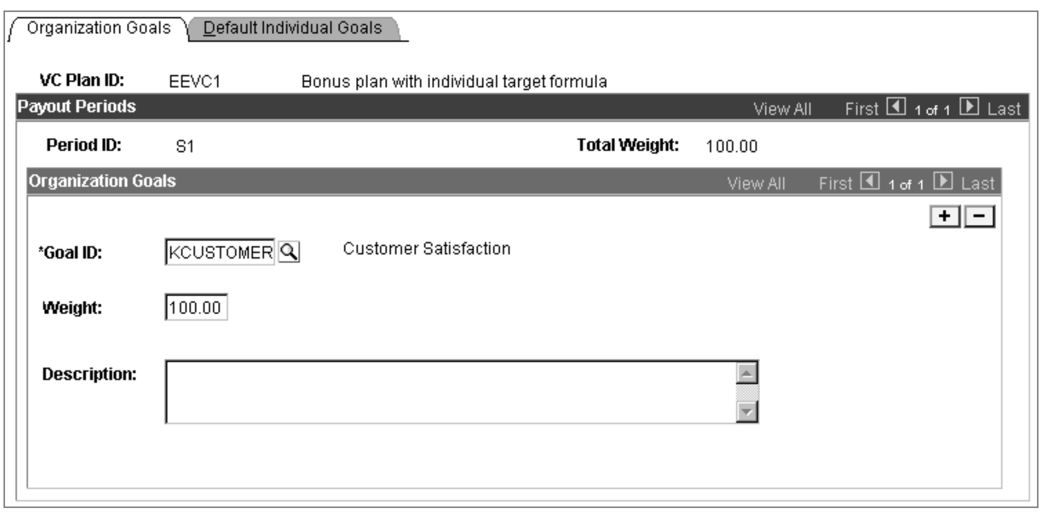
Determining Which Pages to Use

Use the Plan Goals pages or Plan Goals with Groups pages to set up the weighted goal structure for your VC plan. Which pages you use depends upon the following factors:

- Whether the plan uses groups. If the plan uses groups, you set up weighted goals using the Plan Goals with Groups pages. Otherwise, use the Plan Goals pages.
- Which Plan Goal Weights you established on the VC Plan - Plan Definition Page. You do not set up goals at levels for which the Plan Goal Weight is 0% on that page.

Organization Goals Setup Page

Usage	Use the Plan Goals - Organization Goals page to assign goals to the plan at the organization level and indicate their relative weighting. The sum of all organization goals must be 100%.
Object Name	VC_ORG_GOAL
Navigation	• **Compensate Employees, Manage Variable Compensation, Setup, Plan Goals, Organization Goals** • **Compensate Employees, Manage Variable Compensation, Setup, Plan Goals with Groups, Organization Goals**
Prerequisites	Define Goal IDs in the VC Goal Table page. Select *Weighted Goals* in the Plan Goals field on the VC Plan - Plan Definition page.
Access Requirements	Enter a VC Plan ID.



Plan Goals - Organization Goals page

VC Plan ID The system displays the **VC Plan ID** that you entered.

Period ID	Select the plan payout period for which you want to set up goals. Valid values prompt from the Payout period table (VC_PAYPRD_TBL).
Total Weight	The system sums the weighting percents as you enter them for each goal and displays the cumulative total in the **Total Weight** field. You can adjust the weights for goals until the sum of all goal weights for the payout period is 100%. To save the page, the **Total Weight** must be 100%.
Goal ID	Select a **Goal ID** from the available options. Valid values prompt from the VC Goals table. The system displays the goal description when you press TAB to move out of the field. After you enter the **Weight** and **Comments** for one **Goal ID,** you can insert a row and select another **Goal ID** until you have entered all appropriate goals.
Weight	Enter a weighting percent for the **Goal ID.** You can express weighting percents up to two decimal places, such as 18.25%. To save the page, the total of all weights for the payout period ID must be 100%. By default, the system enters the difference between 100 percent and the value in the **Total Weight** field. For the first goal that you select, the system enters 100.00. You can change it to any percent that you want, up to 100.00. Consider, for example, 25.00. When you insert a row and select a second **Goal ID,** the system populates the **Weight** field with the difference between 100.00 and the weight that you entered for the first goal, which, in this example, would result in 75.00. You can change this percent and add a third goal, and so forth.
Comments	In the **Comments** field, you can enter any information to help you track the goal. For example, you could enter an ROI goal of 18%.

Understanding Inheritance of Group Goals

On the Group Goals page, you select the highest group for which you want to establish a set of goals. Child groups inherit the group goals of parent groups unless you establish different goals at a lower group level. In other words, any child group that does not have specific goals defined takes on the goals and performance factors of the next highest group on the tree that has goals defined.

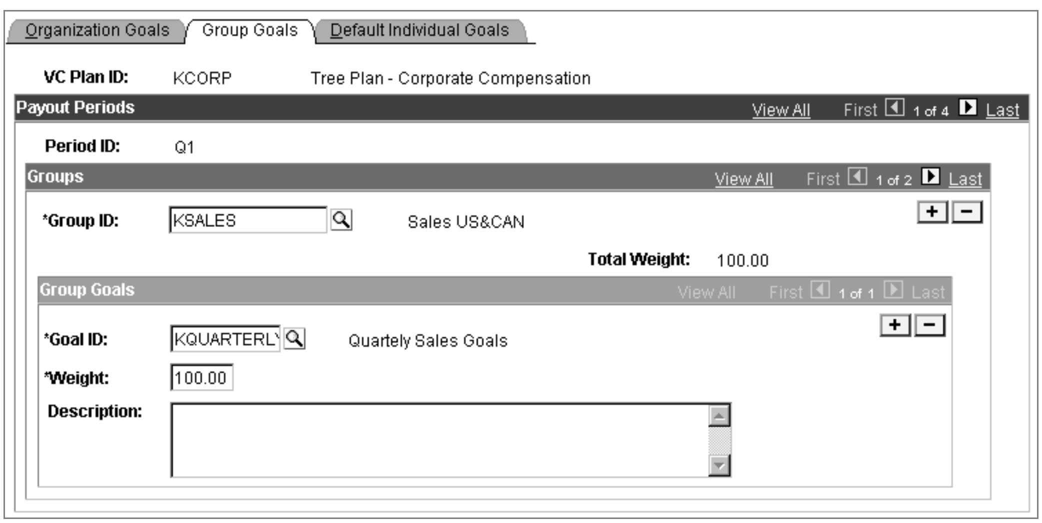
The following are some conditions and solutions:

- Parent and child groups have the same goals and attainments. Set up goals only on the parent level. The Determine Allocations process applies the parent's goals and performance factors to the child.

- Parent and child groups have the same goals, but you want to enter different attainments. Set up the goals identically for parent and child. Enter the attainments at each level.
- The parent and child have different goals. Set up goals for groups at each level and specify the attainments at each level.

Group Goals Setup Page

Usage	Use the Group Goals page to assign goals to the plan at the group level and indicate their relative weighting. The sum of all group goals must be 100%. You do not use this page if the plan member rule is Ad Hoc Award or Empl VC Record (without groups).
Object Name	VC_GRP_GOAL
Navigation	**Compensate Employees, Manage Variable Compensation, Setup, Plan Goals with Groups, Group Goals**
Prerequisites	Define Goal IDs in the VC Goal Table page. Select *Weighted Goals* in the Plan Goals field on the VC Plan - Plan Definition page.
Access Requirements	Enter a VC Plan ID.



Plan Goals with Groups - Group Goals page

All fields on this page are identical to the fields on the Organization Goals setup page, with the addition of the **Group ID** field.

Group ID	Select the **Group ID** for which you want to set up goals. The default value is the highest level group ID for the plan. When you press TAB to move out of the field, the system displays the description of the group. The system automatically applies the goals that you set up for the highest group to all groups on the tree. If you want to set different goals for lower level groups, insert a row, select the lower level **Group ID,** and set up the goals. The goals automatically apply to child groups unless you select a lower group and set different goals. For more information about inheritance of group goals, see Understanding Inheritance of Group Goals.

For complete information about the remaining fields on this page see Organization Goals Setup Page.

Understanding Default Individual Goals

You set up default goals at the individual level on the Default Individual Goals setup page and the Default Individual Goals with Groups setup page.

Unlike for Group Goals, the system does not automatically apply the default individual goals of a parent group to its child groups on the tree. You must insert a row and select the Group ID for each group for which you want to set up default individual goals.

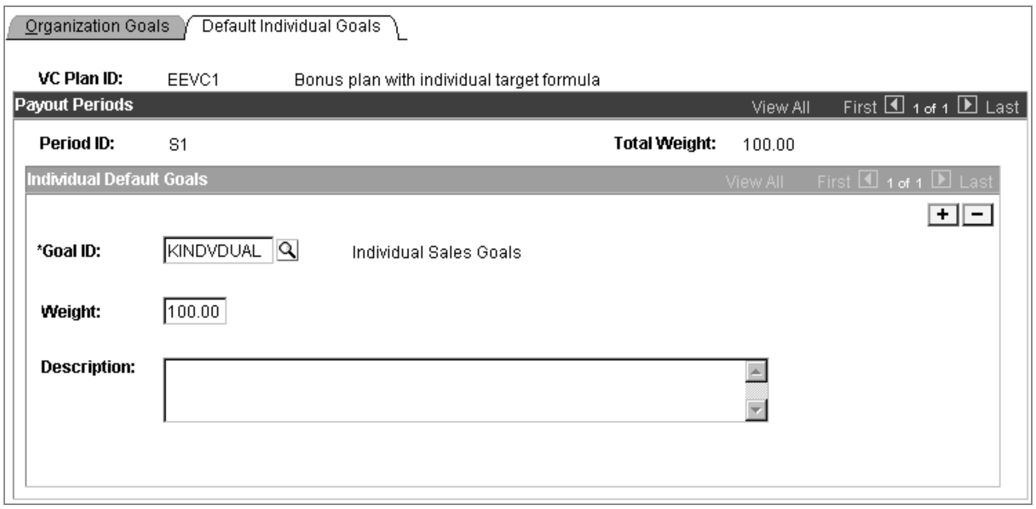
The Calculate Eligibility/Proration process enters the default individual goals for each plan member on the Individual Goal Attainments page or the Individual Goal Attainments with Groups page.

Consider the defaulted individual goals as a starting point for defining individual goals for each plan member. On the goal attainments pages, you can modify the goals and goal weights for each plan member before entering the individual goal attainment percents.

Plan Goals - Default Individual Goals Setup Page

Usage	Use the Default Individual Goals page to assign goals to the plan at the individual level and indicate their relative weighting. The sum of all individual goals must be 100%. The system will enter the goals that you set up on the Default Individual Goals setup page as the default goals on the Individual Goal Attainments page, where you can modify them for individual employees.

Object Name	VC_IND_GOAL
Navigation	**Compensate Employees, Manage Variable Compensation, Setup, Plan Goals, Default Individual Goals**
Prerequisites	Define Goal IDs in the Goals setup page. Select *Weighted Goals* in the Plan Goals field on the VC Plan - Plan Definition page.
Access Requirements	Enter a VC Plan ID.



Plan Goals - Default Individual Goals page

All fields in this page are identical to the fields on the Organization Goals page.

For complete information about the fields on this page see Organization Goals Setup Page. For more information about setting up default individual goals, see Understanding Default Individual Goals.

Plan Goals with Groups - Default Individual Goals Setup Page

Usage	Use the Default Individual Goals with Groups setup page to assign goals to the plan at the individual level and indicate their relative weighting. The sum of all individual goals must be 100%. The system will enter the goals that you set up on the Default Individual Goals with Groups setup page as the default goals on the Individual Goal Attainments with Groups page, where you can modify them for individual employees.
Object Name	VC_IND_GOAL_WG

Navigation	**Compensate Employees, Manage Variable Compensation, Setup, Plan Goals with Groups, Default Individual Goals**
Prerequisites	Define Goal IDs in the VC Goal Table page. Select *Weighted Goals* in the Plan Goals field on the VC Plan - Plan Definition page.
Access Requirements	Enter a VC Plan ID.

Plan Goals with Groups – Default Individual Goals page

All fields on this page are identical to the fields on the Organization Goals page, with the addition of the **Group ID** field.

Group ID

Select the **Group ID** for which you want to set up goals. The default value is the highest level group ID for the plan. When you move out of the field, the system displays the description of the group.

Unlike for Group Goals, the system does not automatically apply the goals of a parent group to its child groups on the tree. You must insert a row and set up goals for each group ID for which you want to set up default individual goals.

For complete information about the fields on this page see Organization Goals Setup Page. For more information about setting up default individual goals, see Understanding Default Individual Goals.

Entering Weighted Goal Attainments

The goal attainment is a percent that expresses the degree to which the organization, group, or individual met the stated goal during the performance period. You can enter an attainment percent greater than 100% if performance in the goal exceeds expected performance. If you do not enter an attainment percent for a goal that you have set up, the system assumes 0% attained for that goal when it calculates the performance factor.

You enter goal attainments at each level for which you set up weighted goals in the plan. When you enter a goal attainment page, the system displays a data row for each Goal ID that you set up at that level for the plan or group.

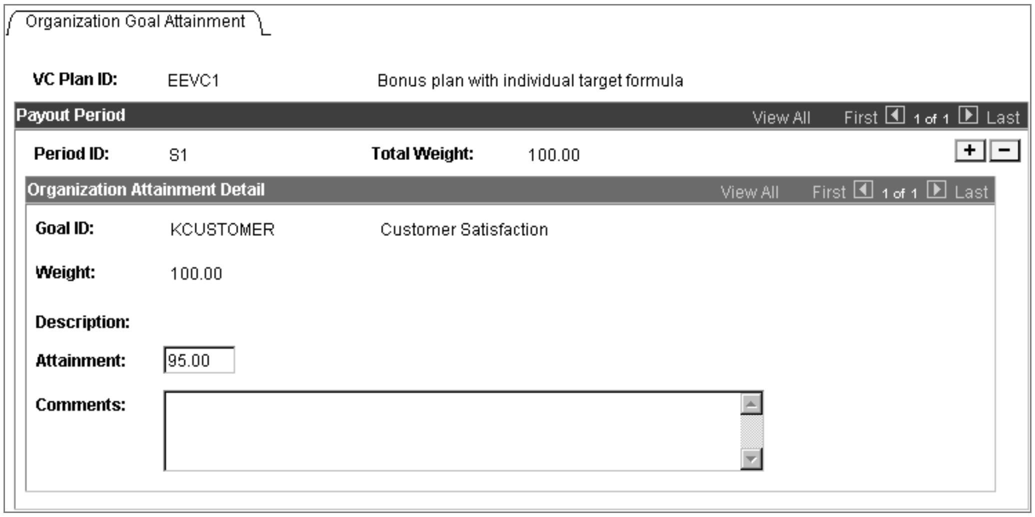
Determining When to Enter Attainments

You can enter goal attainments whenever the information is available in your organization's business process, subject to the following limitations:

Organization and group attainments	You must enter all organization and group attainments before you run the Determine Allocation process.
Individual attainments	You can enter individual attainments any time before you run the Calculate Awards process for the plan or group.

Organization Goal Attainment Page

Usage	Use the Organization Goal Attainment page to enter the goal attainments for the organization goals that you set up for the plan.
Object Name	VC_ORG_GOAL_ATN
Navigation	**Compensate Employees, Manage Variable Compensation, Use, Organization Attainments, Organization Goal Attainment**
Prerequisites	Set up organization goals for the plan.
Access Requirements	Enter a VC Plan ID.



Organization Goal Attainment page

VC Plan ID — The system displays the **VC Plan ID** that you entered when you accessed the page.

Period ID — Select the plan payout period for which you want to enter goal attainments.

Goal ID — Select a **Goal ID.** The system displays a row for each Goal ID that you entered on the Organization Goals setup page. You must enter a goal attainment for each goal that you set up. The system assumes 0% attainment if you leave it blank.

Weight — The system displays the weighting percent that you assigned to the **Goal ID.**

Description — The system displays the **Description** of the **Goal ID.**

Attainment — Enter the percent attained value for this goal.

Comments — Enter in the **Comments** field any information pertinent to the goal attainment.

Inheritance of Group Goal Attainments

The system attributes a group's performance factor to all of its child groups unless you have set up different goals at a child level. As a result, any child group that does not have specific goals defined takes on the performance factor of the next highest group on the tree that has goals defined. The child group does not inherit the actual attainments; it inherits only the goals and the performance factor.

For more information about group goal inheritance, see Understanding Inheritance of Group Goals.

Group Goal Attainments Page

Usage	Use the Group Goal Attainments page to enter the goal attainments for the group goals that you set up for the plan.
Object Name	VC_GRP_GOAL_ATN
Navigation	**Compensate Employees, Manage Variable Compensation, Use, Group Goal Attainments, Group Goal Attainments**
Prerequisites	Set up group goals for the plan.
Access Requirements	Enter a VC Plan ID.

Group Goal Attainments page

All fields on this page are identical to the fields on the Organization Goal Attainment page, with the addition of the **Group ID** field.

Group ID

Find the **Group ID** of the plan members whose goal attainments you want to enter. The system displays the description of the group.

The system attributes the attainment percent that you enter for a **Group ID** to all of its child groups unless you have set up different goals at a lower level. If you have set up goals at lower group levels, select the data row for each group and enter the attainment percents.

For complete information about the remaining fields on this page see Organization Goal Attainment Page.

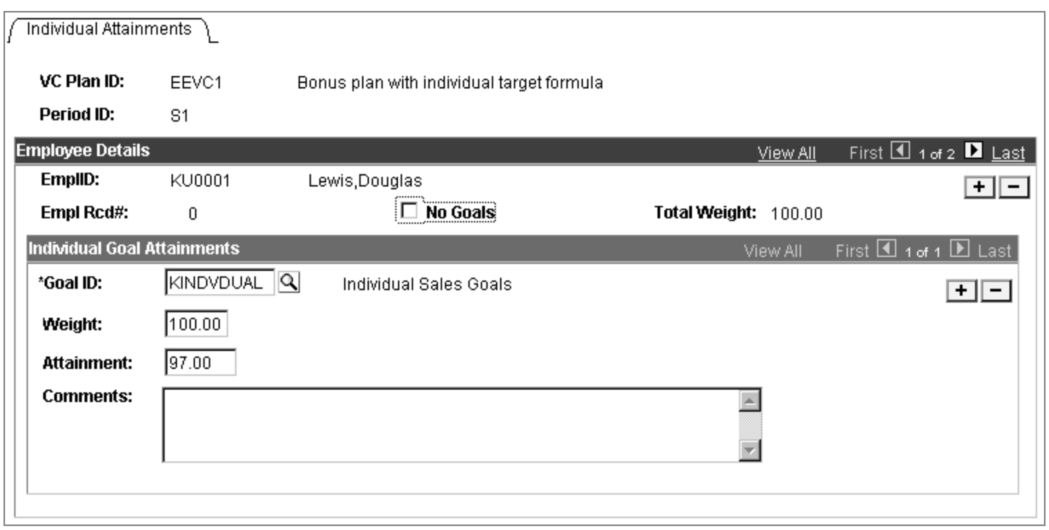
Entering Individual Goal Attainments

The Calculate Eligibility/Proration process enters the default individual goals for each plan member on the Entering Individual Goal Attainments or the Individual Attainments with Groups Page. Before entering the individual goal attainment percents, you can modify the goals and goal weights for each plan member.

The system does not automatically apply the attainment percents of a parent group to its child groups on the tree. You must select the Group ID for each group for which you want to modify default individual goals and enter attainment percents.

Individual Attainments Page

Usage	Use the Individual Attainments page to add goals and weights, change or delete default goals and weights, and to enter goal attainments for individual plan members. The Eligibility/Proration process loads the default individual goals into this page for all eligible plan members. Use the defaults as a starting point for updating the individual's goals before entering goal attainments.
Object Name	VC_IND_GOAL_ATN
Navigation	**Compensate Employees, Manage Variable Compensation, Use, Individual Attainments, Individual Attainments**
Prerequisites	Set up default individual goals on the Default Individual Goals setup page and run the Eligibility/Proration process.
Access Requirements	Enter a VC Plan ID.



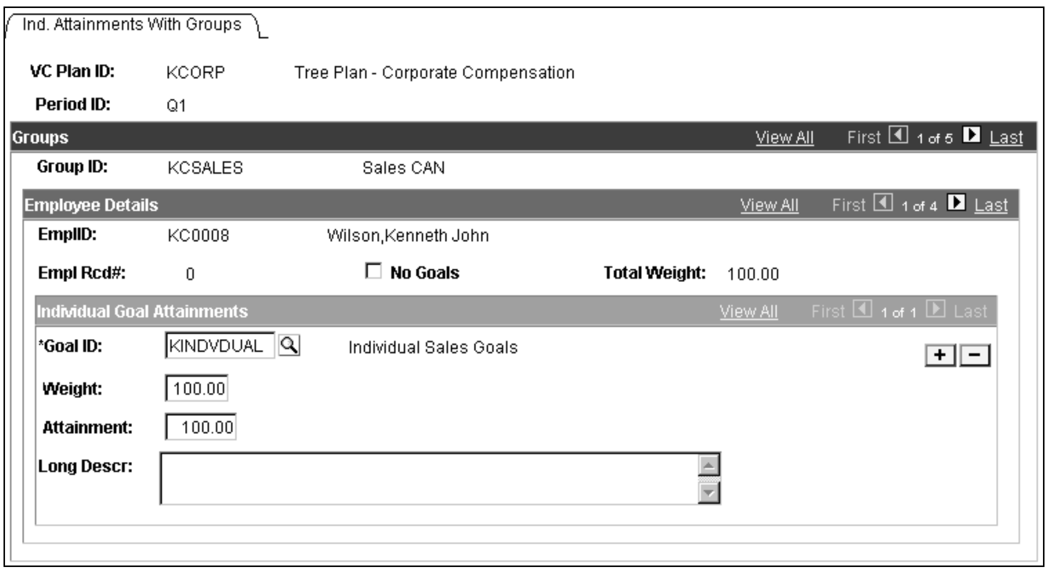
Individual Attainments page

VC Plan ID	The system displays the **VC Plan ID** that you entered.
Period ID	Find the plan payout period for which you want to enter goal attainments.
EmplID (employee ID)	Select the data row of the plan member for whom you want to enter goal attainments. The system displays the plan member's **EmplID**, name, and **Empl Rcd#** (employment record number).
No Goals	Select the **No Goals** check box if you want to delete all individual goals for the plan member. When you select **No Goals,** the system deletes all individual goal records for the plan member, and the fields become unavailable for data entry. If you select this value, the system assumes 100%attainment at the individual level, so there is no reduction in the award for lack of goals.
Total Weight	The system sums the weighting percents as you change or enter them for each goal and displays the cumulative total in the **Total Weight** field. You can adjust the weights for goals until the sum of all goal weights for the payout period is 100%. To save the page, the **Total Weight** must be 100%.
Goal ID	The system displays a row for each default Goal ID that you entered on the Organization Goals setup page. Select a data row for a default **Goal ID,** or add a new goal by selecting a **Goal ID** from the available options. Valid values prompt from the Goals table. The system displays the goal description after the **Goal ID.**
Weight	The system displays the weighting percent that you assigned to the default **Goal ID.** You can change the default weight or enter a weighting percent for a new **Goal ID.** The total of all weights for the payout period ID must be 100%.
Attainment	Enter the percent attained value for each goal.
Comments	In the **Comments** field, you can enter any information pertinent to the goal attainment.

Individual Attainments with Groups Page

Usage	Use the Individual Attainments with Groups page to add goals and weights, change or delete default goals and weights, and to enter goal attainments for individual plan members.

	The Eligibility/Proration process loads the default individual goals into this page for members of groups that have default individual goals set up. Use the defaults as a starting point for updating the individual's goals before entering goal attainments.
Object Name	VC_IND_GOAL_WG_ATN
Navigation	**Compensate Employees, Manage Variable Compensation, Use, Ind. Attainments with Groups, Ind. Attainments With Groups**
Prerequisites	Set up default individual goals on the Default Individual Goals for Groups setup page and run the Eligibility/Proration process.
Access Requirements	Enter a VC Plan ID.



Individual Attainments with Groups page

All fields on this page are identical to the fields on the Individual Attainment page, with the addition of the **Group ID** field.

Group ID

Select the **Group ID** of the plan members whose goal attainments you want to enter. The default value is the highest level group ID for which you set up default individual goals. When you move out of the field, the system displays the description of the group.

Lower level groups do not inherit the goal attainments of higher level groups. You must select each group and each member for which you want to enter attainment percents.

For complete information about the remaining fields on this page see Entering Individual Goal Attainments.

Understanding the Performance Factor

The Determine Allocations process calculates the performance factor for organization and group level goals. The Calculate Awards process calculates the performance factor for individual goals. The Calculate Awards process also calculates the total performance factor and applies it to the prorated target payout.

Calculating the Performance Factor

The system multiplies the following three percentages to calculate the performance factor for each goal:

Plan Goal Weight	The weighting percent that you assign to the goal level when you define the plan.
Weighted Goal Percent	The weighting percent that you assign to the performance goal.
Attainment Percent	The percent of accomplishment of the performance goal.

The Performance Factor Calculation Formula

The formula for calculating the performance factor for each goal is:

```
Plan Goal Weight x Weighted Goal% x Attainment%
```

The Calculate Awards process sums the performance factor of all goals to derive the plan member's total performance factor. It rounds the calculation up to five decimal places.

Example: Performance Factor for Goals Established at Three Levels

Data

Plan Goal Wts	
Organization	50%
Group	35%
Individual	15%
Total	100%

Weighted Goal %	
Org. Goal 1	35%
Org. Goal 2	65%
Total	100%
Group Goal 1	50%
Group Goal 2	50%
Total	100%

Attainment %	
Org. Goal 1	100%
Org. Goal 2	125%
Group Goal 1	75%
Group Goal 2	50%
Indiv. Goal 1	100%

Indiv. Goal 1	100%
Total	100%

Calculation

	Plan Goal Weight	x	Weighted Goal %	x	Attainment Percent	=	Performance Factor (PF)
Org. Goal 1	50%	x	35%	x	100%	=	.175
Org. Goal 2	50%	x	65%	x	125%	=	.40625
Group Goal 1	35%	x	50%	x	75%	=	.13125
Group Goal 2	35%	x	50%	x	50%	=	.0875
Indiv. Goal 1	15%	x	100%	x	100%	=	.15
					Total PF	=	.95

Applying the Performance Factor

The Calculate Awards process multiplies the prorated target payout formula by the performance factor. The following example illustrates an award calculation using the performance factor calculated in the previous example.

Data

Employee Salary	$50,000 (annul rate)
Plan Payout Formula	15% of base pay/quarterly
Proration Factor	.75
Performance Factor	.95

Award Calculation

```
($50,000 x 15%) / 4 x .75 x .95 = $1,335.94
```

For more information about calculating awards, see Calculating Allocations and Awards.

Reporting Organization and Group Goals

The Organization and Group Goals report is an optional report that you can run before or after the measurement period. This report provides the following information:

- The Plan Goal Weights for the VC plan ID and period ID.
- A list of all organization weighted goals in the plan with their weighting percent and attainment percent.

- A list of all group weighted goals in the plan by group with their weighting percent and attainment percent.
- If the group does not have goals, the report indicates that the child group's goals are the parent group's goals.

For more information about running this report, see Generating the Organization and Group Goals Report.

Managing Plans With Matrix Goals

When you use a goals matrix to manage a performance driven plan, you set up goals, performance levels, and a payout schedule. The system calculates a performance score that determines the payout formula used by the Award Allocation process to calculate awards.

Because the goals matrix option determines the payout formula at the organization or group level, you'll want to consider carefully before using this option for plans administered with Employee VC Record or Employee VC Record with Groups plan member rules. With these plan member rules, you can set the target payout at the individual plan member level. You would override this feature by using a goals matrix.

Organization or Group Goals Matrix

You manage a VC plan with a goals matrix at the organization level or at the group level, depending upon the plan member rule that you established for the plan. If the plan member rule is Empl VC Record with Groups or Define Tree/Group, you set up the matrix at the group level for group goals. If the plan member rule is Empl VC Record (without groups), the matrix is an organization goal matrix. The system does not support individual level matrix goals.

Organization Level

You can set up a matrix that defines the goals for the whole organization if you administer the plan membership without using groups. Organization goals are performance goals that you set for the entire organization. The performance score for organization goals determines the payout formula for all plan members.

Group Level

You can use a group goals matrix if you administer the plan using groups. Group goals are performance goals that you set for all members of a group. Child groups inherit the group goals and attainments of parent groups, unless you establish a different goals matrix at the child group level. The performance score for group goals determines the payout formula for all members of the group.

Overview of Matrix Goals

The following is a brief summary of the steps that you follow when managing plans with a goals matrix:

To manage plans with a goals matrix:

1. Define Goal IDs on the VC Goal Table page.
2. Define Goals Matrix as a plan option on the VC Plan - Plan Definition Page.
   - Select *Goals Matrix* as the Plan Goals type.
   - Define the number of columns that you want to set up in the matrix.
3. Set up the goal matrix on the Plan Goals - Matrix Goals page or Plan Goals with Groups - Matrix Goals page.
   - Enter the Goal IDs that you will use to evaluate performance.
   - Establish a Weighting Percent for each Goal ID. The cumulative total of the weights for all goals must be 100%.
   - Enter the Threshold, Target, and Stretch performance level percentages for the number of matrix columns that you defined for the plan.
   - Identify the measurable performance level values for each goal at each performance percent level.
4. Identify a payout schedule that represents the amount of award that a plan member would receive at the various performance levels on the Payout Schedule page.
5. Enter the Goal Attainment Value for each goal on the matrix goal attainment pages. The system performs the following calculations:
   - Determines the performance score for each goal.
   - Sums the scores of all goals.
   - Determines the payout formula.
6. Calculate the award using the payout formula during the Calculate Awards process.

For an example of a goal matrix and payout formula determination, see Example of Managing a Plan Using Matrix Goals.

Terms and Definitions

The following terms are important in understanding the goals matrix, the performance score, and the payout formula calculation:

Goal Weight
The weighting percents that you assign to the performance goals that you set up in the matrix.

Threshold
Minimal performance conditions that must be met if there is to be a payout. The function of thresholds is to cancel payouts when some minimally acceptable performance level has not been achieved on the goals that you set.

Target
Performance condition(s) that must be met if there is to be optimal payout. Target implies the average level of performance in achieving the goals in the matrix. The group or organization will usually meet the target level of performance 80% of the time.

Stretch
Performance conditions that must be met if there is to be the highest payout. Stretch implies the maximum level of performance in achieving the goals in the matrix. The group or organization will usually reach the stretch level of performance 50% of the time.

Performance Level
The percentages that you assign to the Threshold, Target, and Stretch levels on the matrix. The system uses these percentages in calculating the performance score.

The number of performance levels corresponds to the number of columns that you specified for the matrix. It is common to set up five levels that range from 80% to 120%. In such a scheme, 80% and 90% represent performance that is below expected, 100% represents the expected level of performance, while 110% and120% represent higher than expected performance. Three levels and seven levels are also common.

Performance Value
A numeric representation of the value of performance to be attained at each threshold, target, or stretch performance level in the matrix. Depending upon how you measure the goal, you might express the performance value as a percentage or as a flat amount.

The performance value determines the performance level percent that the system uses to calculate the performance score.

Goal Attainment Value

Numeric representation of the attainment of a matrix goal. The system interpolates the goal attainment value to a performance value. That performance value determines the performance level percent used in the performance score calculation.

Performance Score

The system calculates the score for each goal by multiplying the goal weight by the percent of the performance level under which the attainment value falls. The total performance score is the sum of the scores for all goals in the matrix. The system determines the payout formula based on where the total performance score falls on the payout schedule.

Total Score

Sum of the performance scores for all goals within the matrix. The system determines the payout formula based on where the total performance score falls on the payout schedule.

Payout Schedule

Schedule of performance score ranges and associated payout formulas.

Payout Formula

The formula the system uses to calculate the plan member's VC award. Usually the formula is some percentage of base pay.

Example of Managing a Plan Using Matrix Goals

The following example will help you understand the matrix goal business process before you begin using the pages.

Please review the Terms and Definitions section before you proceed.

Sample Goal Matrix

Performance Levels		Threshold		Target		Stretch	Performance Values	
Goals	**Weight**	**80%**	**90%**	**100%**	**110%**	**120%**	**Attain-ment**	**Score**
On-Time Service Accuracy	40%	85%	90%	92%	94%	97%	92%	40
Contribution Margin	35%	12%	14%	16%	18%	20%	18%	39
Customer Satisfaction	25%	80	85	90	95	98	85	23
Total Goal Weight	100%						**Total Performance Score**	**102**

Sample goal matrix with five columns

The sample matrix shows the following elements:

- Five **Performance Levels** ranging from 80% to 120% for the Threshold, Target, and Stretch levels.
- Three **Goals** for measuring performance.
- **Weight** percents for each goal. **Total Goal Weight** is 100%.
- The **Performance Values** to be attained for each goal at each performance level.

  Because contribution margin is usually expressed as a percentage, the plan administrator has indicated that a contribution margin of 12% is the lowest value the organization needs to reach in order to provide for a meaningful reward. However, 16% is the ideal Target.

  You do not have to express performance values as a percent. Note that the customer satisfaction performance value is a flat amount because it is measured as a score on a survey.
- The actual goal **Attainment** value expressed in the same measure (percent or flat amount) as the performance value for each goal.
- The **Score** that the system calculated for each goal and the **Total Performance Score**.

Calculating the Performance Score

The formula for calculating the performance score is:

```
Goal Weight x Performance Level of the Attainment Value
```

In the example, the attainment value for On-Time Service Accuracy is 92%. The 92% performance value falls in the 100% performance level. So, the performance score calculation for On-Time Service Accuracy is:

```
40% x 100% = 40
```

The attainment value for Contribution Margin is 18%. The 18% performance value falls in the 110% performance level. So the performance score calculation for Contribution Margin is:

```
35% x 110% = 39
```

The attainment value for Customer Satisfaction is 85. The performance value of 85 falls in the 90% performance level. So the performance score calculation for Customer Satisfaction is:

```
25% x 90% = 23
```

The Total Performance Score is the sum of the scores for all three goals.

```
40 + 39 + 23 = 102
```

If the attainment value falls between two performance levels, the system interpolates the performance level. For example, if the attainment value for On-Time Service Accuracy was 91%, the system would interpolate the performance level to be 95%, which is halfway between the performance levels for the attainments of 90% and 92%, respectively.

Determining the Payout Formula

You set up a payout schedule that associates payout formulas with ranges of total scores. The system evaluates only the scores that are equal to or higher than the threshold when it assigns payout formulas.

The following is an example of a payout schedule:

From	-	To	Payout Formula
80	-	90	3% of Quarterly Base Pay
90	-	100	5% of Quarterly Base Pay
100	**-**	**110**	**7% of Quarterly Base Pay**
110	-	120	10% of Quarterly Base Pay
120			15% of Quarterly Base Pay

In this example, the Total Performance Score of 102 falls in the range of 100 - 109, so the Payout Formula is 7% of Quarterly Base Pay. The Calculate Awards process uses the payout formula when it calculates the award.

Setting Up Matrix Goals

Use the Plan Goals - Matrix Goals page or Plan Goals with Groups - Matrix Goals page to set up the goal matrix for your VC plan. Which page you use depends upon whether the plan uses groups. The pages are the same, except that the Plan Goals with Groups Matrix Goals setup page has an additional field to select the Group ID for which you are setting up the matrix.

If the plan member rule is Empl VC Record with Groups or Define Tree/Group, then you set up the matrix at the group level for group goals. If the plan member rule is Empl VC Record (without groups), then the matrix is an organization goal matrix.

Determining the Number of Matrix Columns

Three, five, or seven columns are displayed on the matrix goals pages, depending on how you defined the matrix on the VC Plan – Plan Definition page. The number of columns is effective-dated, so you can change it over time. When you first access the pages for setting up goals and entering attainments, the system retrieves the last effective-dated record before the end of the selected payout period and selects the number of matrix columns specified there.

The system does not require that you define a new matrix when you access the pages for a new payout period. Even if you do define a different number of matrix columns for the new payout period, the eligibility process carries forward the old matrix. As a result, some columns might be missing or contain no data. Therefore, if you change the number of columns for the matrix on the Plan Definitions page, you should set up a new matrix with the correct number of columns before you run the eligibility process for the new period.

Matrix Goals Setup Page

Usage	Use the Matrix Goals setup page to define the goals matrix that you will use in administering a performance-based VC plan that does not use groups.
Object Name	VC_MTX_GOAL
Navigation	**Compensate Employees, Manage Variable Compensation, Setup, Plan Goals, Matrix Goals**
Prerequisites	Define Goal IDs in the VC Goal Table page. Define payout formulas. Select *Goals Matrix* in the Plan Goals field on the VC Plan - Plan Definition page, and specify a number of matrix columns.
Access Requirements	Enter a VC Plan ID.

Matrix Goals page

VC Plan ID The system displays the **VC Plan ID** that you entered.

Period ID Select the plan payout period for which you want to set up the goals matrix. Valid values prompt from the Payout period table (VC_PAYPRD_TBL).

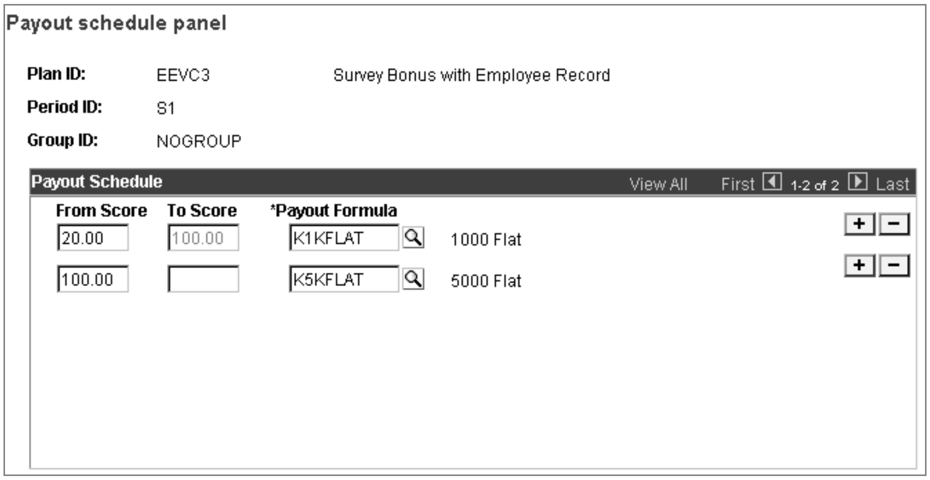
Payout Schedule Click **Payout Schedule** to access the Payout Schedule page, where you define payout formulas for various performance levels.

Threshold Enter performance level percents for each **Threshold** column of the matrix. **Threshold** percents are generally less than 100%.

Target	Enter the performance level percent for the **Target** column of the matrix. The **Target** percent is generally 100%.
Stretch	Enter performance level percents for each **Stretch** column of the matrix. **Stretch** percents are generally greater than 100%.
Goal ID	Select a **Goal ID** from the available options. Valid values prompt from the VC Goals table.
Weight	Enter a **Weight** for the goal ID. You can express weighting percents up to two decimal places. Consider the example of 18.25%. To save the page, the total of all weights for the payout period ID must be 100%. For the first goal that you select, the system enters 100.00. You can change it to any percent that you want up to 100.00. Consider, for example, 25.00. When you insert a row and select a second **Goal ID,** the system populates the **Weight** field with the difference between 100.00 and the weight that you entered for the first goal, which, in this example, would result in 75.00. You can change this percent and add a third goal, and so forth.
Threshold, Target, Stretch	For each **Goal ID,** enter a performance value to be attained at each Threshold, Target, and Stretch performance level in the matrix. Depending upon how you measure the goal, you might express the performance value as a percentage or as a flat amount. You will see an error message if you try to save the page without entering a performance value in each column for each goal.
Total Weight	The system sums the weighting percents as you enter them for each goal, and displays the cumulative total in the **Total Weight** field. You can adjust the weights for goals until the sum of all weighting percents for the payout period is 100%. To save the page, the **Total Weight** must be 100%.

Matrix Goals: Payout Schedule Page

Usage	Use the Payout Schedule page to assign payout formulas to ranges of performance scores. You can set up any number of score ranges and associated payout formulas by inserting rows.
Object Name	VC_PAYOUT_SCHED
Navigation	Click the Payout Schedule link on the Matrix Goals page or Matrix Goals with Groups page.



Plan Goals - Matrix Goals: Payout Schedule page

The system displays the **VC Plan ID** and description, **Period ID,** and **Group ID** from the Matrix Goals page or Matrix Goals with Groups page.

From Score

Enter the low score in the range for which you want to assign a payout formula. For example, if you want to set a range from 80 - 90, enter 80.

The lowest **From Score** should be equal to or higher than the threshold score.

To Score

The system populates this field with the **From Score** that you enter in the next row.

The system interprets the range up to the **To Score,** at the level of two decimal places. For example, if the range is 80-90, any score up to 89.99 is in the range. A score of 90 would be in the next range.

Payout Formula

Select a **Payout Formula** for the range of scores that you defined. Valid values prompt from the Payout Formula table.

Matrix Goals With Groups Setup Page

Usage	Use the Matrix Goals with Groups setup page to define the goals matrix that you will use in administering a performance-based VC plan that uses groups.
Object Name	VC_MTX_GOAL_WG
Navigation	**Compensate Employees, Manage Variable Compensation, Setup, Plan Goals with Groups, Matrix Goals**
Prerequisites	Define Goal IDs in the VC Goal Table page. Define payout formulas.

	Select *Goals Matrix* in the Plan Goals field on the VC Plan - Plan Definition page and specify a number of matrix columns.
Access Requirements	Enter a VC Plan ID.

Matrix Goals with Groups page

The Matrix Goals with Groups setup page is identical to the Matrix Goals setup page with the addition of the **Group ID** field.

Group ID

The **Group ID** field only appears on the page if you administer the plan using groups accessed from the Plan Goals with Groups page.

Select the **Group ID** for which you want to set up a goals matrix. The system displays the description of the group. The system automatically applies the goals matrix of the highest group to all groups on the tree.

If you want to set up a different goals matrix for lower level groups, insert a row, select the lower level **Group ID,** and set up the matrix. When calculating awards, the system automatically applies the matrix to child groups unless you select a lower group and set up a different matrix.

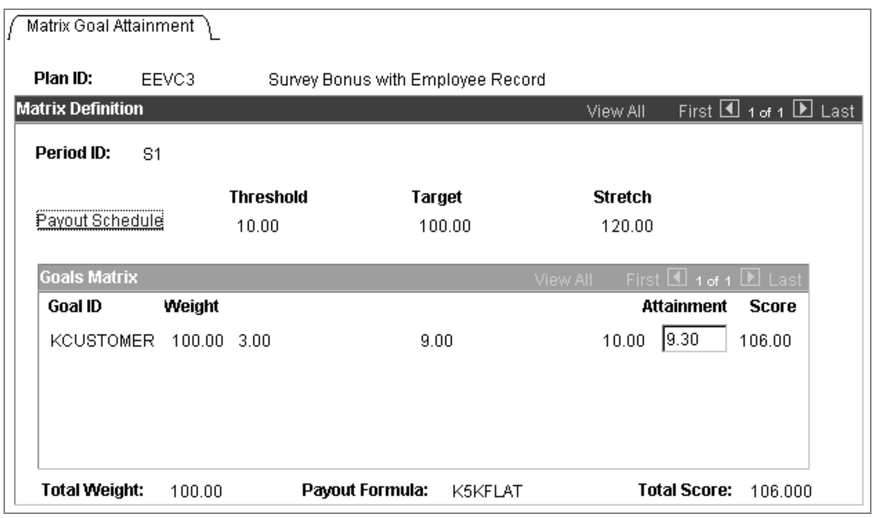
For more information about the fields on this page, see Matrix Goals Setup Page.

Entering Matrix Goal Attainments

Enter goal attainments after you have completed the performance review. You must complete the attainments before calculating awards.

Matrix Goal Attainment Page

Usage	Use the Matrix Goal Attainment page to enter the numeric value of attainment of each goal in the matrix. The system calculates the performance score and determines the payout formula.
Object Name	VC_MTX_GOAL_ATN
Navigation	**Compensate Employees, Manage Variable Compensation, Use, Matrix Goal Attainments, Matrix Goal Attainment**
Prerequisites	You must set up a goals matrix and payout schedule.
Access Requirements	Enter a Plan ID.



Matrix Goal Attainment page

Viewing the Goals Matrix

The system displays the goals matrix that you set up for the **Plan ID** with the values that you entered on the Matrix Goals setup page. You cannot change those values on this page; they are for display only.

Entering Goal Attainments

Use the following fields to enter goal attainments:

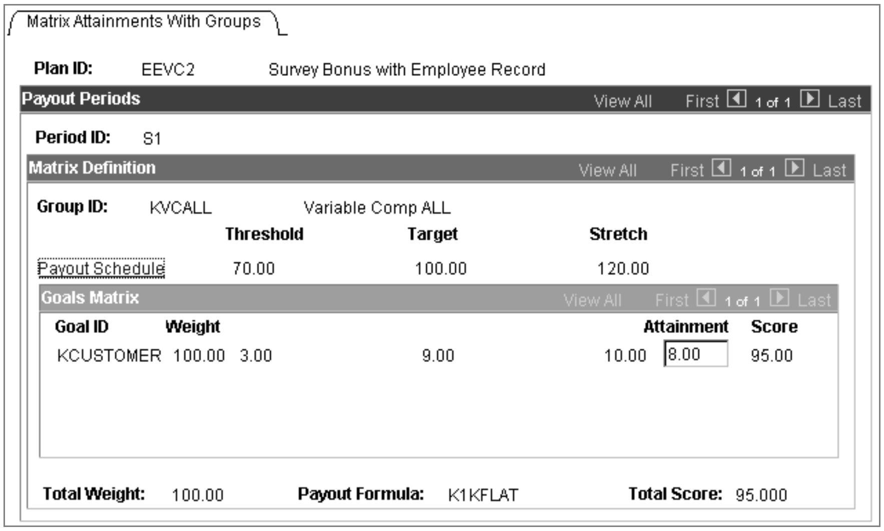
Period ID Select the plan payout period for which you want to enter goal attainments.

Attainment	On each row of the matrix, enter the goal attainment value for that goal. It is expressed in the same numeric representation as the performance values that you entered into the matrix. The system uses the goal attainment value to interpolate a performance value on the matrix and uses the percent of the corresponding performance level in the performance score calculation.
Score	The system calculates the performance **Score** by multiplying the goal **Weight** by the performance level that was calculated for the attainment.
Total Score	The system enters the sum of the performance scores for all goals. It uses the **Total Score** to determine the payout formula.
Payout Formula	The system compares the **Total Score** to the score ranges that you set up on the Payout Schedule page. It populates the **Payout Formula** field with the payout formula that you defined for the corresponding range.

For more information and an example of the performance score calculation and payout formula determination, see Example of Managing a Plan Using Matrix Goals.

Matrix Attainments With Groups Page

Usage	Use the Matrix Attainments with Groups page to enter the numeric value of attainment of each goal in the matrix. The system calculates the performance score and determines the payout formula.
Object Name	VC_MTX_GOAL_WG_ATN
Navigation	**Compensate Employees, Manage Variable Compensation, Use, Matrix Attainments with Groups, Matrix Attainments With Groups**
Prerequisites	You must set up a goals matrix and payout schedule.
Access Requirements	Enter a Plan ID.



Matrix Attainments With Groups page

This page and its fields are identical to the Matrix Goal Attainments page, with the addition of the following field:

Group ID	Find the **Group ID** for which you want to enter goal attainment values. You can only access the groups for which you have security access. The system automatically applies the highest group's attainments, performance scores, and payout formula to all child groups, unless you have set up a different matrix at a lower level. In other words, child groups take on the matrix and payout formula of the next highest group with a goal matrix.

For more information about the fields on this page, see Matrix Goal Attainment Page. For an example of the performance score calculation and payout formula determination, see Example of Managing a Plan Using Matrix Goals.

CHAPTER 5

Funding VC Plans and Groups

You have the option of allocating funds to a variable compensation plan. The optional Budget report can help you determine how much funding to allocate. If the plan uses groups, you further distribute the plan funding to the groups in the plan and can view a report of the results of the distribution.

Plan funding sets a cap on payouts under the plan. If funding falls short of the calculated payout, the Calculate Awards process calculates and applies an adjustment factor to awards that are above the minimum. The system tracks and updates your funding balances as you grant awards on the Award Allocations page.

Overview of Variable Compensation Funding

The following are the basic steps that you follow to fund a plan:

To fund a variable compensation plan:

1. Select Funded Plan on the VC Plan - Plan Business Rules Page when you set up the plan.
2. (Optional) Run the Budget Report to determine the expected total cash outlay under the plan.
3. Fund the VC Plan using the Plan Funding Page.

   You can fund the plan at any time during the life of the plan.
4. Distribute funds to groups in the plan using the Group Funding Allocation Page. (For plans that use groups.)

   You allocate funds to groups at the end of the payout period, when goal attainments and proration are known.

For more information about funding groups, see Allocating Funds to Groups.

Understanding the Adjustment Factor

The Calculate Awards process calculates and applies an adjustment factor when the calculated awards exceed the funding for the plan. The purpose of the adjustment factor is to adjust each individual award in the same ratio to the calculated award as the ratio of group/plan funding to the total value of calculated awards for the group/plan.

The process applies the adjustment factor to the adjustable portion of each individual's award. The adjustable portion of an award is the calculated award amount minus the minimum payout amount that you (optionally) established for the group or plan. The system subtracts the minimum award value when calculating and applying the adjustment factor because the minimum is not considered adjustable.

The system calculates the adjustment factor using the following formula:

$$\frac{\text{(total group/plan available funds)} - \text{(total group/plan minimum payout value)}}{\text{(total group/plan calculated awards)} - \text{(total group/plan minimum payout value)}}$$

That is, the actual funded amount for each group/plan less the sum of the minimum awards for that group/plan divided by the sum of the adjustable portions of all individual awards.

The Calculate Awards process applies the adjustment factor to the Calculated Award and enters the result in the Adjusted Award field on the Award Allocations page.

Budgeting Awards

When determining how much funding to allocate to a plan, you can use the Budget Report to help you calculate the potential cash outlay for the plan. This report calculates the target payout under the plan assuming 100% proration.

If you use weighted goals in the plan, you can specify hypothetical attainment percentages on the run control page. If you use a goals matrix, you can specify a hypothetical matrix score on the run control page. If you do not specify hypothetical goal attainments or a score, the system assumes 100% goal attainment.

You can select a detailed report or a summary report. The detailed Budget report lists all employees in a plan by group, the employee's projected target award value, carryover balance, minimum award, and maximum award, along with the sum of these values for each group and the grand total for the plan. The summary report lists the total values for each group and the grand total for the plan.

For more information about running this report, see Generating the Budget Report.

Funding VC Plans

When you define a variable compensation plan, you can select Funded Plan as a plan business rule. On the Plan Funding setup page you allocate funds to the plan. Plan Funding is optional for all plan types except the five stock types. For stock-type plans, plan funding is mandatory.

You can allocate funds to the plan at any time in the life of the plan. After the initial allocation, you can use the Plan Funding setup page to increase or decrease funding to the plan. If the plan uses groups, you must first allocate funds to the plan before you allocate funding to the groups.

Funding Ad Hoc Plans

Ad Hoc plans do not use the Calculate Awards process, so there is no adjustment factor for these plans. The available balance of funding appears on the Award Allocations page, and the system updates the balance as you allocate awards. The system warns you if you try to exceed the available balance. You can then allocate more funds to the plan or adjust the award to fall within the balance.

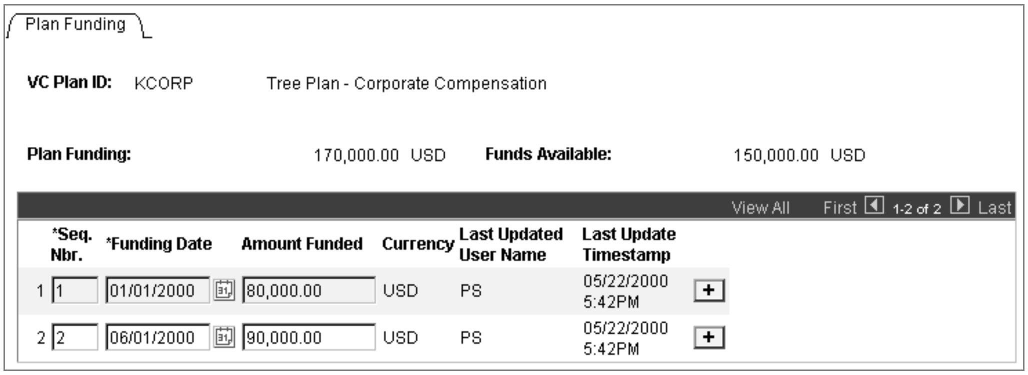
Funding Stock Plans

Plan funding is mandatory for stock-type plans. If your organization uses PeopleSoft Stock Administration, the Stock Administrator allocates shares to Variable Compensation by stock plan and stock ID. From that allocation, the Variable Compensation administrator can fund multiple stock plans that have the same stock plan and stock ID.

For more information about allocating stock shares from PeopleSoft Stock Administration to Variable Compensation, see Setting Up Variable Comp Allocations.

Plan Funding Page

Usage	Use the Plan Funding page to allocate funds to a variable compensation plan. The system tracks these funds and adjusts the fund’s available balance as you allocate awards. Plan funding is optional. You can fund the plan at any time in the life of the plan.
Object Name	VC_PLAN_FUNDING
Navigation	**Compensate Employees, Manage Variable Compensation, Setup, Plan Funding, Plan Funding**
Prerequisites	Select Funded Plan on the Define Business Rules page when you set up the VC plan. You can first run the Budget Report to gather information about how much to fund the plan.
Access Requirements	Enter a VC Plan ID.



Plan Funding page

Column order for grids may vary by implementation. All columns may not be visible.

The following table lists the fields that are visible for the different plan types:

Monetary Plans	***Non-monetary Plans***	***Stock Plans***
VC Plan ID	VC Plan ID	VC Plan ID
Plan Funding	Plan Funding (Units)	Shares Available to Plan
Funds Available	Plan Balance	Plan Balance
Funding Date	Funding Date	Funding Date
Amount Funded	Funding Units	Funding Units
Currency	Last Updated User Name	Last Updated User Name
Last Updated User Name	Last Update Timestamp	Last Update Timestamp
Last Update Timestamp		

Field Definitions

VC Plan ID

The system displays the **VC Plan ID** that you entered when you accessed the page, along with the plan description.

Plan Funding

(Monetary plans) The system displays the sum of all funding amounts for the plan. The system recalculates the **Plan Funding** amount each time you add or change an amount in the **Amount Funded** column of the grid.

Plan Funding (Units)

(Non-monetary plans) The system displays the sum of all funding units for the plan. The system recalculates the **Plan Funding (Units)** amount each time that you add or change an amount in the **Funding Units** column of the grid.

Funds Available	(Monetary plans) The system displays the amount of funds remaining for distribution that have not been allocated to awards. It recalculates this amount each time you access the page.
Shares Available to Plan	(Stock-type plans) The system enters the sum of all the shares allocated from PeopleSoft Stock Administration to Variable Compensation for the stock plan and stock ID, minus any shares funded to other plans to date.
Plan Balance	(Non-monetary and stock-type plans) The system displays the total of **Funding Units** allocated to this plan ID minus any awards allocated from the plan.
Seq. Nbr. (sequence number)	The system sequentially numbers the rows in the grid. The default for the first row is 1. You cannot delete a saved row.
Funding Date	Enter the date of the funding that you are allocating to the plan. Today's date is the system default.
Amount Funded	(Monetary plans) Enter the amount of funding that you want to add to the plan. Enter a negative amount if you want to decrease the plan funding.
Currency	The system enters the currency that you defined for the VC Plan on the Plan Definition page.
Funding Units	(Non-monetary or stock-type plans) Enter the number of units that you want to add to the plan. Enter a negative amount if you want to decrease the plan funding. Stock funding units cannot exceed the value in the **Shares Available to Plan** field.
Last Updated User ID	When you save the page, the system updates this field with the user ID of the person who added the row.
Last Update Timestamp	When you save the page, the system enters the time.

Allocating Funds to Groups

Funding groups is a top-down process. You first fund the highest group on the tree, which includes all groups in the plan. You gradually divide the initial plan funding as you fund groups at intermediate levels. The system uses the tree hierarchy to check that funding at lower levels does not exceed the allocations at the upper levels of the hierarchy.

If you allocate funding to plans with groups, the manager and approver of a group must first calculate and then approve the awards for the manager's direct reports before allocating funding to the child groups.

You must wait until the end of the payout period before you allocate funds to groups. Before you begin, be sure to enter all goal attainments and calculate eligibility for the entire payout period.

Determining Managers and Approvers

As a general rule, the approver of a group would be the manager of the parent group. Because the approvers are the higher level managers, they are not members of the groups they approve.

Managers generally are members of the groups they manage. The security mechanism in the Group Funding Allocation pages and Award Allocation with Groups page prevents managers who are members of the group from seeing their own awards.

You must set up a user ID for each employee who is a manager or approver on the Maintain Security - User Profiles page. You designate the approver and manager of each group on the Group Profile page when you set up groups in Group Build.

On the Group Tree Security Page, you must set up security so that all approvers/managers are given access to the groups that they manage.

Overview of the Group Funding Allocations Process

The procedures for allocating funds to groups on the tree vary slightly according to the group structure, how you set up manager and approver IDs, and whether the manager is a member of the group. The following steps outline the generic procedures for allocating funds and calculating awards for managers and their groups down the tree.

These generic procedures assume the following:

- Approval is required under the plan business rules.
- The manager is always a member of the group.
- The approver is always the manager of the immediate parent group on the tree.

To allocate funds and awards to groups on the tree:

Funding the Highest Group

The following two steps are done just one time for each payout period.

1. The approver of the highest group runs the Determine Allocations process.
2. The approver of the highest group funds the highest group on the Group Funding Allocation page.

Awarding the Group Manager and Funding Child Groups

The following steps are repeated for each level of groups on the tree in succession.

1. The approver runs the Calculate Awards process for the group.

- Populates the Award Allocations page.

3. The approver of the group approves the award of the group's manager on the Award Allocations page.

   - Modify award if desired.
   - Change the Award Status to *Approved.*

4. The manager of the group receives workflow notice that he can now allocate awards to his direct reports and subgroups.

5. Manager of the group allocates and recommends awards for direct reports on the Award Allocations page.

6. The approver receives workflow notice that he can now approve the awards for the group manager's direct reports.

7. Approver approves awards of the group manager's direct reports.

8. The manager allocates funds to child groups on the Group Funding Allocation page.

9. The approvers or managers of the child groups receive a workflow notice

   - For each subgroup that includes the managers as group member (as indicated in this example) the approver will get a workflow message saying that now he should run the Calc Awards process for that group and subsequently approve the manager's award.
     Since we assumed in this example that the manager of a group would be the approver of the subgroups, the person who allocated funds to the subgroups in step 9, would be the same as the one who gets this workflow message.
   - For each subgroup that does not include the manager as group member, the manager will get a workflow message that now he should run the Calc Awards process and recommend the awards of the direct reports and fund the subgroups.

10. Repeat steps 3 through 11 for each group moving down the tree.

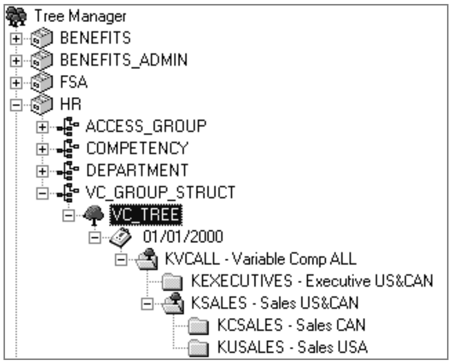
Awards are submitted for payout or distribution by group when all awards in the group have Approved (or Cancelled) status.

Example of Group Funding Allocations

The preceding topic outlined the generic procedures for allocating funds and calculating awards for groups and their managers down the tree. This topic provides a sample group tree and outlines the procedures for distributing funding and allocating awards for groups in the tree.

Sample Group Tree

The following example illustrates a tree named VC Tree:



Deleting Duplicate Membership

Because of the way hierarchical groups are set up, most employees will be members of multiple groups. For example, a member of the Sales Canada group, KCSALES, will also be a member of the Sales group, KSALES, and therefore, will also be a member of the overall group, KVCALL. During the Calculate Eligibility/Proration process, the Delete Duplicates step removes employees from all intermediate levels and leaves them only as members of the lowest level group to which they belong. It is in this lowest level group that their award is determined.

The following table displays all group members in the sample tree hierarchy according to the initial group definition in group build. At each level the members listed in **bold** remain as members of the group; members listed in nonbold are deleted as duplicates. The table also names the approver and manager of each group.

Top Group Level 0	***Group Members and Subgroups on Level1***	***Group Members and Subgroups on Level 2***	***Group Members***
KVCALL Approver KU0002 Manager KU0003			
	KU0003		
	KU0007		
	KC0002		
	KC0005		
	KC0013		
	KC0008		
	KC0022		
	KC0027		
	KU0051		
	KU0064		
	KU0082		
	KEXECUTIVES		

Top Group Level 0	***Group Members and Subgroups on Level1***	***Group Members and Subgroups on Level 2***	***Group Members***
	Approver KU0003 Manager KC0002		
		KC0002	
		KC0005	
	KSALES Approver KU0003 Manager KC0013		
		KC0013	
		KU0082	
		KC0008	
		KC0022	
		KC0027	
		KU0051	
		KU0064	
		KCSALES Approver KC0013 Manager KC0008	
			KC0008
			KC0022
			KC0027
		KUSALES Approver KC0013 Manager KC0008 (not a group member)	
			KU0051
			KU0064

For more information about deleting duplicate group membership, see Deleting Parent-Child Duplicates for Rollup.

Identifying Managers and Approvers

As a general rule, the approver of a group would be the manager of the parent group. Because the approvers are the higher level managers, they are not members of the groups they approve. The groups in this example are set up in this manner.

Managers generally are members of the groups they manage. In this example, the group KUSALES is an exception because it is managed by KC0008, who manages KCSALES. KC0008 is a member of KCSALES but not of KUSALES. The security mechanism in the Group Funding Allocation pages and Award Allocation with Groups page prevents managers who are members of the group from seeing their own awards.

You must set up a user ID for each employee who is a manager or approver. In this example, the user ID is identical to the employee ID. You designate the approver and manager of each group on the Group Profile page when you set up groups in Group Build.

On the Group Tree Security Page, you must set up security so that all approvers/managers are given access to the groups that they manage and/or approve.

Steps for Funding Allocation

Before running the Determine Allocations process, the organization and group goal attainments for all groups under the plan must be entered. Before running the Calculate Awards process the individual goal attainments for the employees of the respective group must be entered.

To allocate funds to the groups in the example:

1. The VC administrator allocates funds to the overall plan.
   Plan Funding Page

Funding and Awarding KVCALL Group Members

2. User KU0002 runs the Determine Allocations process.
   Determine Allocation Process Page

3. User KU0002 (approver of KVCALL) allocates funds to the top group KVCALL.
   Group Funding Allocation - Fund Plan Page

4. User KU0002 runs the Calculate Awards process for KVCALL.
   Calculate Awards by Group Process Page

5. User KU0002 modifies and approves the award for KU0003, manager of KVCALL.
   Award Allocation With Groups Page

   Approval for the manager must always be manual in the Award Allocation With Groups page.

6. User KU0003 (manager of KVCALL) modifies the awards for his direct reports (KU0007) and sets them to Recommended status.
   Award Allocation With Groups Page

7. User KU0002 (approver for KVCALL) approves the award for KU0007.

   Approval could be manual on the Award Allocation With Groups Page or automated using the Approve Awards by Group process.

   When the awards for KVCALL are approved, the system submits them for payout or distribution.

Funding and Awarding KEXECUTIVES and KSALES Group Members

KSALES steps 13 and 14 can be done in parallel to KEXECUTIVES steps 11 and 12.

8. User KU0003 (manager of KVCALL) allocates funds to KEXECUTIVES and KSALES.
   Group Funding Allocation Page

9. User KU0003 runs Calculate Awards for KEXECUTIVES and KSALES.
   Calculate Awards by Group Process Page

10. User KU0003 modifies and approves the awards for KC0002 (manager of KEXECUTIVES) and KC0013 (manager of KSALES).
    Award Allocation With Groups Page

11. User KC0002 (manager of KEXECUTIVES) modifies the awards for his direct reports (KU0005) and sets them to Recommended status.
    Award Allocation With Groups Page

12. User KU0003 (approver for KEXECUTIVES) approves the awards for KU0005.

    Approval could be manual on the Award Allocation With Groups Page or automated using the Approve Awards by Group process.

    When the awards for KEXECUTIVES are approved, the system submits them for payout or distribution.

13. User KC0013 (manager of KSALES) modifies the awards for his direct reports (KU0082) and sets them to Recommended status.
    Award Allocation With Groups Page

14. User KU0003 (approver for KSALES) approves the award for KU0082.

    Approval could be manual on the Award Allocation With Groups Page or automated using the Approve Awards by Group process.

    When the awards for KSALES are approved, the system submits them for payout or distribution.

Funding and Awarding KCSALES and KUSALES Group Members

KUSALES steps 20 and 21 can be done in parallel to KCSALES steps 18 and 19.

15. User KC0013 (manager of KSALES and approver for both KCSALES and KUSALES) allocates funds to KCSALES and KUSALES.
    Group Funding Allocation Page

16. User KC0013 runs the Calculate Awards process for KCSALES and KUSALES.
Calculate Awards by Group Process Page
17. User KC0013 modifies and approves the awards for KC0008 (manager of both KCSALES and KUSALES).
Award Allocation With Groups Page
18. User KC0008 (manager of KCSALES) modifies the awards for her direct reports (KC0022 and KC0027) and sets them to Recommended status.
Award Allocation With Groups Page
19. User KC0013 (approver for KCSALES) approves the awards for KC0022 and KC0027.

    Approval could be manual on the Award Allocation With Groups Page or automated using the Approve Awards by Group process.

    When the awards for KCSALES are approved, the system submits them for payout or distribution.
20. User KC0008 (manager of KUSALES) modifies the awards for her direct reports (KU0051 and KU0064) and sets them to Recommended status.
Award Allocation With Groups Page
21. User KC0013 (approver for KUSALES) approves the awards for KU0051 and KU0064.

    Approval could be manual on the Award Allocation With Groups Page or automated using the Approve Awards by Group process.

    When the awards for KUSALES are approved, the system submits them for payout or distribution.

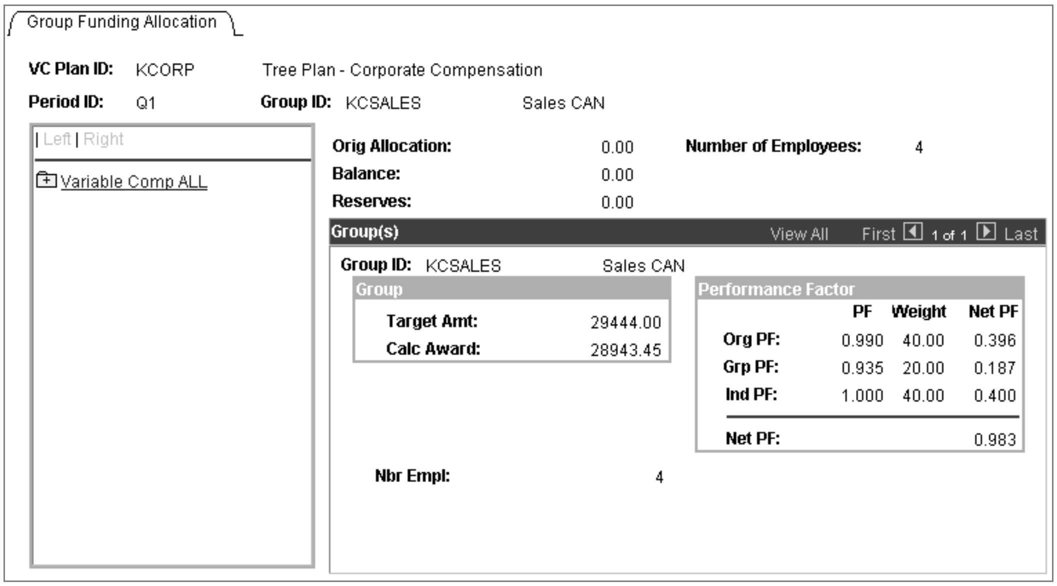
Overview of the Group Funding Allocation Page

The approver of the highest group on the tree must enter this page first, click the Fund Plan button, and fund the plan from the Fund Plan page. Until the approver has funded the plan in this way, no one else will be able to access the Group Funding Allocation page. At each level of groups on the tree, the group manager will not be able to access the page until his or her award is approved on the Award Allocations page. Workflow will notify managers when they can access the page for their groups.

Group Funding Allocation Page

Usage	Use the Group Funding Allocation page to distribute the plan funding among the groups on the tree.
Object Name	VC_GRP_ALLOC
Navigation	**Compensate Employees, Manage Variable Compensation, Use, Group Funding Allocation, Group Funding Allocation**

Prerequisites	Fund the plan using the Plan Funding page. Enter goal attainments. Run the Determine Allocations process.
Access Requirements	Enter a VC Pan ID, Payout Period ID, and Group ID.



Group Funding Allocation page

Using the Tree View

When you access the page, the tree display is collapsed; only the root node is visible. You can expand or collapse nodes on the tree by clicking the node symbol. To load a node into the right pane of the page, click the *name* of the node. The system loads that node into the top portion of the page (parent group) and its child groups into the bottom portion. Within the tree display, the group names to which you have security access are displayed as hyperlinks. The other groups are displayed as passive labels.

VC Plan ID — The system displays the **VC Plan ID** that you entered when you accessed the page.

Period ID — The system displays the **Plan Period ID** that you entered when you accessed the page.

Group ID — The system displays the **Group ID** that you entered when you accessed the page.

Fund Plan — The system displays the **Fund Plan** button when the user who is the authorized approver of the highest group enters the page using the highest **Group ID.** The approver clicks the **Fund Plan** button to access the Fund Plan page in order to enter the funding amount for the plan payout period.

Orig Allocation (original allocation)
The system displays the total amount of funding for the parent group (the group ID that you entered when you accessed the page), less the approved award for the manager.

Balance
The system displays the unallocated balance of the original allocation. The system decreases the amount in this field when the manager enters a positive funding amount for child groups in the **Amount** field.

The amount is also decreased during the group funding allocations procedure when awards are being allocated and approved for group members who are the direct reports to the manager.

Reserves
The system displays the balance of funding from previous periods that is still available for allocation to the group.

Number of Employees
The system displays the sum of all employees in child groups and subgroups of the (parent) group ID that you entered when you accessed the page.

If the manager is a member of the group, 1 is subtracted.

Currency
The system displays the currency code that you defined for the VC plan.

This field does not appear if the plan is a non-monetary or stock plan.

Group(s)

Group ID
Select the record of the child group for which you want to allocate funds. The system displays the description of the group.

Group

The following **Target Amt** and **Calc Award** fields apply to the child group with the exclusion of the group's manager if he or she is a member of the group.

Target Amt (group target amount)
The Target Value for the child group less the manager's target value. The Determine Allocations process calculates the target value.

For plans using matrix goals, the target amount contains the payout computed for all employees of the group assuming goal attainments equal to the performance value associated with the target performance level on the matrix.

Calc Award (group calculated award)	The child group's target value (less the manager's target value) multiplied by the net performance factor. For plans using matrix goals, this field contains the sum of the payouts computed for the actual goal attainments.

Manager

The following **Target Amt** and **Calc Award** fields apply to the manager of the child group if he or she is a member of the group. When the manager enters the page, this information is not visible.

Target Amt (manager's target amount)	The Target Value for the manager, as calculated by the Determine Allocations process.
Calc Award (manager's calculated award)	The manager's target value multiplied by the net performance factor.

Performance Factor

If the plan uses weighted goals, this page shows performance factor calculations at the organization, group, and individual levels. It calculates the group and organization performance factors based on the goal attainments that you entered at those levels. It assumes 100% attainment of individual goals.

The performance factor fields in this section apply to the child group whose ID you selected.

These fields are hidden if the plan uses no goals or matrix goals.

PF (performance factor)	The **PF** column represents the goal attainment percents multiplied by the weighting percents of the goals at each level.
Weight	The **Weight** column represents the plan goal weights that you assigned to each level of goals on the Plan Definition page.
Net PF (net performance factor)	The **Net PF** column is the performance factor calculated by multiplying the other two columns. The end result is that the **Net PF** for each goal level is the sum of the (goal attainment percents x the weighting percents of each goal) x the plan goal weight for the level.
Org PF (organization performance factor)	The system displays the child group's organization performance factor calculation.
Grp PF (group performance factor)	The system displays the child group's group performance factor calculation.
Ind PF (individual performance factor)	The system displays the child group's individual performance factor. It assumes the attainment is 100%.

Net PF (net performance factor)
The sum of the **Net PF** at all three levels.

Nbr Empl: (number of employees)
The system enters the number of employees in the child group.

Orig Allocation (original allocation)
The system displays the total amount that you enter in the **Amount** field to fund the child group ID for the period ID.

The system displays 0 until the **Amount** field is populated.

Balance
The system displays the unallocated balance of the original allocation. The system decreases the amount in this field after you allocate and approve the award for the manager or any other member (direct report) of the group. The system also changes the amount in the **Balance** field when you adjust the allocation by entering a positive or negative funding amount for the child group in the **Amount** field.

Reserves
The system displays the balance of funding from previous periods that is still available for allocation to the child group.

Amount
You can enter a positive or negative amount of funding for the child group, including the manager. In determining this amount, you consider the following:

- How much you want to award to your direct report (the manager of the child group).
- How much you want to provide to your direct report to be distributed among his or her group and child groups.

The **Amount** that you enter should be the sum of these two considerations.

You can enter an amount that is equal to, greater than, or less than the amount in the **Calc Award** field. The system warns you if the amount is greater than the amount in the **Calc Award** field.

If you enter a positive **Amount,** the system updates the following fields:

- Increases the child group's **Original Allocation** and **Balance.**

- Decreases the parent group's **Balance.** The system does not enable you to enter an amount that is greater than the sum of the parent group's **Balance** and **Reserv**e. If you do this, it issues an explanation.

You can use the **Amount** field to adjust an amount that you have allocated. For example, if you allocated $5,000 to a group but now want to reduce the funding by $500, you can enter –500 in the **Amount** field. If you enter a negative **Amount,** the system updates the following fields:

- Decreases the child group's **Original Allocation** and **Balance.**
- Increases the parent group's **Balance.**

If you enter a negative amount that exceeds the amount in the child group's **Balance,** the system updates the following fields:

- Decreases the amount in the child group's **Balance** until the balance is 0.
- Decreases the child group's **Orig Allocation** amount equally to the amount of decrease in the **Balance.**
- Decreases the remaining amount from the child group's **Reserves.**
- Increases the parent group's **Balance.**

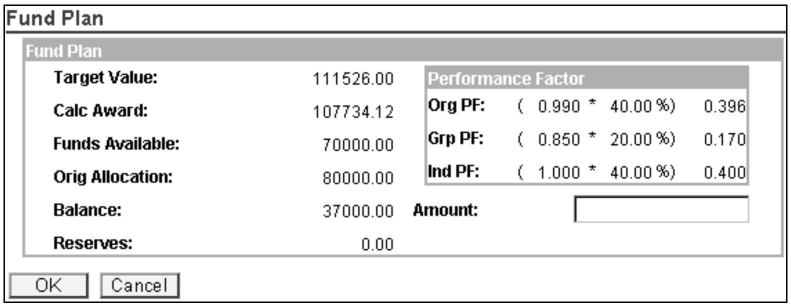
The parent **Reserve** is not affected by entering a negative value in the **Amount** field.

Note. Once you reduce the funds from your child group's Reserve, you cannot put them back. For example, assume that the parent Balance is 0, the child's Original Allocation, Balance and Reserve are 400, 400 and 300 respectively before you enter an Amount. Once you enter -600 in the Amount field, both the child Original Allocation and the Balance will be 0, the child Reserve will be 100, and the parent Balance will be 600. If you enter 600 in the Amount field after that, the child Original Allocation and Balance will be 600, but the child Reserve will still be 100.

Group Funding Allocation - Fund Plan Page

Usage	The user who is the authorized approver of the highest group in the plan uses the Group Funding Allocation - Fund Plan page to allocate funds

	out of the plan's general funding to the plan for one specific payout period.
Object Name	VC_GRP_ALLOC_SEC
Navigation	The user who is the authorized approver of the highest group in the plan clicks the Fund Plan button on the Group Funding Allocation page.



Group Funding Allocation - Fund Plan page

Target Value

The system displays the total of the target awards for all members, including managers, of the highest group and all of its subordinate groups.

For monetary plans, this value is in the currency of the plan. For non-monetary and stock plans, the value is in units.

Calc Award (calculated award)

The system displays the total of the calculated awards for all members of the highest group. On this page, Calculated Award refers to the target value multiplied by the total (net) performance factor.

Funds Available

The system displays the funds remaining for distribution that have not been allocated to awards. This is identical to the amount in the Funds Available field on the Plan Funding page.

The funds available amount is the maximum that the approver can enter in the **Amount** field.

Orig Allocation (original allocation)

The system displays the amount that you enter in the **Amount** field to fund to the plan for this period ID. Until you enter an amount, the original allocation is 0.

The system increases the amount displayed here if you add additional funds in the **Amount** field.

Balance	The system displays the unallocated balance of the original funding. The system increases and decreases the amount in this field as you distribute awards to individuals or funds to child groups, or as you add funding in the **Amount** field.
Reserves	The system displays the balance of funding from previous periods that is still available for allocation to the plan.

Performance Factor

Org PF (organization performance factor)	The system displays the highest group's organization performance factor.
Grp PF (group performance factor)	The system displays the highest group's group performance factor.
Ind PF (individual performance factor)	The system displays the highest group's individual performance factor.
Amount	Enter the amount that you want to fund to the plan for this payout period. If you want to change the funding amount, enter a positive amount in this field to increase the funding to the plan or a negative amount to decrease the funding.

Reporting on Group Funding Allocations

After you allocate funds to groups, you can use the optional Funding Allocations report to review and evaluate the distribution of funds to all of the groups in the plan. The report lists all data as summary information at the group level.

For each group, the report lists the projected target value, actual funding, the variance between the target and the funding, and any unallocated balances left from previous periods. The report also provides a grand total of all of these calculations for the entire plan.

If the plan uses weighted goals, the report lists the performance factor for each group. If the plan uses matrix goals, the report lists the payout formula for each group.

For more information about this report, see Generating the Funding Allocation Report.

CHAPTER 6

Calculating Allocations and Awards

The system employs the Award Allocations page and the following processes in calculating variable compensation (VC) allocations and awards:

- The Determine Allocation process calculates target awards. It also calculates the performance factor for organization and group goals if weighted goals are a plan business rule.
- The Calculate Awards process calculates both monetary and non-monetary VC awards, including stock awards, by applying appropriate proration, performance, and adjustment factors to the target award.
- The Calculate Awards process populates the Award Allocation Page, where you can view and manually adjust awards. On this page you also set the award status, which tells the system when to submit awards for payout.

For Ad Hoc plans you do not use either the Determine Allocations process or the Calculate Awards process. Instead, you go directly to the Award Allocations page and manually enter the ad hoc award for each plan member.

The following topics explain how to calculate allocations and awards using these two processes and the Award Allocations page.

Overview of Calculating Awards

The Determine Allocations process, Calculate Awards process, and Award Allocations page work together to calculate VC awards. The procedures vary depending upon whether or not the plan uses group funding.

Using Calculation Processes Without Group Funding

If your plan does not use groups with funding, use the following steps to calculate awards:

To calculate awards when group funding allocation is not used:

1. Enter group and organization weighted goal attainments (if applicable).
2. Run the Determine Allocations process.
3. Enter individual weighted goal attainments (if applicable).

4. Run the Calculate Awards process.
5. Review and change the award as required on the Award Allocations page.
6. Change the award status on the Award Allocations page when the award is ready for approval or submittal.

Using Calculation Processes With Group Funding

If your plan uses groups and funding, you allocate funding to groups in the hierarchy using the Group Funding Allocations page. At each level in the hierarchy, the manager's award must be allocated and approved before the group is funded. Managers and approvers of each group use the Calculate Awards process, the Award Allocations page, the Approve Awards process (if applicable), and the Group Funding Allocations page before the next lower level of managers can fund their groups.

For more information about the procedures for funding groups, see Allocating Funds to Groups.

Terms and Definitions

Payout Formula	Payout formulas are formulas the system uses to calculate target, minimum, and maximum payouts under the plan. You define payout formulas on the Payout Formula setup page.
Target Payout Formula	Target payout formula is the payout formula that the Determine Allocations process uses to calculate the target award. Depending upon how you define the plan, you can assign target payout formulas to plan members at the individual level, the group level, or through the matrix goal payout schedule.
Minimum Payout Formula	Minimum payout formula is the formula the Calculate Awards process uses to determine the minimum award the plan member should receive under the plan. You optionally assign minimum payout formulas at the plan or group level.
Maximum Payout Formula	Maximum payout formula is the formula the Calculate Awards process uses to determine the maximum award the plan member should receive under the plan. You optionally assign maximum payout formulas at the plan or group level.

Proration Factor (or **Prorate Factor**)

Proration factor is a factor calculated by the Calculate Eligibility/Proration process. It is based on the amount of time the employee was a member of the plan during the payout period. The Calculate Awards process multiplies the plan member's target award by the proration factor when it calculates the calculated award.

For more information about the Proration factor, see "Setting Up and Managing Plan Member Eligibility".

Adjustment Factor

Adjustment factor is a factor calculated and applied by the Calculate Awards process to adjust each individual award by the same ratio for funded plans when there is not enough funding to pay out the calculated awards.

For more information about the Adjustment Factor, see "Funding VC Plans and Groups".

Performance Factor

Performance factor is the factor the Calculate Awards process uses to adjust for weighted goal attainments.

The performance factor for a given goal is the attainment percent multiplied by the weighting percent of the goal and by the weighting percent of the level.

For more information about the Performance Factor, see "Managing Plans With Goals".

Target Award

Target award is the award received upon completion of 100% of all applicable goals, including organization, group, and individual goals.

The Determine Allocations process calculates the target award. It is the calculated value of the target payout formula without applying any proration factor, performance factor, or adjustment factor. The Calculate Awards process uses the target award to calculate the calculated award.

Target award is labeled Target Value on the Award Allocations page.

Minimum Award

Minimum award is the calculated value of the minimum payout formula assigned to the plan or group, without applying any proration factor, performance factor, or adjustment factor. The Determine Allocations process calculates the minimum award.

Maximum Award

Maximum award is the calculated value of the maximum payout formula assigned to the plan or group, without applying any proration factor, performance factor, or adjustment factor. The Determine Allocations process calculates the maximum award.

Target Value

Target value is the value of the target award expressed in the currency of the variable compensation plan or in units if the plan is non-monetary. The Determine Allocations process calculates this value and enters it in the Target Value field on the Award Allocation page.

Calculated Award

Calculated award is the target award multiplied by the performance factor (if the plan uses weighted goals) and the proration factor (if the plan is prorated) and adjusted to the minimum or maximum if appropriate. The Calculate Awards process calculates the calculated award and enters it in the Calculated Award field on the Award Allocation page.

Adjusted Award

Adjusted award is the calculated award multiplied by the adjustment factor. The Calculate Awards process calculates the adjusted award and enters it in the Adjusted Award field and in the Actual Award field on the Award Allocation page.

Actual Award

Actual award is the adjusted award as further changed on the Award Allocations page by manual adjustment or carryover amount. If not changed, the actual award is equal to the adjusted award. Once approved, the actual award is the amount of currency or units approved for payout or distribution.

Award Value

Award value is the value of the actual award expressed in the currency of the VC plan. The Calculate Awards process applies the valuation ID and rounding rules to calculate the monetary award value of non-monetary units.

Determining Allocations

You run the Determine Allocations process prior to running the Calculate Awards process. The system uses the information calculated by the Determine Allocations process when it calculates awards, when it calculates group funding allocations, and when it projects target awards for Total Compensation (TC) reporting.

Determining Allocations for Variable Compensation

When you run the Determine Allocations process from the VC menu, the process calculates the following data:

- The target award for each plan member, without making any adjustments for proration, performance, or funding.
- The minimum and maximum awards for each plan member, if specified in the plan, without making any adjustments for proration, performance, or funding.
- The organization attainment factor, if the plan uses organization weighted goals.
- The group attainment factor for each group, if the plan uses groups and group weighted goals.
- The sum of target awards for each group in the plan if the plan uses groups. If the plan uses funding, it enters these payouts on the Group Funding Allocation page.
- The sum of minimum awards (if specified in the plan) for each group in the plan, if the plan uses groups.
- The sum of maximum awards (if specified in the plan) for each group in the plan, if the plan uses groups.

For more information about Group Funding, see Allocating Funds to Groups.

Determining Allocations for Total Compensation Reporting

The PeopleSoft Human Resources Total Compensation (TC) Extract process uses the Determine Allocations process when you extract VC data to the TC data warehouse. When run from the Reporting TC Extract process, the Determine Allocations process does the following:

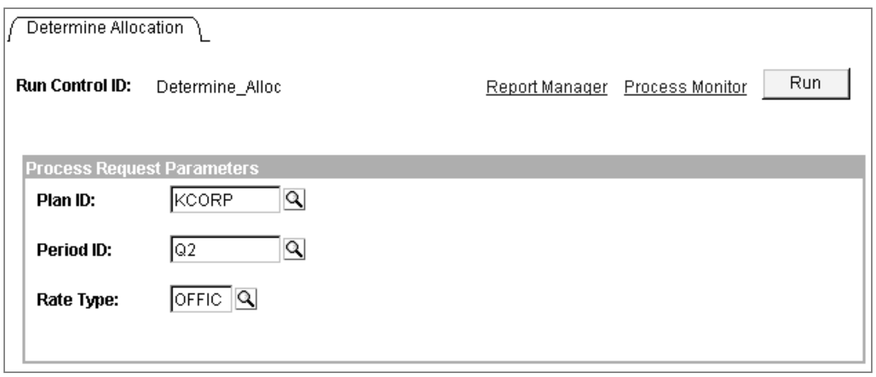
- Determines the applicable VC period IDs for the date range specified on the TC Extract process run control page.
- Collects all actual awards for the VC plan members covered by the TC plan ID and timeframe.
- If specified on the TC Extract run control page, calculates the target awards where no actual award exists for the VC plan members covered by the TC plan ID and timeframe.
- Applies valuation to non-stock, non-monetary awards using the valuation ID defined in the VC plan definition.

The TC Extract from VC does not extract any data for stock-type plans.

For more information about PeopleSoft Human Resources Total Compensation Reporting, see Reporting Total Compensation.

Determine Allocation Process Page

Usage	Use the Determine Allocation process run control page to run the Determine Allocations process. This process calculates 100% VC payouts as well as performance factors for organization and group goals.
Object Name	RUNCTL_VC_DET_ALL
Navigation	**Compensate Employees, Manage Variable Compensation, Process, Determine Allocation, Determine Allocation**
Prerequisites	If the plan uses weighted goals, you must enter organization and/or group attainments before running this process.
Access Requirements	Enter a Run Control ID.



Determine Allocation process run control page

Run Control ID The system displays the **Run Control ID** that you entered.

Plan ID Select the VC Plan ID of the plan for which you want to run the process.

Period ID Select the ID of the payout period for which you want to run the process. Valid values prompt from the Payout Periods table.

Rate Type Select the exchange rate type that you want the system to use when converting target awards into the currency of the plan.

Valid values are ***Commercial Rate, Financial Rate, Floating Rate, Free Market Rate, Official Rate,*** and ***Spot Market Rate.***

Click **Run** to run this request. Process Scheduler runs the Determine Allocations process at user-defined intervals.

For more information about Process Scheduler, see Process Scheduler.

Calculating Awards

The Calculate Awards process calculates both monetary and non-monetary variable compensation awards, including stock awards. It enters the results of its calculations on the Award Allocations page. The award calculation can be simple or complex, depending on the plan business rules.

The Calculate Awards process uses the following values:

- Target, minimum, and maximum values computed by the Determine Allocations process.
- Group and organization performance factors computed by the Determine Allocations process.
- Proration factor computed by the Calculate Eligibility/Proration process.
- Funding amounts entered in the Plan Funding and Group Funding Allocations pages.

This process performs the following calculations:

1. Determines the performance factor if the plan uses weighted goals.
   - Calculates the individual performance factor, if appropriate.
   - Sums the performance factors from all goal levels to determine the performance factor to use in calculating the award.
2. Calculates one of the following formulas:

Business Rules	***Formula***
No proration or goals	Target Value
Proration	Target Value x Proration Factor
Weighted goals	Target Value x Performance Factor
Weighted goals and proration	Target Value x Proration Factor x Performance Factor
Matrix goals	Value of the payout from the Payout Schedule
Matrix goals and proration	Value of the payout from the Payout Schedule x Proration Factor

3. Calculates the Calculated Award by comparing the value calculated in the previous step to the maximum award and minimum award, if specified in the plan.
   - If the plan uses proration and the group member's proration factor is less than 1, the system does not perform this step.

- If the award is greater than the maximum, the process sets the calculated award at the maximum.
- If the award is less than the minimum, the process sets the calculated award at the minimum.

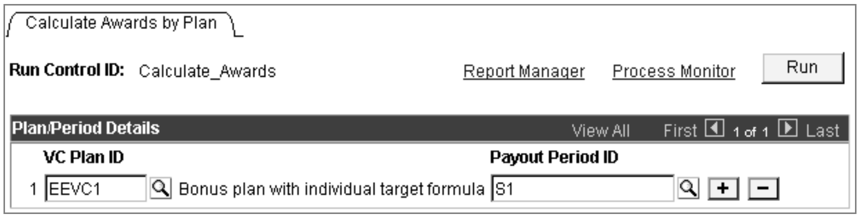
4. Calculates the funds available for funded plans and computes the adjustment factor, if appropriate.
5. Calculates the Adjusted Award by applying the adjustment factor to the calculated award.
6. Proceeds according to the plan type:
   - Monetary plans: Calculates the Award Amount and Award Value by applying the VC rounding rule to the adjusted award.
   - Non-Monetary plans: The Adjusted Award is stored as the award unit. The process calculates the Award Value by applying valuation and VC rounding rules to the award unit.
   - Stock-type plans: Calculates the award unit by applying stock rounding rules, then calculates the Award Value by applying valuation and VC rounding rules to the award unit.
7. Updates the Award table and sets the Award Status to *Init Calc* (initial calculated).

   The system populates the Award Allocation Page from the Award table. You can modify/adjust and approve awards on the Award Allocation page.

If the plan uses group funding, managers must calculate the awards for their direct reports, and the approver must approve them, before they can allocate funding to the child groups.

Calculate Awards by Plan Process Page

Usage	Use the Calculate Awards by Plan process page to run the Calculate Awards process for plans that do not use groups. The Calculate Awards process calculates awards and enters calculation data on the Award Allocations page.
Object Name	RUNCTL_VC_CALWRD_P
Navigation	**Compensate Employees, Manage Variable Compensation, Process, Calculate Awards by Plan, Calculate Awards by Plan**
Prerequisites	Run the Calculate Eligibility/Proration process and the Determine Awards process.
Access Requirements	Enter a Run Control ID.



Calculate Awards by Plan process page

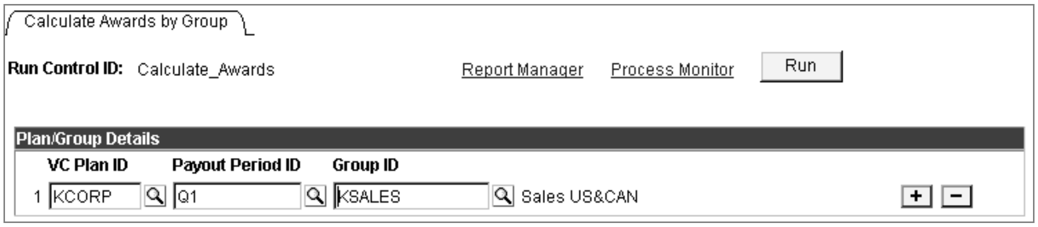
Run Control ID	The system displays the **Run Control ID** that you entered.
VC Plan ID	Select the **VC Plan ID** of the plan for which you want to run the process.
Payout Period ID	Select the ID of the payout period for which you want to run the process. Valid values prompt from the Payout Periods table.

Click **Run** to run this request. Process Scheduler runs the Calculate Awards process at user-defined intervals.

For more information about Process Scheduler, see Process Scheduler.

Calculate Awards by Group Process Page

Usage	Use the Calculate Awards by Group process page to run the Calculate Awards process for selected groups within plans administered with groups. The Calculate Awards process calculates awards and enters calculation data on the Award Allocations page.
Object Name	RUNCTL_VC_CALWRD_G
Navigation	**Compensate Employees, Manage Variable Compensation, Process, Calculate Awards by Group, Calculate Awards by Group**
Prerequisites	Run the Calculate Eligibility/Proration process, the Determine Awards process, and enter individual goal attainments.
Access Requirements	Enter a Run Control ID.



Calculate Awards by Group process page

User ID	The system displays the ID of the user who is running the process.
Run Control ID	The system displays the **Run Control ID** that you entered.
VC Plan ID	Select the **VC Plan ID** of the plan for which you want to run the process.
Payout Period ID	Select the ID of the payout period for which you want to run the process. Valid values prompt from the Payout Periods table.
Group ID	Select the ID of the group for which you want to run the process.

Click **Run** to run this request. Process Scheduler runs the Calculate Awards process at user-defined intervals.

For more information about Process Scheduler, see Process Scheduler.

Viewing and Adjusting Award Allocations

The Calculate Awards process enters award calculation details into the Award Allocations page. You can use this page to view the award details and to modify or change the award. You can administer carryover balances and guarantees on this page, if these are part of the plan.

You can also use the Award Allocations page to monitor the status of each award and the award status of the group or plan as a whole.

Overview of Award Status

The system uses status codes to track awards from allocation through submittal for payout and distribution. If your organization uses PeopleSoft Payroll for North America or PeopleSoft Stock Administration, status codes track the awards through final payout or distribution.

The system tracks awards in the following two fields on the Award Allocation pages:

Award Status	The Award Status field shows the status of the individual award within a plan or group.
Group Status	The Group Status field shows the status of all awards within the plan or group. The system enters all Group Status codes.

Definitions of Individual and Group Award Status Codes

Many of the award status codes have the same meaning at both the individual and group levels. Some codes apply only to individual awards, and others differ slightly in meaning from the individual to the group level. The following table provides definitions and shows where there are differences at the two levels of awards tracking:

Status	***(Individual) Award Status***	***Group (Award) Status***
A (approved)	If you choose Approve Awards as a plan business rule and run the Approve Awards process, the system enters the Approved status for each approved award. If you approve awards manually, the designated approver enters the Approved status to approve awards.	None
C (canceled)	You select this status to tell the system that you have no intention of granting this award. Canceled is a final status, meaning that it does not inhibit the approval and submittal processes.	None
D (ready to submit)	If you do not choose Approve Awards as a plan business rule, you select this status to tell the system that the award is final and ready for payout/distribution.	The system enters this status when all awards in the period for the plan or group are ready to be submitted for payout or stock distribution.
E	**(errored)** The system enters this status for the award if PeopleSoft Payroll for North America or PeopleSoft Stock Administration is not able to proceed with payout or distribution because of an error in the individual award.	**(corrections required)** The system enters this status if PeopleSoft Payroll for North America or PeopleSoft Stock Administration is not able to proceed with payout or distribution because of an error in an individual award.

Status	***(Individual) Award Status***	***Group (Award) Status***
I (initial calculation)	The Calculate Awards process enters this status when it initially populates the Award Allocations page with calculated award data.	Same definition as for individual Award Status.
J (rejected)	The system enters this status if PeopleSoft Payroll for North America or PeopleSoft Stock Administration rejects all of the awards for the entire plan or group due to an error at the plan or group level.	Same definition as for individual Award Status.
P (paid/granted)	The system enters this status after successful payout or distribution through PeopleSoft Payroll for North America or PeopleSoft Stock Administration.	Same definition as for individual Award Status.
R (recommended)	If you choose Approve Awards as a plan business rule, you give each award the recommended status when it is ready to be approved.	None
S (submitted)	The system enters this status when it submits the award to PeopleSoft Payroll for North America or PeopleSoft Stock Administration for payout or distribution.	Same definition as for individual Award Status.

Application of Individual and Group Award Status Codes

The following table illustrates the steps in the awards process and the status at each level for plans that use the Approve Awards process and those that do not.

Procedure That Modifies the Status	***Individual Award Status Approval***	***Individual Award Status No Approval***	***Group Status Approval***	***Group Status No Approval***
Calculate Awards	Initial Calculation	Initial Calculation	Initial Calculation	Initial Calculation
Award Allocation	Recommended or Canceled	Ready to Submit or Canceled	Ready to Submit	Ready to Submit
Approve Awards	Approved	NA	Ready to Submit	NA

Procedure That Modifies the Status	***Individual Award Status Approval***	***Individual Award Status No Approval***	***Group Status Approval***	***Group Status No Approval***
Publish to PeopleSoft Payroll for North America or PeopleSoft Stock Administration or flat file	Submitted	Submitted	Submitted	Submitted
Subscribe to PeopleSoft Payroll for North America or PeopleSoft Stock Administration (Error)	Error	Error	Corrections Required	Corrections Required
Subscribe to PeopleSoft Payroll for North America or PeopleSoft Stock Administration (Rejected)	Rejected	Rejected	Rejected	Rejected
Subscribe to PeopleSoft Payroll for North America or PeopleSoft Stock Administration (Paid/Granted)	Paid/Granted	Paid/Granted	Paid/Granted	Paid/Granted

For more information about Award Approval and Payout/Distribution, see Managing Awards Approval and Payout.

Overview of the Award Allocations Pages

After you run the Calculate Awards process, use the Award Allocations page or Award Allocations with Groups page to review, change, and finalize awards before the system submits them for payout or distribution. If you funded the plan, the system updates the Funds Available or Balance of funding as you change the individual awards.

The following are some of the changes that you can make to individual awards on these pages:

- Change the Earnings Code.
- Adjust the employee's carryover balance, if you selected Carryover Awards on the Plan Business Rules page.
- Replace the Actual Award that the system calculated with the Guarantee amount, if you entered a guarantee on the Employee Variable Compensation page.
- Modify the award by a percent that you enter in the Modifier field on this page.
- Enter an award amount of your choice in the Actual Award field.

When you are satisfied with the award amount, you enter one of the following values in the Award Status field:

- If you did not select Approve Awards on the Plan Business Rules page, select the *Ready to Submit* status.
- If you selected Approve Awards on the Plan Business Rules page, select the *Recommended* status. The approver will change the status to *Approved* either manually or by using the Approve Awards process.

The system changes the Group Status to *Ready to Submit* when all of the awards for the plan ID and payout period have either the *Canceled, Ready to Submit,* or *Approved* status. When the Group Status is *Ready to Submit,* the system publishes the awards for payout or distribution.

For more information about Award Approval and Payout, see Managing Awards Approval and Payout.

Using the Award Allocations Page for Ad Hoc Awards

If the plan member rule is Ad Hoc Award, you do not run the Calculate Awards process prior to entering the Award Allocations page. Instead, you enter the awards directly on this page.

To enter an Ad Hoc Award:

1. Select the employee from the plan members listed on the Award Allocations page.

   The members that you entered directly on the Plan Members page are available on the Award Allocations page.

For more information about entering plan members, see Setting Up Plan Members for Ad Hoc Awards.

2. Enter an award amount for the employee directly into the Actual Award field.
3. In the Award Status field, select *Recommended* if the plan requires approval or *Ready to Submit* if approval is not required.

For Ad Hoc Awards, the following fields are visible on the page; all others are hidden:

Earnings Code

Award Date

Award Status	Select *Recommended* if the plan requires approval or *Ready to Submit* if approval is not required.
Actual Award	Enter the amount of the award.
(calculation source)	After you enter an actual award amount, the word *Manual* appears above the Actual Award field to indicate that the award is manually entered.

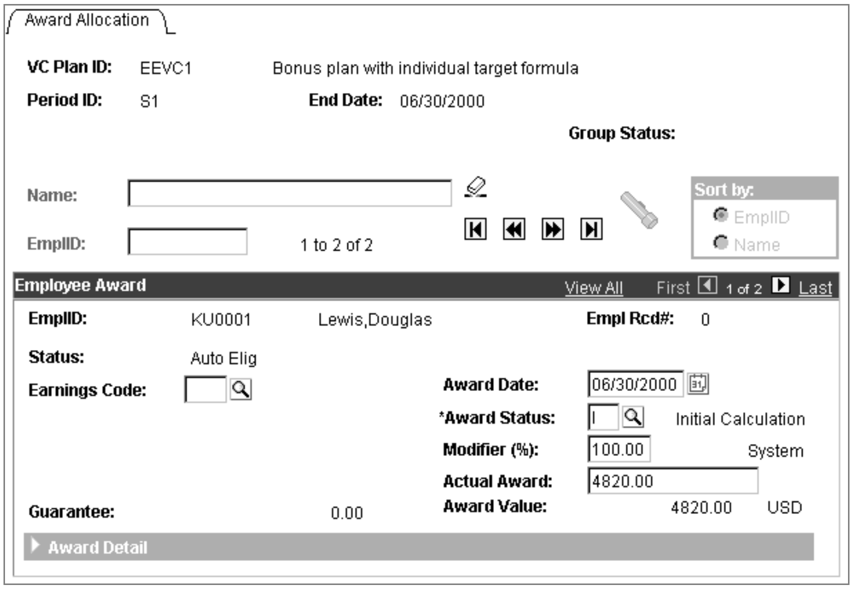
Award Value

For the full definition of these fields, see Award Allocation Page.

Award Allocation Page

Usage	Use the Award Allocation page to view and change the awards calculated by the Award Allocation process or to enter awards for Ad Hoc plans. Use this page to view and change the award status of individual awards. Use this page if you do not administer the plan using groups. If the plan uses groups, the system enters the award data on the Award Allocation With Groups Page.
Object Name	VC_AWD_ALLOC
Navigation	**Compensate Employees, Manage Variable Compensation, Use, Award Allocation, Award Allocation**
Prerequisites	If the plan is not an Ad Hoc plan, run the Determine Allocations and Calculate Awards processes.

Access Requirements	Enter a VC Plan ID and Payout Period ID.



Award Allocation page

The following fields are common to multiple pages and are defined in the preface of this PeopleBook in PeopleBooks Standard Page Element Definitions: **Name, EmplID, Empl Rcd#,** and **Status.**

Depending upon the business rules you defined for the plan, different fields appear in this section.

VC Plan ID	The system displays the **VC Plan ID** that you entered.
Period ID	The system displays the Payout Period ID that you entered.
End Date	The system displays the **End Date** that you defined on the Payout Period table for the **Payout Period ID** that you entered.
Sent to Payroll Date	The system populates this field when it publishes the awards to payroll or stock.
Plan Funding	For funded plans, the system enters the sum of all Plan Funding Amounts that you entered on the Plan Funding page with a date prior to the payout period **End Date.** This field does not appear on the page if the plan is not funded, or if you allocated funds to groups.

Available

For funded plans, the system displays the funds remaining for distribution that have not been allocated to awards. The system updates the **Available** field each time the **Actual Award** amount changes.

This field does not appear on the page if the plan is not funded, or if you allocated funds to groups.

Group Status

Group Status is the status that applies to awards in this payout period for the entire plan or entire group (if the plan uses groups). The Calculate Awards process enters the default value of ***Initial Calculation.***

If the **Group Status** is ***Submitted,*** all editable fields on the page are unavailable for data entry.

The system changes the **Group Status** according to the status of the entire group of individual awards. Available values are:

I - Initial Calculation

D - Ready to Submit

S - Submitted

E - Corrections Required

J - Rejected

P - Paid/Granted

For definitions and more information about Group Status, see Overview of Award Status.

Name
EmplID

When you specify a Plan ID and Payout Period ID upon entering the page, the system loads all of the plan members for whom the user has security access. You can use the **Name** and **EmplID** fields to easily find and display an individual's award record in the bottom portion of the page.

Click the **Refresh Search Fields?** button to display the first chunk of members and to clear the search fields before entering new search parameters. The field to the left of the **Refresh Search Fields?** button tells you which rows are visible compared to the total number of rows that match the current search criteria. For example, *12 to 20 of 56* means that rows 12 to 20 are displayed out of a total of 56 rows.

	After entering new search parameters, click the **Search** button.
	Click the **First Item** button to display the first chunk of members.
	Click the **Previous Item** button to display the previous chunk of members.
	Click the **Next Item** button to display the next chunk of members.
	Click the **Last Item** button to display the last chunk of members.
Sort by	You can choose to display the plan member records in the page in the order of ***EmplID*** or ***Name.***
Earnings Code	The system enters the **Earnings Code** that you defined for the plan on the Plan Definition page. Select a different value from the available options if you want to modify the code at the employee level.
Carryover Balance, Accum Carryover, Carryover Amount	These fields are hidden if you did not select Carryover Awards on the Plan Business Rules page or if the plan is a non-monetary plan (including stock-type plans). These three fields work together to help you administer carryovers for each employee in the plan.
Carryover Balance	The system displays the **Carryover Balance** that you have withheld for the employee to date under this plan. When you approve the employee's award, the system updates the **Carryover Balance** with the amount in the **Accum Carryover** field for this period.

Accum Carryover (accumulated carryover)

The **Accum Carryover** field tracks the cumulative effect of the amounts that you enter in the **Carryover Amount** field for the employee in this payout period. For example, if you first enter $300, and later enter $100 in the **Carryover Amount** field, the **Accum Carryover** field will show $400. If you later enter a negative amount of -$150 in the **Carryover Amount** field, the **Accum Carryover** field will show $250.

After making several changes in the **Carryover Amount,** if you want to know what the employee's award would be without any adjustment in the carryover balance, you can add the **Accum Carryover** amount to the value in the **Actual Award** field.

To see what the new carryover balance would be, add the **Accum Carryover** amount to the value in the **Carryover Balance** field. When you approve the employee's award, the system updates the **Carryover Balance** with the amount in the **Accum Carryover** field.

Carryover Amount

Use the **Carryover Amount** field to adjust the employee's **Carryover Balance.** Enter a positive amount to increase the employee's carryover balance and decrease the award. Enter a negative amount to decrease the employee's carryover balance and increase the award.

As you adjust the **Carryover Amount,** the system changes the amount in the **Actual Award** and **Accum Carryover** fields. The amount in the **Carryover Balance** field does not change until you approve the award.

Guarantee

If you entered a guarantee for the employee on the Employee Variable Compensation Page, the system displays that amount in the **Guarantee** field on this page. You can manually change the **Actual Award** to the guarantee amount at your discretion. The system does not automatically enforce guarantees.

This field is not visible if the plan member rule is Ad Hoc Award or Define Tree/Group.

Award Date

The system enters the payout period end date as the default value. When you set the **Award Status** to ***Approved*** or ***Ready to Submit*** and save the page, the system sets the **Award Date** to the current date. If you approve awards using the Approve Awards process, the system sets the **Award Date** to the date that the process runs.

You can manually change the **Award Date** to another date, such as the period end date.

If you try to change the ***Approved*** status to any other status, the system warns you that it will reset the **Award Date** to the period end date.

For Stock plans paid out through PeopleSoft Stock Administration, the system changes the **Award Date** to the Grant Date after creating stock grants.

For plans paid out through PeopleSoft Payroll for North America, the system changes the **Award Date** to the value set by the payroll system as the date of payment.

Award Status

Award Status is the status of the individual employee award. The default value is ***I*** (initial calculation). Select a status from the available options. The following are the valid values:

A- Approved: This value is only available if Approve Awards is checked on the Plan Business Rules page. If you use the Approve Awards batch process, the system enters this value. If you manually approve awards, only the designated approver can select this value.

C - Canceled: Select this value to cancel the award.

I - Initial Calculation: The system enters this value as the default.

R - Recommended: This value is available only if you select Approve Awards on the Plan Business Rules page.

D - Ready to Submit: This value is available only if you do not select Approve Awards on the Plan Business Rules page.

For definitions and more information about Award Status, see Overview of Award Status.

Modifier (%)

Enter a value in the modifier field to modify by the specified percentage an award that the system has calculated. Enter a value above 100% to increase the award; enter a value below 100% to decrease the award. The default is ***100%.***

The system multiplies the Adjusted Award by the % value that you enter and updates the **Actual Award** and the **Award Value** fields. It also updates funding information.

Example 1. The Adjusted Award is $1,000 and the modifier is 75%. The system changes the **Actual Award** to $750.00 (.75 x 1000).

Example 2. The Adjusted Award is $1,000 and the modifier is 110%. The system changes the **Actual Award** to $1,100 (1.10 x 1000).

After modifying an award, the system enters the ***Manual*** value in the Calculation Source field that is next to the **Modifier** field.

(Calculation Source) The Calculation Source field is the unlabeled field next to the **Modifier** field. The system enters a value here to indicate the source of the **Actual Award** amount. The following are the valid values:

System: The Calculate Awards process calculated the **Actual Award** based on the target formula and other factors.

Manual: You have manually entered or changed the **Actual Award.** You can enter an **Actual Award** for Ad Hoc plans. You can change the **Actual Award** by directly entering an amount, or by using the **Modifier** and **Carryover Amount** fields.

System – Min: The system substituted the minimum award because the calculated award is lower than the minimum award that you specified for the plan or group.

System – Max: The system substituted the maximum award because the calculated award is higher than the maximum award that you specified for the plan or group.

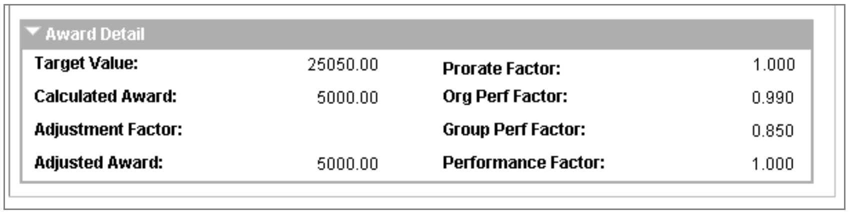
Actual Award The Calculate Awards process enters the adjusted award amount as the default value in the **Actual Award** field. The system updates the **Actual Award** when you enter a **Carryover Amount** or enter a value in the **Modifier** field. You can also enter a different amount directly into the **Actual Award** field.

If the plan is an Ad Hoc plan, you enter the employee's award directly into the **Actual Award** field. The system sets the Calculation Source to ***Manual.***

When you or the system enters or changes the amount in the **Actual Award** field, online processing automatically updates funding information.

Award Value The system enters the monetary value of the **Actual Award.** It updates this **Award Value** as the **Actual Award** changes.

Award Detail



Award Detail

Target Value:	25050.00	Prorate Factor:	1.000
Calculated Award:	5000.00	Org Perf Factor:	0.990
Adjustment Factor:		Group Perf Factor:	0.850
Adjusted Award:	5000.00	Performance Factor:	1.000

Award Allocation page - Award Detail

Depending upon the business rules you defined for the plan, different fields appear in this section.

Target Value
The value of the target award as expressed in the currency of the VC plan or in units if the plan is non-monetary. The Determine Awards process calculates this value.

Calculated Award
The target award multiplied by the performance factor (if the plan uses weighted goals) and the proration factor (if the plan is prorated). The Calculate Awards process calculates this value.

Adjustment Factor
The factor calculated and applied by the Calculate Awards process to adjust each individual award by the same ratio for funded plans when there is not enough funding to pay out the calculated awards.

This field does not appear on the page if the plan does not use funding.

Adjusted Award
The calculated awards multiplied by the adjustment factor. The Calculate Awards process calculates the **Adjusted Award.**

Adjusted awards cannot be less than the minimum or more than the maximum payout.

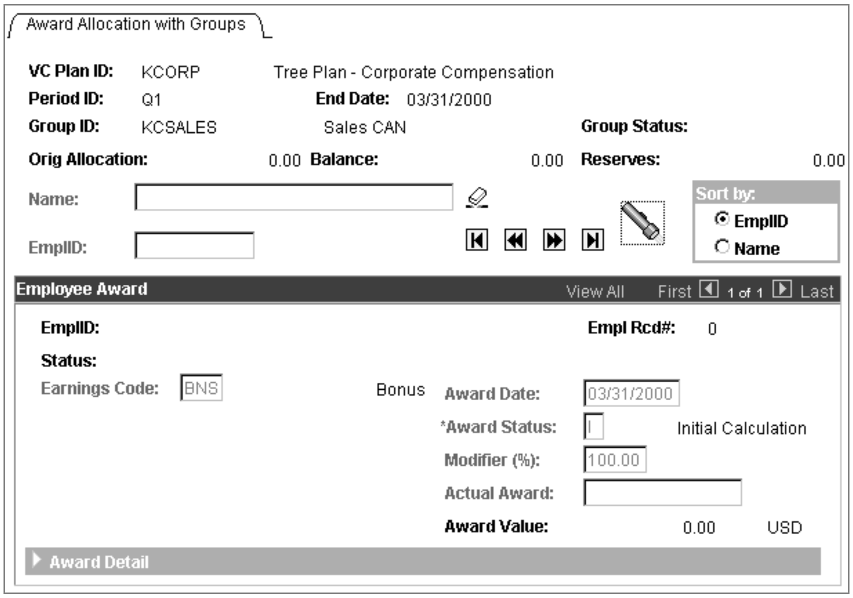
Original Award [Units]
This field is for Stock type plans only. It displays the number of units in the original award, before any stock splits. Splits are reflected in the **Actual Award** field when the award is published to Stock for distribution.

Original Award Value
This field is for Stock type plans only. It displays the value of the original award, before any stock repricing. Repricing is reflected in the **Award Value** field when the award is published to Stock for distribution.

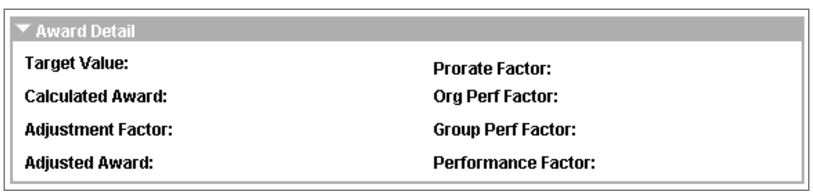
Prorate Factor	A factor calculated by the Calculate Eligibility/Proration process. It is based on the amount of time the employee was a member of the plan during the payout period. This field only appears on the page if prorate eligibility is a plan business rule.
Org Perf Factor (organization performance factor)	A factor determined by the organization weighted goal attainments. This field only appears on the page if the plan uses organization level weighted goals.
Group Perf Factor (group performance factor)	A factor determined by the group weighted goal attainments. This field only appears on the page if the plan uses group level weighted goals.
Performance Factor	A factor determined by the goal attainments for weighted goals at the various levels under the plan. The Calculate Awards process applies the performance factor to the target award. This field only appears on the page if the plan uses weighted goals.

Award Allocation With Groups Page

Usage	Use the Award Allocations with Groups page to view and change the awards calculated by the Award Allocations process for group members. Use this page to view and change the award status of individual awards. Use this page if you administer the plan using groups. If the plan does not use groups, the system enters the award data on the Award Allocations page.
Object Name	VC_AWD_ALLOC_WG
Navigation	**Compensate Employees, Manage Variable Compensation, Use, Award Allocation with Groups, Award Allocation with Groups**
Prerequisites	Run the Determine Allocations and Calculate Awards processes.
Access Requirements	Enter a VC Plan ID, Payout Period ID, and Group ID.



Award Allocation with Groups page (1 of 2)



Award Allocation with Groups page (2 of 2)

All fields on this page are identical to the fields on the Award Allocations page, with the following exceptions:

- **Group ID** is an additional field on the Award Allocations with Groups page.
- The **Orig Allocation** (original allocation), **Balance,** and **Reserves** fields appear on the Award Allocations with Groups page for plans that use group funding allocations. These fields replace the Plan Funding and Available fields that appear on the Award Allocations page.

Group ID — The system displays the **Group ID** that you entered when you accessed the page. It also displays the description of the group.

Orig Allocation — The system displays the total amount that you funded to this group ID for this period ID.

Balance — The system displays the unallocated balance of the original funding. The system increases and decreases the amount in this field as you change the award allocation for each group member.

Reserves	The system displays the balance of funding from previous periods that is still available for allocation to the group.

For complete information about the remaining fields on this page, see Award Allocation Page.

Reporting Awards Calculations

The system provides the following reports to help you review the results of the Calculate Awards process:

- The Calculate Awards report
- The Variance Report

Reporting Calculated Awards

You can view the results of the Award Calculation process on the Calculate Awards report. You can select a detailed report or a summary report.

- The detailed report lists all employees in a plan by group, the employee's target award value, annual rate, job code, calculated award, award value, and carryover balance. It also indicates whether the award is either the minimum or maximum payout under the plan. In addition, this report shows the total award value for each group and the grand total for the plan.
- The summary report lists the totals of calculated award, calculated award value, and carryover balance for each group and the grand total for the plan.

For more information about this report, see Generating the Calculate Awards Report.

Reporting Variances

You can use the Variance report to view the variance between the target award and the actual award that appears on the Award Allocations page. You can select a detailed report or a summary report.

The detailed report lists all employees in a plan by group, the employee's target award value, actual award value, and the variance between the target and the actual award. It also indicates whether the award is either the minimum or maximum payout under the plan. In addition, this report shows the total target award value, actual award value, and variance for each group as well as the grand total for the plan.

The summary report lists the total target award value, actual award value, and variance for each group as well as the grand totals for the plan.

For more information about this report, see Generating the Variance Report.

CHAPTER 7

Managing Awards Approval and Payout

When you are satisfied with the awards on the Award Allocation Page, you finalize them for payout or distribution. You can use an automated approval process, manual approval, or no approval to finalize the awards. After you finalize all of the awards in a plan or group for a payout period, the system automatically submits them for payout or distribution.

Overview of Approving and Submitting Awards

When you define the Variable Compensation (VC) plan, you decide whether to finalize awards for processing with or without approval. If you select award approval, you can run the Approve Awards batch process or approve awards individually.

To finalize awards and submit them for payout or distribution without approval:

1. Do not select the Approve Awards check box on the VC Plan - Plan Business Rules Page.
2. Manually set the Award Status of each award to *Ready to Submit* on the Award Allocation Page when you are satisfied with the award amount.
3. When all individual awards in the period for the plan or group have the *Ready to Submit* or *Canceled* Award Status, the system changes the Group Status on the Award Allocations page to *Ready to Submit.*
4. The system automatically submits awards for payout or distribution when the Group Status is Ready to Submit and changes the status to Submitted.

To approve awards manually and submit them for payout or distribution:

1. Select the Approve Awards check box on the VC Plan - Plan Business Rules Page.
   - If the plan member rule is Ad Hoc Awards or Empl VC Record, you also identify the approver ID on this page.
   - For plans that use groups, you establish the approver for each group when you set up VC Tree security.
2. The manager manually sets the Award Status of each award to *Recommended* on the Award Allocation Page when satisfied with the award amount.

When all awards have the *Recommended* status, the system sends a workflow notifying the authorized approver.

3. The approver changes the Award Status to *Approved* for each award that he or she wants to approve.

   Only the authorized approver can enter the *Approved* status.

   - If the plan does not use groups, you specify the approver ID on the Plan Definition page.
   - If the plan uses groups, you define the approver ID when you define the group on the Group Definition page.

4. When all individual awards for the period under the plan or group have the *Approved* or *Canceled* Award Status, the system changes the Group Status to *Ready to Submit.*

5. When the Group Status is *Ready to Submit*, the system automatically submits awards for payout or distribution and changes the status to *Submitted.*

For more information about Award Status, see Overview of Award Status.

To approve awards in a batch process and submit them for payout or distribution:

1. Select the Approve Awards check box on the VC Plan - Plan Business Rules Page.

   - If the plan member rule is Ad Hoc Awards or Empl VC Record, you also identify the approver ID on this page.
   - For plans that use groups, you establish the approver for each group when you set up VC Tree security.

2. The manager manually sets the Award Status of each award to *Recommended* on the Award Allocation Page when satisfied with the award amount.

   When all awards have the *Recommended* status, the system sends a workflow notifying the authorized approver to run the approval process.

3. The approver runs the Approve Awards process or the Approve Awards with Groups process when the Award Status on the Award Allocations page is *Recommended.*

   Only the authorized approver can run the process for the plan or group.

   - If the plan does not use groups, you specify the approver ID on the Plan Definition page.
   - If the plan uses groups, you define the approver ID when you define the group on the Group Definition page.

   The process changes the Award Status of all approved awards from *Recommended* to *Approved.*

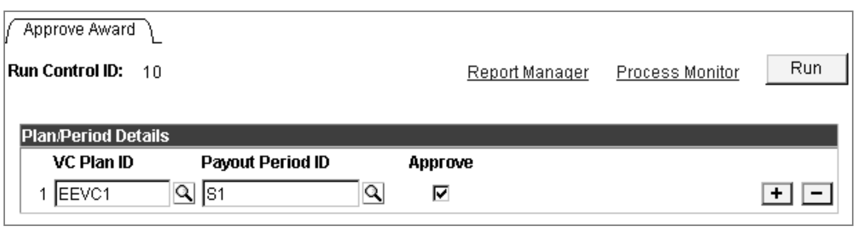
4. When all individual awards for the period under the plan or group have the *Approved* or *Canceled* Award Status, the system changes the Group Status to *Ready to Submit.*

5. When the Group Status is *Ready to Submit*, the system automatically submits awards for payout or distribution and changes the status to *Submitted.*

For more information about Award Status, see Overview of Award Status.

Approve Awards by Plan Process Page

Usage	Use the Approve Awards by Plan page to run the batch approval process when the plan member rule is Ad Hoc Awards or Empl VC Record. You can also use the process to remove approved status from approved awards.
Object Name	VC_RUNCTL_APPWRD_P
Navigation	**Compensate Employees, Manage Variable Compensation, Process, Approve Awards by Plan, Approve Award**
Prerequisites	To be approved, awards must have the *Recommended* Award Status.
Access Requirements	Enter a Run Control ID.



Approve Awards by Plan process page

Run Control ID The system enters the **Run Control ID** that you entered to access the page.

VC Plan ID Select the ID of the VC plan for which you want to approve awards. The only available options are the VC plans for which this user ID is the designated approver on the Plan Business Rules page. The VC plan description appears next to the plan ID that you select.

Payout Period ID Select the payout period for which you want to approve awards. Valid values prompt from the Payout Periods table for this **VC Plan ID.**

Insert a row to add a plan or payout period.

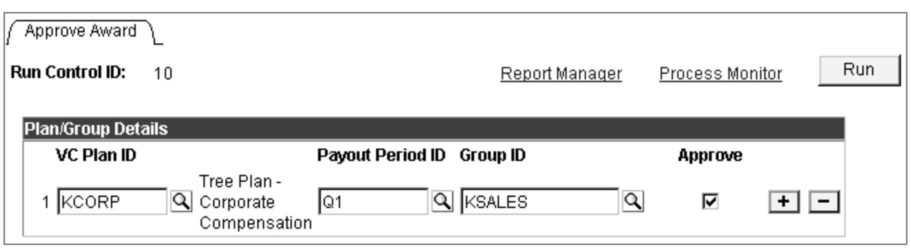
Approve Select **Approve** to approve all awards that have the *Recommended* status under the plan for the corresponding payout period. Clear this field to remove approval if you already ran the approval process and now want to change it. The system selects **Approve** by default.

Click **Run** to run this request. Process Scheduler runs the Approve Awards by Plan process at user-defined intervals.

For more information about Process Scheduler, see Process Scheduler.

Approve Awards by Group Process Page

Usage	Use the Approve Awards by Group process to run the batch approval process when the plan member rule is Empl VC Record with groups or Define Tree/Group. You can also use the process to remove approved status from approved awards.
Object Name	VC_RUNCTL_APPWRD_G
Navigation	**Compensate Employees, Manage Variable Compensation, Process, Approve Awards by Group, Approve Award**
Prerequisites	To be approved, awards must have the *Recommended* Award Status.
Access Requirements	Enter a Run Control ID.



Approve Awards by Group process page

Run Control ID The system enters the **Run Control ID** that you entered to access the page.

VC Plan ID Select the ID of the VC plan for which you want to approve awards. The system restricts available options to the VC plans for which this user ID has security access. The VC plan description appears next to the plan ID that you select.

Payout Period ID	Select the payout period for which you want to approve awards. Valid values prompt from the Payout Periods table for this **VC Plan ID.**
Group ID	Select the ID of the group for which you want to approve awards. The system restricts available options to the groups for which this user ID has security access. The group description appears next to the group ID that you select.
Approve	Select **Approve** to approve all awards with *Recommended* status under the plan for the corresponding payout period. Clear this field to remove approval if you already ran the approval process and now want to change it. The system selects **Approve** by default.

Click **Run** to run this request. Process Scheduler runs the Approve awards by Group process at user-defined intervals.

For more information about Process Scheduler, see Process Scheduler.

Integration With Payroll

When the Group Status on the Award Allocation page is D (ready to submit), the Variable Compensation system submits monetary and non-stock, non-monetary awards for payout.

PeopleSoft Payroll for North America

If PeopleSoft Payroll for North America is installed on your database, the system publishes the awards directly to PeopleSoft Payroll for North America for payout.

All Other Payroll Systems

If PeopleSoft Payroll for North America is not installed on your database, the system automatically generates a flat file containing the awards data. Your organization can use this flat file as input into your payroll system to pay out awards.

Overview of Integration With PeopleSoft Payroll for North America

The following table outlines the award payout integration between Variable Compensation and PeopleSoft Payroll for North America:

Integration Step	*Description*
VC publishes awards to PeopleSoft Payroll for North America using the Variable Comp Request for Payment EIP.	When the status of all individual awards on the Award Allocation page is D, S, or C, the system changes the group status to D and publishes the Var Comp Payment Request message that inserts the awards into a publishing staging table. The Group Status and individual Award Status on the Award Allocations page are changed to S (submitted).
Payroll subscribes to the message using the Variable Comp Request for Payment EIP.	Subscription inserts the awards into a subscribing staging table.
Payroll runs an Application Engine process to validate/reject the VC data and publish an acknowledgement to VC of rejected or errored awards using the Acknowledgement/Verification of Variable Comp Payment EIP.	When Payroll validates the VC data, it checks for error conditions that require correction prior to loading to paysheet. If VC data are valid, Payroll inserts the awards into the application table. If errors are detected, Payroll publishes an acknowledgment to VC using the following reason codes: Invalid Earning Code Invalid Employee ID & Record# Invalid Currency Code Transaction already exists Amount Exceeds Payroll Maximum When Payroll rejects the VC data for a selected VC Plan and Payout Period, it publishes an acknowledgment to VC using the following reason code: Reject All –Requested by VC
VC subscribes to the acknowledgement of rejected or errored awards using the Acknowledgement/Verification of Variable Comp Payment EIP and updates the Award tables.	If all awards are rejected at VC request due to error in VC submission, the Group Status and Award Status are changed to J (rejected). If awards fail validation, the Group Status and Award Status are changed to E (error) and a reason code is supplied. The Award Date is updated to the current date. Workflow notification of errored or rejected awards is sent to VC administrator, who can run the Subscription Error report to see the details of rejections, errors, and reasons. VC administrator corrects the awards and sets the individual Award Status to D (ready to submit).

Integration Step	*Description*
	When all individual awards have the status of D, S, or C the Group Status is changed to D, which triggers publishing of the awards.
Payroll processes validated awards and issues checks.	Payroll uses the Paysheet Load and the Pay Calculation process to process the payments.
Payroll runs an application engine process to publish a verification of payment to VC using the Acknowledgement/Verification of Variable Comp Payment EIP.	This process will run successfully only if on-cycle and off-cycle are confirmed for the selected pay run ID.
VC subscribes to the verification of payment using the Acknowledgement/Verification of Variable Comp Payment EIP and updates the Award tables.	Updates the Group Status and Award Status to P (paid/granted). Updates the Award Date to the value set by Payroll as the date of payment.

For more information about Award Status codes, see Overview of Award Status.

Enterprise Integration Points (EIP) Related to Integration Between Variable Compensation and PeopleSoft Payroll for North America

As illustrated in the foregoing Overview of Integration with PeopleSoft Payroll for North America, the system uses the following application messages to transfer awards and payout data between the PeopleSoft Human Resources Variable Compensation module and PeopleSoft Payroll for North America.

EIP Name	*Message Name*	*Message Definition*
Variable Comp Request for Payment	VAR_COMP_PAYMENT_REQUEST	VC publishes award data to Payroll and Payroll subscribes to the award data.
Acknowledgement /Verification of Variable Comp Payment	VAR_COMP_PAYMENT_ACKNOWLEDGE	Payroll publishes payout data to VC and VC subscribes.

For more information about the technical details of these EIPs, see Variable Comp Request for Payment and Acknowledgement/Verification of Variable Comp Payment. For more information about enterprise integration points, see PeopleSoft Enterprise Integration PeopleBook.

Activating EIP Messages and Channels

All EIP messages are delivered inactive. In PeopleTools Application Designer you must activate the VAR_COMP_PAYMENT_REQUEST and VAR_COMP_PAYMENT_ACKNOWLEDGE messages. Make sure that you set the status of each selected message to ***Active,*** and set the status of the corresponding message channel to ***Run.***

For more information about activating messages and channels, see PeopleSoft Application Messaging.

Third-party Payroll Subscription to EIP Messages

Through the use of Web server extension mechanisms such as Java servlets, a third-party application can accept and process an XML post from a PeopleSoft message. Third-party applications can publish data to the PeopleSoft database by means of an XML data post directly to PeopleSoft's Application Messaging Gateway.

For more information about how to integrate PeopleSoft application messaging to a third-party application, see Third Party Integration.

Reporting Subscription Errors From Payroll

The VC administrator can run the Subscription Error report after receiving workflow email notification that an errored or rejected award has been returned from PeopleSoft Payroll for North America. This report identifies each individual who had either an errored or rejected award under the VC plan and payout period. For each errored or rejected award, the report identifies the employee, award value, award status, and the rejection reason.

The following are the valid payroll rejection reason codes:

Invalid Earning Code (Invalid EC)

Invalid Employee ID & Record# (Invalid EE)

Invalid Currency Code (Invalid CC)

Transaction already exists (Tran exist)

Amount Exceeds Payroll Maximum (Exceed Max)

Reject All - Requested by VC (Reject All)

For more information about this report, see Generating the Subscription Error Report.

Reporting Actual Awards

After the system submits the awards for payout, you can run the Actual Awards report. This report is similar to the Calculate Awards report, but it shows any modifications that you made to the award on the Award Allocations page. You can select a detailed report or a summary report.

- The detailed report lists all employees in a plan by group, the employee's target award value, annual rate, job code, actual award, and the value. It also indicates whether the award is either the minimum or maximum payout under the plan. This report also shows the total award value for each group and the grand total for the plan.
- The summary report lists the total award value for each group and the grand total for the plan.

For more information about the report, see Generating the Actual Award Report.

Integration With Stock Administration

When the Group Status on the Award Allocation page is D (ready to submit), the Variable Compensation system submits stock-type awards for distribution.

PeopleSoft Stock Administration

If PeopleSoft Stock Administration is installed on your database, the system publishes the awards directly to PeopleSoft Stock Administration for distribution.

All Other Stock Administration Systems

If PeopleSoft Stock Administration is not installed on your database, the system automatically generates a flat file containing the awards data. Your organization can use this flat file as input into your non-PeopleSoft stock administration system to distribute awards.

Overview of Integration with PeopleSoft Stock Administration

The following table outlines the award distribution integration between Variable Compensation and PeopleSoft Stock Administration:

Integration Step	*Description*
VC publishes awards to Stock Administration using the Award Data EIP.	When the status of all individual awards on the Award Allocation page is D, S, or C, the system changes the group status to D and publishes a message that inserts the awards into a staging table. The Group Status and individual Award Status on the Award Allocations page are changed to S (submitted).
Stock Administration subscribes to VC's message using the Award Data EIP.	Stock Administration performs validation and either proceeds to generate grants or to void, modify, or reject grants.
(Generate grants) Stock Administration runs the Generate Grants Application Engine process to generate the grants, and batch publishes the awards to VC through the staging table using the Grants Data EIP.	Stock Administration's batch publish of grants generated results in the following changes to the VC Award table: Changes the Award Date to the date granted. Changes the Award Status to P (paid/granted) when granted with no validation errors or to E (errored) when granted with validation errors. Updates the Actual Award to the number of shares granted. Updates the Award Value.
(Void, modify, or reject grants) Stock Administration can void, modify, or reject grants. **Note.** You cannot void a split ISO/NQ grant.	This is generally done if there was a data entry error in the run control for generating the grants. Batch publish of voided grants to VC sets Award Status to C (cancelled). Batch publish of modified grants to VC through staging table generates the same updates to VC data as publishing grants without modification (see above). Batch publish of rejected grants sets Award Status to J (rejected). This is done if the awards were sent to Stock Administration in error. **Note.** Once the awards are rejected they can't be recalculated in the same period. They must be recalculated in the following period.
Shares for VC plans or funding periods that have expired are returned to Stock Administration.	Stock Administrator decreases the VC funding table by the number of shares remaining.
Stock Administration updates VC tables when stocks split.	Updates the Awards table and the Plan Funding table.

Integration Step	*Description*
	Batch publishes effected VC awards.
Stock Administration recalculates award value when stock is repriced.	Publishes revised awards updating the Award Value.

For more information about Award Status codes, see Overview of Award Status. For more information about integration between PeopleSoft Stock Administration and Variable Compensation, see ZAdministering Variable Compensation Grants.

Enterprise Integration Points (EIP) Related to Integration Between Variable Compensation and PeopleSoft Stock Administration

As illustrated in the foregoing Overview of Integration with PeopleSoft Stock Administration, the system uses the following application messages to transfer award and grant data between the PeopleSoft Human Resources Variable Compensation module and PeopleSoft Stock Administration.

EIP Name	*Message Name*	*Message Definition*
Award Data	AWARD_GRANT_ISSUE	VC publishes award data to Stock Administration and Stock Administration subscribes to the award data.
Grant Data	GRANT_AWARD_UPDATE	Stock Administration publishes grant data to VC and VC subscribes.

For more information about the technical details of these EIPs, see Award Data and Grant Data. For more information about enterprise integration points, see PeopleSoft Enterprise Integration PeopleBook.

Activating EIP Messages and Channels

All EIP messages are delivered inactive. In PeopleTools Application Designer you must activate the AWARD_GRANT_ISSUE and GRANT_AWARD_UPDATE messages. Make sure that you set the status of each selected message to ***Active,*** and set the status of the corresponding message channel to ***Run.***

For more information about activating messages and channels, see PeopleSoft Application Messaging.

Third-party Stock Administration Subscription to EIP Messages

Through the use of Web server extension mechanisms such as Java servlets, a third-party application can accept and process an XML post from a PeopleSoft message. Third-party applications can publish data to the PeopleSoft database by means of an XML data post directly to PeopleSoft's Application Messaging Gateway.

For more information about how to integrate PeopleSoft application messaging to a third-party application, see Third Party Integration.

Reporting Subscription Errors From PeopleSoft Stock Administration

The VC administrator can run the Subscription Error report after receiving workflow email notification that an errored or rejected award has been returned from PeopleSoft Stock Administration. This report identifies each individual who had either an errored or rejected award under the VC plan and payout period. For each errored or rejected award, the report identifies the employee, award value, and award status.

For more information about this report, see Generating the Subscription Error Report.

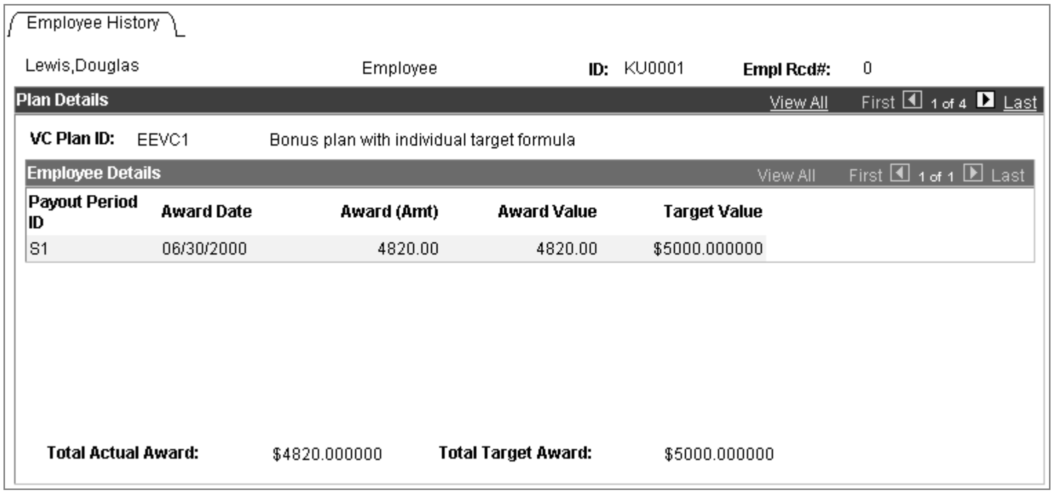
Viewing Variable Compensation History

You can view historical plan information by employee or by plan. Use the Employee History inquiry page to view employee information online. Use the Employee History report or the Plan History report to print variable compensation history by employee or by plan, respectively.

Employee History Inquiry Page

Usage	Use the Employee History page to view the history of an employee's target and actual awards in each plan and payout period.
Object Name	VC_EE_HISTORY
Navigation	**Compensate Employees, Manage Variable Compensation, Inquiry, Employee History, Employee History**

Access Requirements	Enter an employee ID.



Employee History page

Column order for grids may vary by implementation. All columns may not be visible.

The following fields are common to multiple pages and are defined in the preface of this PeopleBook in PeopleBooks Standard Page Element Definitions: **ID** (employee ID, name, and status), and **Empl Rcd#** (employee record number).

VC Plan ID Select the ID of the VC plan whose data you want to view.

Payout Period ID The system displays the plan payout periods in which the employee received an award.

Group ID This field is hidden if the plan does not use groups. The system displays the ID of the employee's group.

Award Date The system displays the date on which the award was granted for each payout period.

Award (Amt) (award amount) This column of the grid is hidden if the employee did not receive a monetary award in the plan period.

Award (Units) This column of the grid is hidden if the employee did not receive a non-monetary or stock award in the plan period.

Award Value The system displays the value of the award granted in each period. The value is expressed in the currency of the plan.

Target Value The system displays the value of the employee's target award as calculated by the Calculate Awards process for each payout period. The value is expressed in the currency of the plan.

Total Actual Award The system displays the total of awards granted to the employee under the plan ID. The total is expressed in units or currency, depending on the plan type.

Total Target Award The system displays the total of target awards calculated for the employee under the plan ID. The total is expressed in units or currency, depending on the plan type.

Reporting Employee History

You can use the Employee VC History report to print and view employee variable compensation history within date ranges that you specify on the run control page. For each employee, the report lists target values, award values, and units by plan and payout period. It also prints the total values and units for each plan. In addition, you can select to print each employee's grand total values for all plans.

For more information about this report, see Generating the Employee History Report.

Reporting Plan History

You can use the Plan History report to print and view variable compensation plan history within date ranges that you specify on the run control page. For the plan ID that you select, the report provides information about the plan definition and lists award values, proration, and approver information by payout period.

For more information about running this report, see Generating the Plan History Report.

CHAPTER 8

Variable Compensation Reports

PeopleSoft 8 Human Resources Managing Variable Compensation provides a full compliment of reports. Some of these reports will help you make decisions as you progress through the variable compensation business process. Some of them summarize the results of your variable compensation awards process.

For more information about generating these reports, see Introduction to PeopleSoft Reporting. For a complete listing of all PeopleSoft Human Resources reports by report ID and report name, see List of Reports in PeopleSoft Human Resources.

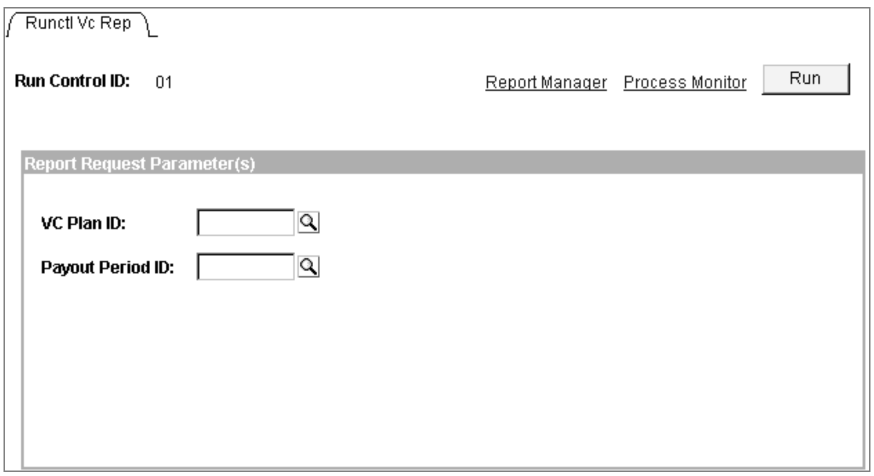
Common VC Report Run Control Page

Most of the variable compensation reports use the same run control object, but the page labels and parameters on the page vary by report.

RUNCTL_VC_REP Page

Usage	Use this run control page to run most of the reports in the Variable Compensation module.
Object Name	RUNCTL_VC_REP
Navigation	• **Compensate Employees, Manage Variable Compensation, Report, Actual Award Report, Actual Award Report** • **Compensate Employees, Manage Variable Compensation, Report, Budget Report, Runctl Vc Rep** • **Compensate Employees, Manage Variable Compensation, Report, Calculate Awards Report, Calculate Awards Report** • **Compensate Employees, Manage Variable Compensation, Report, Carryover Report, Carryover Report** • **Compensate Employees, Manage Variable Compensation, Report, Consistency Report, Consistency Report** • **Compensate Employees, Manage Variable Compensation, Report, Funding Allocation Report, Funding Allocations Report**

	• **Compensate Employees, Manage Variable Compensation, Report, Guarantee Report, Guarantee Report** • **Compensate Employees, Manage Variable Compensation, Report, Non Monetary Report, Non Monetary Report** • **Compensate Employees, Manage Variable Compensation, Report, Organization and Group Goals, Organization and Group Goals** • **Compensate Employees, Manage Variable Compensation, Report, Plan History Report, Plan History Report** • **Compensate Employees, Manage Variable Compensation, Report, Subscription Error Report, Runctl Vc Rep** • **Compensate Employees, Manage Variable Compensation, Report, Variance Report, Variance Report**
Access Requirements	Enter a Run Control ID.



RUNCTL_VC_REP page

Standard Page Element Definitions for the RUNCTL_VC_REP Page

The following fields are common to most reports using the RUNCTL_VC_REP page (run control for variable compensation reporting page). Additional parameters for individual reports are defined under each report's heading.

Run Control ID The system enters the **Run Control ID** that you enter when you access the page.

Start Date Enter the beginning date of the time period that you want to report.

End Date Enter the ending date of the time period that you want to report.

VC Plan ID Select the ID of the VC plan for which you want to generate a report.

Payout Period ID Select the payout period ID for which you want to generate a report.

Report Type Indicate the level of detail that you want in the report:

Summary: The report provides data at the level of the group.

Detail: The report provides data at the level of the employee.

List of Reports Using the RUNCTL_VC_REP Page

Use the Runctl Vc Rep run control page to run the following reports:

Budget report

Funding Allocations report

Calculate Awards report

Actual Award report

Carryover report

Guarantee report

Non Monetary report

Plan History report

Variance report

Organization and Group Goals report

Consistency report

Subscription Error report

List of Variable Compensation Reports

Report Name	***Report ID***	***Location***	***Global or Local***
Actual Award Report	VC001	Compensate Employees, Manage Variable Compensation, Report, Actual Award Report	GBL

Report Name	***Report ID***	***Location***	***Global or Local***
Budget Report	VC002	Compensate Employees, Manage Variable Compensation, Report, Budget Report	GBL
Calculate Awards Report	VC003	Compensate Employees, Manage Variable Compensation, Report, Calculate Awards Report	GBL
Carryover Report	VC004	Compensate Employees, Manage Variable Compensation, Report, Carryover Report	GBL
Consistency Report	VC012	Compensate Employees, Manage Variable Compensation, Report, Consistency Report	GBL
Employee History Report	VC005	Compensate Employees, Manage Variable Compensation, Report, Employee History Report	GBL
Funding Allocation Report	VC006	Compensate Employees, Manage Variable Compensation, Report, Funding Allocation Report	GBL
Guarantee Report	VC007	Compensate Employees, Manage Variable Compensation, Report, Guarantee Report	GBL
Non Monetary Report	VC008	Compensate Employees, Manage Variable Compensation, Report, Non Monetary Report	GBL
Organization and Group Goals Report	VC011	Compensate Employees, Manage Variable Compensation, Report, Organization and Group Goals	GBL
Plan History Report	VC009	Compensate Employees, Manage Variable Compensation, Report, Plan History Report	GBL
Subscription Error Report	VC013	Compensate Employees, Manage Variable	GBL

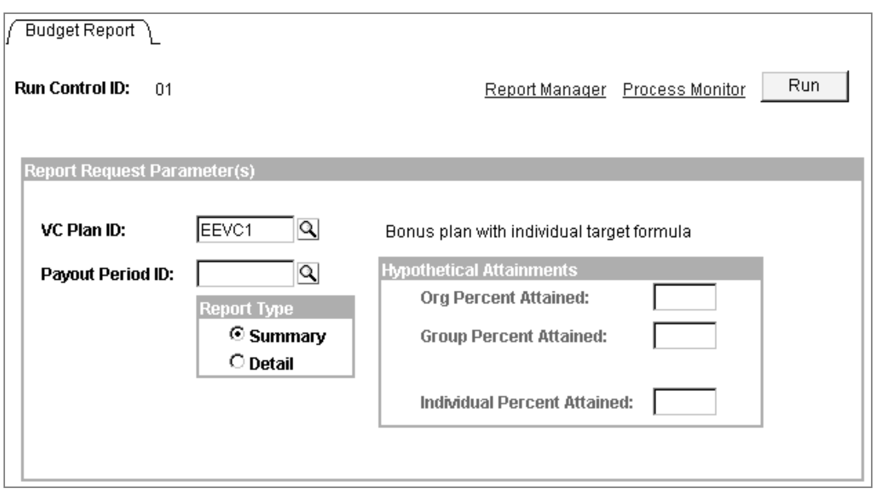
Report Name	Report ID	Location	Global or Local
		Compensation, Report, Subscription Error Report	
Tree Member Overlap Report	VCP001	Compensate Employees, Manage Variable Compensation, Report, Tree Member Overlap	GBL
Variance Report	VC010	Compensate Employees, Manage Variable Compensation, Report, Variance Report	GBL

Generating the Budget Report

Use the Budget Report to help you calculate how much funding to allocate to a plan.

Budget Report Page

Usage	Use this run control page to run the Budget Report. You can select a detailed report or a summary report.
Navigation	**Compensate Employees, Manage Variable Compensation, Report, Budget Report**
Prerequisites	Plan setup is complete Eligibility/Proration process run successfully
Access Requirements	Enter a Run Control ID.



Budget Report page

The following fields are common to reports using the Runctl Vc Rep page and are defined at the front of this section in Standard Page Element Definitions for the RUNCTL_VC_REP Page: **Run Control ID, VC Plan ID, Payout Period ID,** and **Report Type.**

Hypothetical Attainments

The following fields are available on the page if the plan uses goals:

Org Percent Attained (organization percent attained)	(Weighted goals) Enter the organization goal attainment percent that you want the system to use in calculating the budget amount.
Group Percent Attained	(Weighted goals) Enter the group goal attainment percent that you want the system to use in calculating the budget amount.
Ind Goal Weight (individual percent attained)	(Weighted goals) Enter the individual goal attainment percent that you want the system to use in calculating the budget amount.
Score	(Matrix goals) Enter the goal matrix score that you want the system to use in calculating the budget amount.

Click **Run** to run the report using Process Scheduler.

For more information about Process Scheduler, see Process Scheduler.

Budget Report

Description	The Budget report calculates the target payout under the plan assuming 100% proration. If you use weighted goals in the plan, you can specify hypothetical attainment percentages on the run control page. If you use a goals matrix, you can specify a hypothetical matrix score on the run control page. If you do not specify hypothetical goal attainments or a score, the system assumes 100% goal attainment.
Report ID	Process Scheduler job consisting of the VC BUDGT REP application engine and the SQR VC002.
Type of Report	SQR
Parameters	VC plan ID, payout period ID
Source	RUNCTL_VC_REP
Source Records	VC_PLAN_MEM, VC_PLAN_PAYOUT

Sorted By	group ID, employee ID

You can select a detailed report or a summary report.

- The detailed Budget report lists all employees in a plan by group, the employee's projected target award value, carryover balance, minimum award, and maximum award, along with the sum of these values for each group and the grand total for the plan.
- The summary report lists the total values for each group and the grand total for the plan.

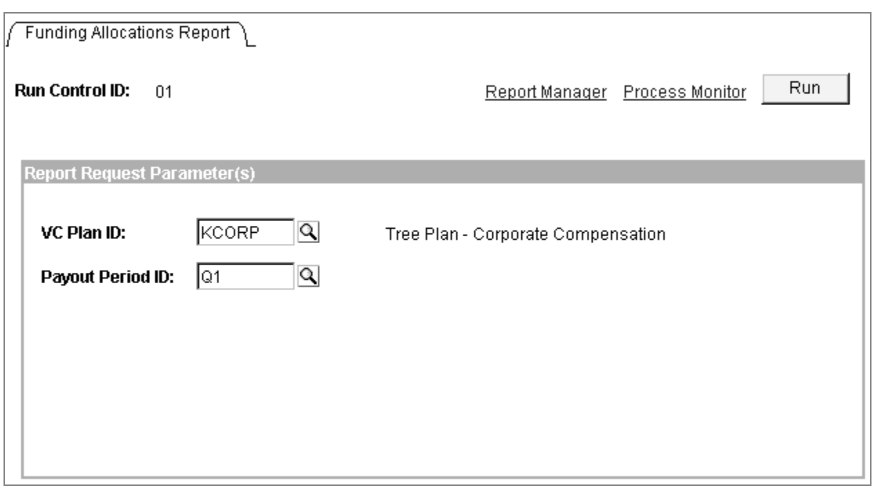
For samples of this and other reports in your application, see the PDF files published on CD-ROM with your documentation (for online users) or the *PeopleSoft HRMS Reporting Tools* (for hard copy users).

Generating the Funding Allocation Report

After you allocate funds to groups, you can use the optional Funding Allocations report to review and evaluate the distribution of funds to all of the groups in the plan.

Funding Allocations Report Page

Usage	Use this run control page to run the Funding Allocations report.
Navigation	**Compensate Employees, Manage Variable Compensation, Report, Funding Allocation Report**
Access Requirements	Enter a Run Control ID.



Funding Allocations Report page

The following fields are common to reports using the Runctl Vc Rep page and are defined at the front of this section in Standard Page Element Definitions for the RUNCTL_VC_REP Page: **Run Control ID, VC Plan ID, Payout Period ID,** and **Report Type.**

Click **Run** to run the report using Process Scheduler.

For more information about Process Scheduler, see Process Scheduler.

Funding Allocation Report

Description	After you allocate funds to groups, you can use the optional Funding Allocations report to review and evaluate the distribution of funds to all of the groups in the plan. The report lists all data as summary information at the group level.
Report ID	VC006
Type of Report	SQR
Parameters	VC plan ID, payout period ID
Source	RUNCTL_VC_REP
Source Records	VC_GRP_ALLOC
Sorted By	group ID

The report lists all data as summary information at the group level.

For each group, the report lists the projected target value, actual funding, the variance between the target and the funding, and any unallocated balances left from previous periods. The report also provides a grand total of all of these calculations for the entire plan.

If the plan uses weighted goals, the report lists the performance factor for each group. If the plan uses matrix goals, the report lists the payout formula for each group.

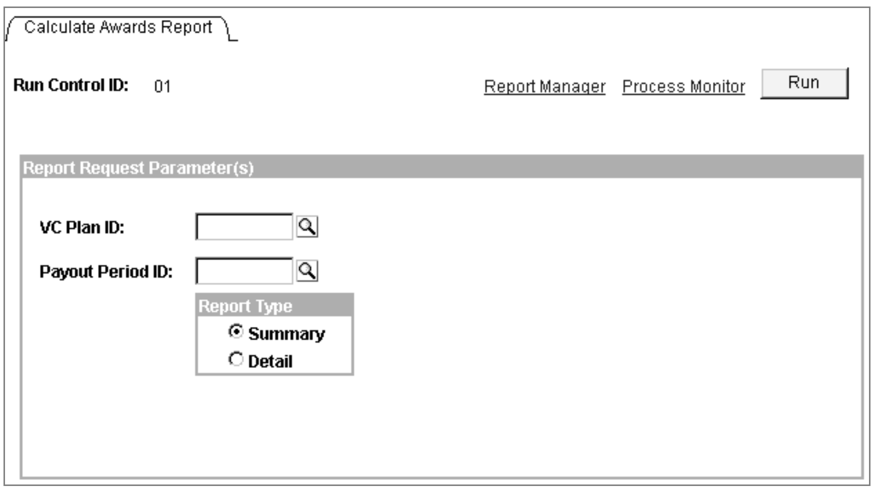
For samples of this and other reports in your application, see the PDF files published on CD-ROM with your documentation (for online users) or the *PeopleSoft HRMS Reporting Tools* (for hard copy users).

Generating the Calculate Awards Report

You can view the results of the Award Calculation process on the Calculate Awards report. You can select a detailed report or a summary report.

Calculate Awards Report Page

Usage	Use this run control page to run the Calculate Awards report.
Navigation	**Compensate Employees, Manage Variable Compensation, Report, Calculate Awards Report**
Prerequisites	Plan setup complete Eligibility/Proration process run successfully Determine Allocations process run successfully Calculate Awards process run successfully
Access Requirements	Enter a Run Control ID.



Calculate Awards Report page

The following fields are common to reports using the Runctl Vc Rep page and are defined at the front of this section in Standard Page Element Definitions for the RUNCTL_VC_REP Page: **Run Control ID, VC Plan ID, Payout Period ID,** and **Report Type.**

Click **Run** to run the report using Process Scheduler.

For more information about Process Scheduler, see Process Scheduler.

Calculate Awards Report

Description	You can view the results of the Award Calculation process on the Calculate Awards report. You can select a detailed report or a summary report.

Report ID	VC003
Type of Report	SQR
Parameters	VC plan ID, payout period ID
Source	RUNCTL_VC_REP
Source Records	VC_PLAN_MEM, VC_AWARD
Sorted By	group ID, employee ID

You can select a detailed report or a summary report.

- The detailed report lists all employees in a plan by group, the employee's target award value, annual rate, job code, calculated award, award value, and carryover balance. It also indicates whether the award is either the minimum or maximum payout under the plan. In addition, this report shows the total award value for each group and the grand total for the plan.
- The summary report lists the totals of calculated award, calculated award value, and carryover balance for each group and the grand total for the plan.

For samples of this and other reports in your application, see the PDF files published on CD-ROM with your documentation (for online users) or the *PeopleSoft HRMS Reporting Tools* (for hard copy users).

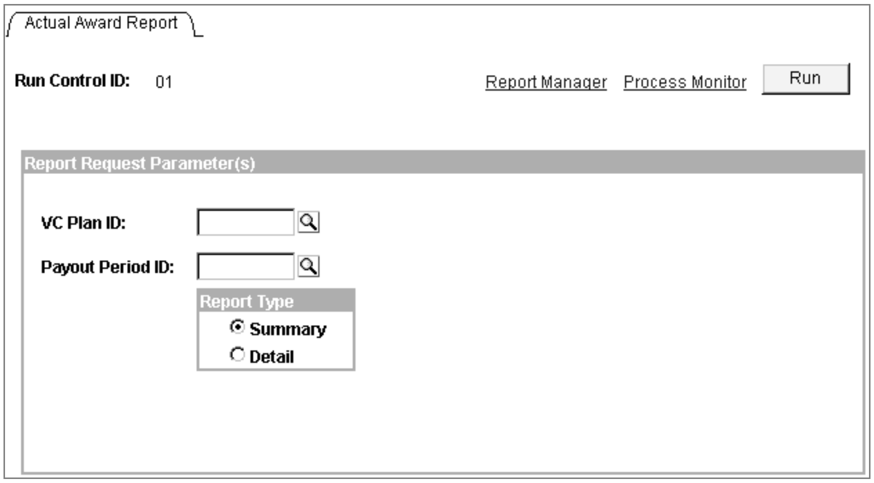
Generating the Actual Award Report

Run the Actual Awards report after the system publishes the awards for payout. This report is similar to the Calculate Awards report, but it shows any modifications you made to the award on the Award Allocation Page. You can select a detailed report or a summary report.

Actual Award Report Page

Usage	Use this run control page to run the Actual Award report.
Navigation	**Compensate Employees, Manage Variable Compensation, Report, Actual Award Report**
Prerequisites	Plan setup complete Eligibility/Proration process run successfully Determine Allocations process run successfully Calculate Awards process run successfully Awards approved/submitted and published to Payroll or Stock

Access Requirements	Enter a Run Control ID.



Actual Award Report page

The following fields are common to reports using the Runctl Vc Rep page and are defined at the front of this section in Standard Page Element Definitions for the RUNCTL_VC_REP Page: **Run Control ID, VC Plan ID, Payout Period ID,** and **Report Type.**

Click **Run** to run the report using Process Scheduler.

For more information about Process Scheduler, see Process Scheduler.

Actual Award Report

Description	Run the Actual Awards report after the system publishes the awards for payout. This report shows any modifications that you made to the award on the Award Allocations page.
Report ID	VC001
Type of Report	SQR
Parameters	VC plan ID, payout period ID
Source	RUNCTL_VC_REP
Source Records	PS_VC_PLAN_MEM, PS_VC_AWARD
Sorted By	group ID, employee ID

You can select a detailed report or a summary report.

- The detailed report lists all employees in a plan by group, the employee's target award value, annual rate, job code, actual award, and the value. It also indicates whether the award is either the minimum or maximum payout under the plan. This report also shows the total award value for each group and the grand total for the plan.
- The summary report lists the total award value for each group and the grand total for the plan.

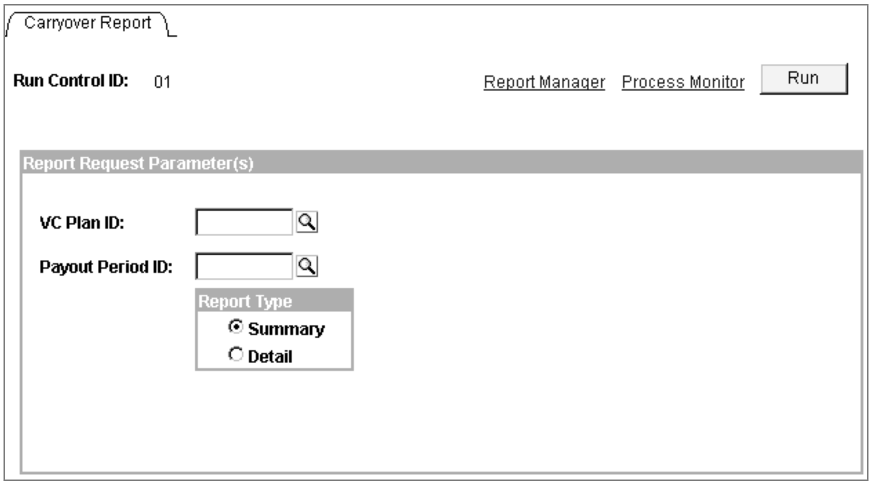
For samples of this and other reports in your application, see the PDF files published on CD-ROM with your documentation (for online users) or the *PeopleSoft HRMS Reporting Tools* (for hard copy users).

Generating the Carryover Report

Use the Carryover report to view the carryover balances. You can select a detailed report or a summary report.

Carryover Report Page

Usage	Use this run control page to run the Carryover report. You can select a detailed report or a summary report.
Navigation	**Compensate Employees, Manage Variable Compensation, Report, Carryover Report**
Prerequisites	Plan setup complete Eligibility/Proration process run successfully Determine Allocations process run successfully Calculate Awards process run successfully
Access Requirements	Enter a Run Control ID.



Carryover Report page

The following fields are common to reports using the Runctl Vc Rep page and are defined at the front of this section in Standard Page Element Definitions for the RUNCTL_VC_REP Page: **Run Control ID, VC Plan ID, Payout Period ID,** and **Report Type.**

Click **Run** to run the report using Process Scheduler.

For more information about Process Scheduler, see Process Scheduler.

Carryover Report

Description	Use the Carryover report to view the carryover balances.
Report ID	VC004
Type of Report	SQR
Parameters	VC plan ID, payout period ID
Source	RUNCTL_VC_REP
Source Records	VC_PLAN_MEM, VC_AWARD
Sorted By	group ID, employee ID

You can select a detailed report or a summary report.

- The detailed report lists all employees in a plan by group and their carryover balance.
- The summary report lists the total carryover balance for each group, as well as the totals for the plan.

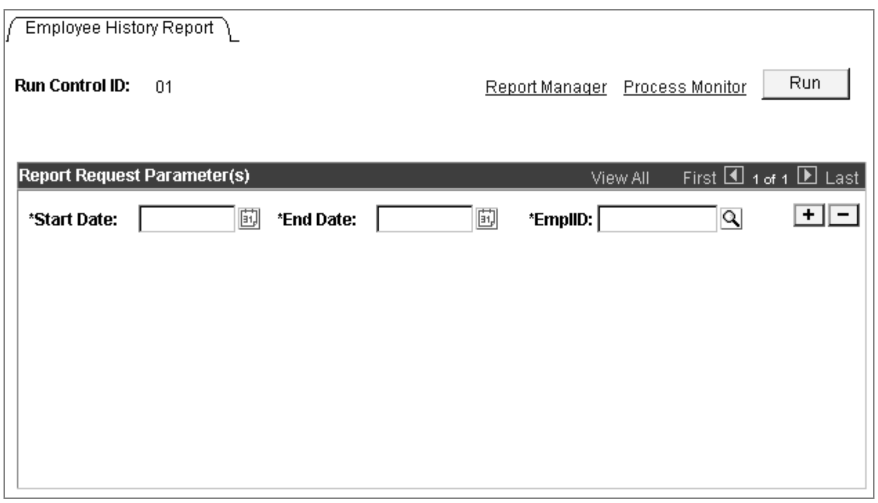
For samples of this and other reports in your application, see the PDF files published on CD-ROM with your documentation (for online users) or the *PeopleSoft HRMS Reporting Tools* (for hard copy users).

Generating the Employee History Report

Use the Employee VC History report to print and view employee variable compensation history within date ranges that you specify on the run control page.

Employee History Report Page

Usage	Use this run control page to run the Employee History report.
Object Name	RUNCTL_VC_EEHIS_RP
Navigation	**Compensate Employees, Manage Variable Compensation, Report, Employee History Report, Employee History Report**
Access Requirements	Enter a Run Control ID.



Employee History Report page

The following fields are common to reports using the Runctl Vc Rep page and are defined at the front of this section in Standard Page Element Definitions for the RUNCTL_VC_REP Page: **Run Control ID, From Date,** and **Thru Date.**

EmplID Select the ID of the employee for whom you want to generate a report.

Click **Run** to run the report using Process Scheduler.

For more information about Process Scheduler, see Process Scheduler.

Employee History Report

Description	Use the Employee History report to print and view employee variable compensation history within date ranges that you specify on the run control page.
Report ID	VC005
Type of Report	SQR
Parameters	From Date, Thru Date, Employee ID
Source	RUNCTL_VC_EEHIS_RP
Source Records	VC_AWARD, PERSONAL_DATA, VC_PAYPRD_TBL
Sorted By	employee ID, record number, VC plan ID, payout period begin date

For each employee, the report lists target values, award values, and units by plan and payout period. It also prints the total values and units for each plan. In addition, you can select to print each employee’s grand total values for all plans.

For samples of this and other reports in your application, see the PDF files published on CD-ROM with your documentation (for online users) or the *PeopleSoft HRMS Reporting Tools* (for hard copy users).

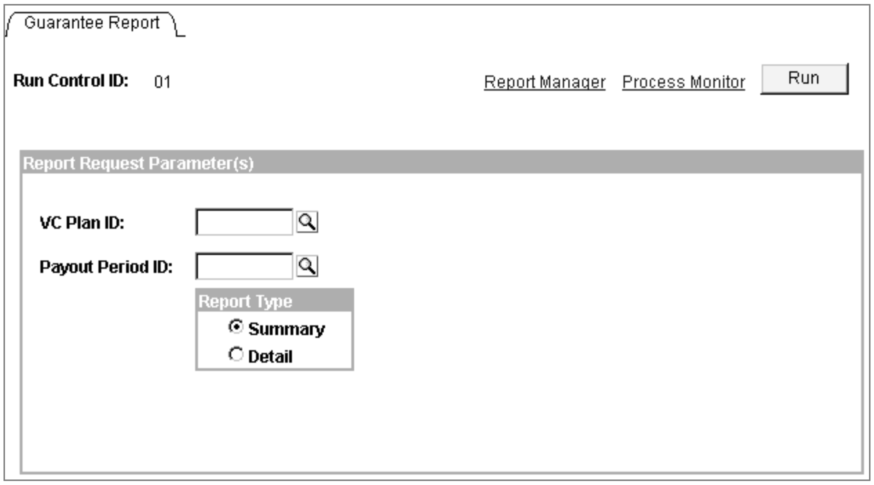
Generating the Guarantee Report

Use the Guarantee report to view the employee guarantees. You can select a detailed report or a summary report.

Guarantee Report Page

Usage	Use this run control page to run the Guarantee report.
Navigation	**Compensate Employees, Manage Variable Compensation, Report, Guarantee Report**

Access Requirements	Enter a Run Control ID.



Guarantee Report page

The following fields are common to reports using the Runctl Vc Rep page and are defined at the front of this section in Standard Page Element Definitions for the RUNCTL_VC_REP Page: **Run Control ID, VC Plan ID, Payout Period ID,** and **Report Type.**

Click **Run** to run the report using Process Scheduler.

For more information about Process Scheduler, see Process Scheduler.

Guarantee Report

Description	Use the Guarantee report to view the employee guarantees.
Report ID	VC007
Type of Report	SQR
Parameters	VC plan ID, payout period ID
Source	RUNCTL_VC_REP
Source Records	VC_AWARD, PERSONAL_DATA, GB_GROUP_TBL, VC_EE_VCOMP_DTL
Sorted By	group ID, employee ID

You can select a detailed report or a summary report.

- The detailed report lists all employees in a plan by group and their guarantee.

- The summary report lists the total guarantees for each group as well as the totals for the plan.

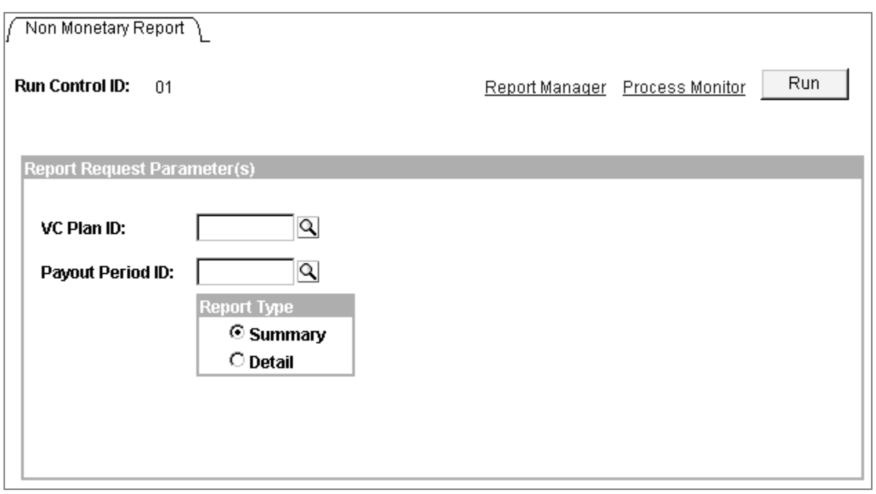
For samples of this and other reports in your application, see the PDF files published on CD-ROM with your documentation (for online users) or the *PeopleSoft HRMS Reporting Tools* (for hard copy users).

Generating the Non Monetary Report

Use the Non Monetary Report to track the number of units awarded under a plan and the value to employees. You can select a detailed report or a summary report.

Non Monetary Report Page

Usage	Use this run control page to run the Non Monetary report.
Navigation	**Compensate Employees, Manage Variable Compensation, Report, Non Monetary Report**
Prerequisites	Plan setup complete Eligibility/Proration run process successfully Determine Allocations process run successfully Calculate Awards process run successfully Awards approved/submitted
Access Requirements	Enter a Run Control ID.



Non Monetary Report page

The following fields are common to reports using the Runctl Vc Rep page and are defined at the front of this section in Standard Page Element Definitions for the RUNCTL_VC_REP Page: **Run Control ID, VC Plan ID, Payout Period ID,** and **Report Type.**

Click **Run** to run the report using Process Scheduler.

For more information about Process Scheduler, see Process Scheduler.

Non Monetary Report

Description	Use the Non Monetary Report to track the number of units awarded under a plan and the value to employees.
Report ID	VC008
Type of Report	SQR
Parameters	VC Plan ID, Payout Period ID
Source	RUNCTL_VC_REP
Source Records	PS_VC_AWARD, PS_PERSONAL_DATA, PS_GB_GROUP_TBL, PS_EMPLOYMENT
Sorted By	group ID, employee ID

The report lists only awards that are beyond the status of Initial Calculation. You can select a detailed report or a summary report.

- The detailed report lists all employees in a plan by group, their target value, their calculated award, their actual award in non-monetary units, and their actual award as a monetary value.
- The summary report lists the total non-monetary units for each group, as well as the totals for the plan.

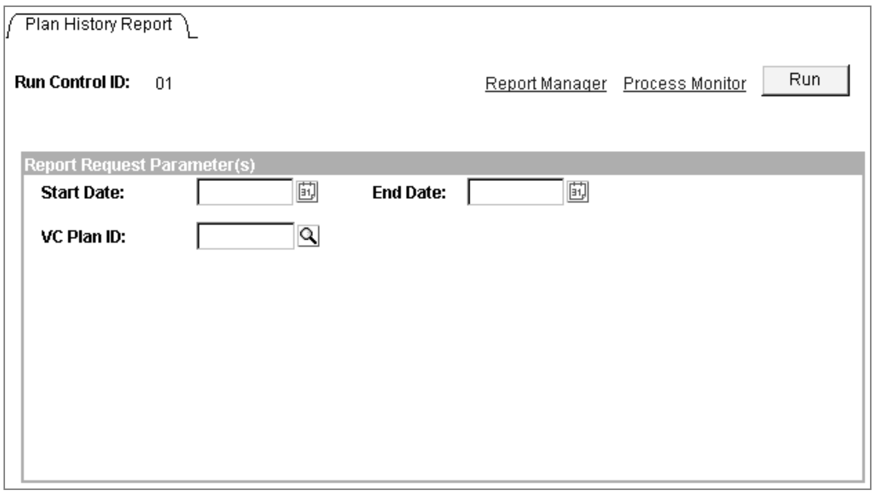
For samples of this and other reports in your application, see the PDF files published on CD-ROM with your documentation (for online users) or the *PeopleSoft HRMS Reporting Tools* (for hard copy users).

Generating the Plan History Report

Use the Plan History report to print and view variable compensation plan history within date ranges that you specify on the run control page.

Plan History Report Page

Usage	Use this run control page to run the Plan History report.
Navigation	**Compensate Employees, Manage Variable Compensation, Report, Plan History Report**
Access Requirements	Enter a Run Control ID.



Plan History Report page

The following fields are common to reports using the Runctl Vc Rep page and are defined at the front of this section in Standard Page Element Definitions for the RUNCTL_VC_REP Page: **Run Control ID, From Date,** and **Thru Date.**

Click **Run** to run the report using Process Scheduler.

For more information about Process Scheduler, see Process Scheduler.

Plan History Report

Description	Use the Plan History report to print and view variable compensation plan history within date ranges that you specify on the run control page.
Report ID	VC009
Type of Report	SQR
Parameters	VC plan ID, From Date, Thru Date
Source	RUNCTL_VC_REP

Source Records	PS_VC_PLAN_TBL, PS_VC_PLAN_EFFDT, PS_VC_PAYPRD_TBL, PS_VC_AWARD
Sorted By	VC plan ID, payout period ID, valuation ID

For the plan ID that you select, the report provides information about the plan definition and lists award values, proration, and approver information by payout period.

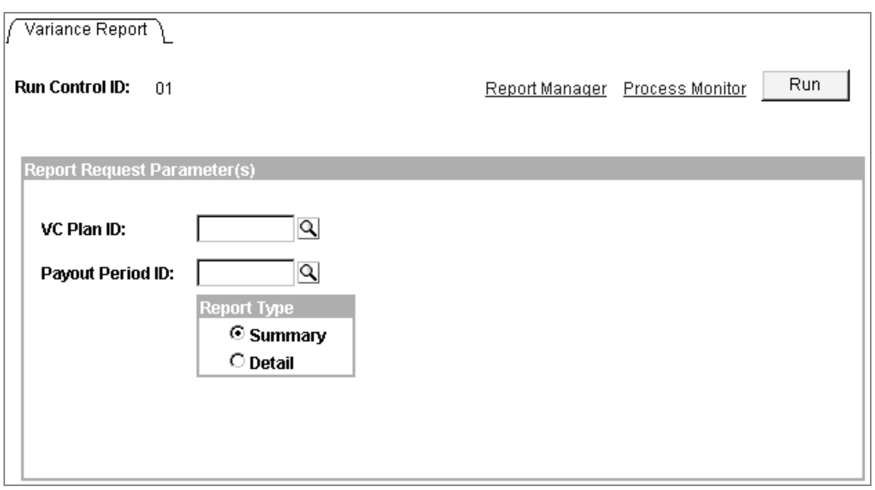
For samples of this and other reports in your application, see the PDF files published on CD-ROM with your documentation (for online users) or the *PeopleSoft HRMS Reporting Tools* (for hard copy users).

Generating the Variance Report

Use the Variance report to view the variance between the target award and the actual award that appears on the Award Allocations page. You can select a detailed report or a summary report.

Variance Report Page

Usage	Use this run control page to run the Variance report.
Navigation	**Compensate Employees, Manage Variable Compensation, Report, Variance Report**
Access Requirements	Enter a Run Control ID.



Variance Report page

The following fields are common to reports using the Runctl Vc Rep page and are defined at the front of this section in Standard Page Element Definitions for the RUNCTL_VC_REP Page: **Run Control ID, VC Plan ID, Payout Period ID,** and **Report Type.**

Click **Run** to run the report using Process Scheduler.

For more information about Process Scheduler, see Process Scheduler.

Variance Report

Description	Use the Variance report to view the variance between the target award and the actual award that appears on the Award Allocations page. You can select a detailed report or a summary report.
Report ID	VC010
Type of Report	SQR
Parameters	VC plan ID, payout period ID
Source	RUNCTL_VC_REP
Source Records	PS_VC_PLAN_MEM, PS_VC_AWARD, PS_PERSONAL_DATA, PS_GB_GROUP_TBL
Sorted By	group ID, employee ID

You can select a detailed report or a summary report.

- The detailed report lists all employees in a plan by group, the employee's target award value, actual award value, and the variance between the target and the actual award. It also indicates whether the award is either the minimum or maximum payout under the plan. In addition, this report shows the total target award value, actual award value, and variance for each group and the grand total for the plan.
- The summary report lists the total target award value, actual award value, and variance for each group, as well as the grand totals for the plan.

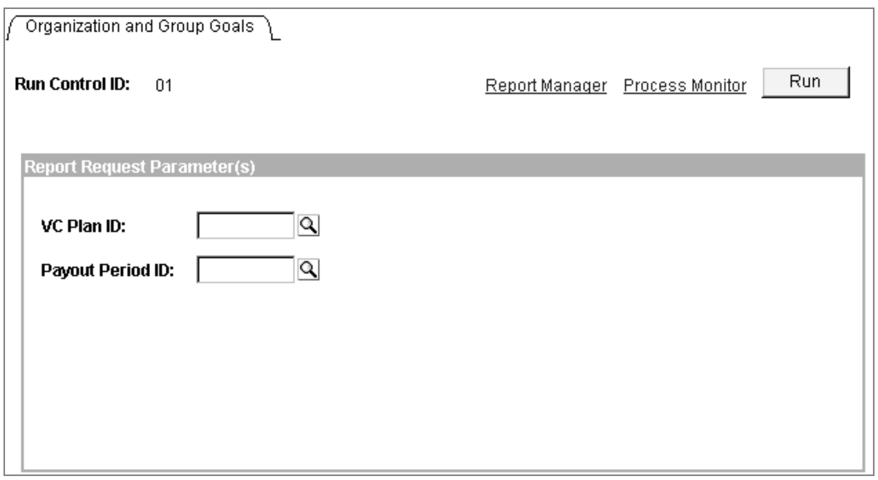
For samples of this and other reports in your application, see the PDF files published on CD-ROM with your documentation (for online users) or the *PeopleSoft HRMS Reporting Tools* (for hard copy users).

Generating the Organization and Group Goals Report

The Organization and Group Goals report is an optional report that you can run before or after the goal measurement period.

Organization and Group Goals Report Page

Usage	Use this run control page to run the Organization and Group Goals report.
Navigation	**Compensate Employees, Manage Variable Compensation, Report, Organization and Group Goals**
Access Requirements	Enter a Run Control ID.



Organization and Group Goals Report page

The following fields are common to reports using the Runctl Vc Rep page and are defined at the front of this section in Standard Page Element Definitions for the RUNCTL_VC_REP Page: **Run Control ID, VC Plan ID,** and **Payout Period ID.**

Click **Run** to run the report using Process Scheduler.

For more information about Process Scheduler, see Process Scheduler.

Organization and Group Goals Report

Description	The Organization and Group Goals report is an optional report that you can run before or after the goal measurement period. This report

	provides the Plan Goal Weights for the VC plan ID and period ID and a list of all organization and group weighted goals in the plan with their weighting percent and attainment percent.
Report ID	VC011
Type of Report	SQR
Parameters	VC plan ID, payout period ID
Source	RUNCTL_VC_REP
Source Records	PS_VC_PLAN_TBL, PS_VC_PLAN_EFFDT, PS_VC_ORG_GOAL, PS_VC_GRP_GOAL
Sorted By	Goal level, goal ID, group ID.

This report provides the following information:

- The Plan Goal Weights for the VC plan ID and period ID.
- A list of all organization weighted goals in the plan with their weighting percent and attainment percent.
- A list of all group weighted goals in the plan by group with their weighting percent and attainment percent.

If the group does not have goals, the report indicates that the child group's goals are the parent group's goals.

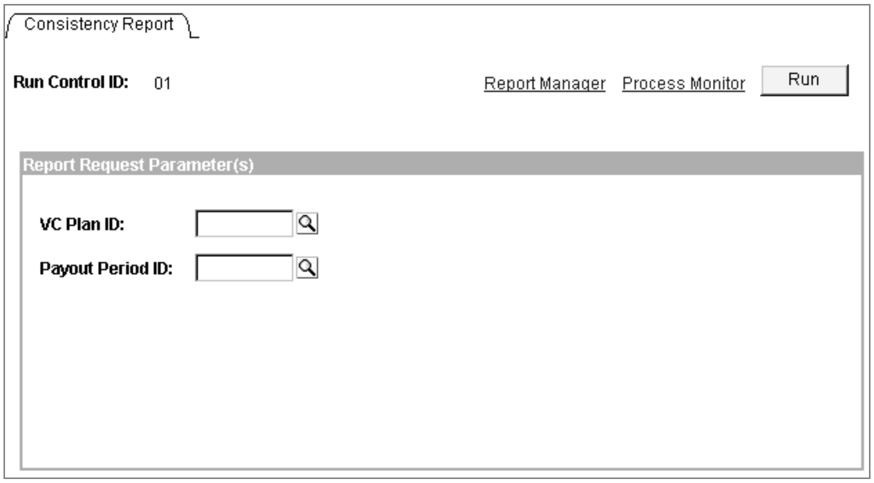
For samples of this and other reports in your application, see the PDF files published on CD-ROM with your documentation (for online users) or the *PeopleSoft HRMS Reporting Tools* (for hard copy users).

Generating the Consistency Report

For prorated plans, the Consistency Report provides a list of employees who have fallen off a tree and the groups to which they belonged. The VC administrator or the employees' managers can use this information to ensure that these individuals get the appropriate awards.

Consistency Report Page

Usage	Use this run control page to run the Consistency report.
Navigation	**Compensate Employees, Manage Variable Compensation, Report, Consistency Report**
Access Requirements	Enter a Run Control ID.



Consistency Report page

The following fields are common to reports using the Runctl Vc Rep page and are defined at the front of this section in Standard Page Element Definitions for the RUNCTL_VC_REP Page: **Run Control ID, VC Plan ID,** and **Payout Period ID.**

Click **Run** to run the report using Process Scheduler.

For more information about Process Scheduler, see Process Scheduler.

Consistency Report

Description	For prorated plans, the Consistency Report provides a list of employees who have fallen off a tree and the groups to which they belonged. The VC administrator or the employees' managers can use this information to ensure that these individuals get the appropriate awards.
Report ID	VC012
Type of Report	SQR
Parameters	VC plan ID, payout period ID
Source	RUNCTL_VC_REP
Source Records	VC_MEM_DATA, PS_PERSONAL_DATA, PS_GB_GROUP_TBL
Sorted By	group ID, employee ID

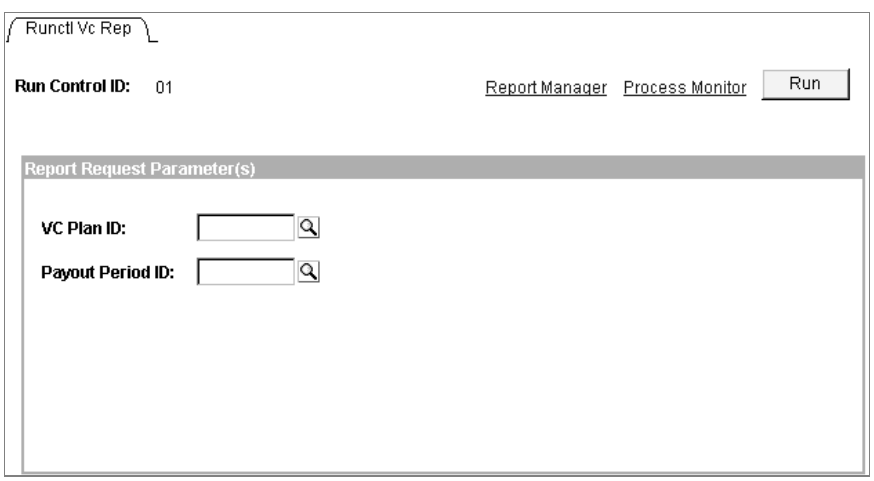
For samples of this and other reports in your application, see the PDF files published on CD-ROM with your documentation (for online users) or the *PeopleSoft HRMS Reporting Tools* (for hard copy users).

Generating the Subscription Error Report

The VC administrator can run the Subscription Error report after receiving workflow email notification that an errored or rejected award has been returned from PeopleSoft Payroll for North America or PeopleSoft Stock Administration.

Subscription Error Report Page

Usage	Use this run control page to run the Subscription Error report.
Navigation	**Compensate Employees, Manage Variable Compensation, Report, Subscription Error Report**
Prerequisites	Plan setup complete Eligibility/Proration process run successfully Determine Allocations process run successfully Calculate Awards process run successfully Awards approved/submitted
Access Requirements	Enter a Run Control ID.



Subscription Error Report page

The following fields are common to reports using the Runctl Vc Rep page and are defined at the front of this section in Standard Page Element Definitions for the RUNCTL_VC_REP Page: **Run Control ID, VC Plan ID,** and **Payout Period ID.**

Click **Run** to run the report using Process Scheduler.

For more information about Process Scheduler, see Process Scheduler.

Subscription Error Report

Description	The Subscription Error report identifies all individuals who have either an errored or rejected award for a VC plan ID and payout period ID.
Report ID	VC013
Type of Report	SQR
Parameters	VC plan ID, payout period ID
Source	RUNCTL_VC_REP
Source Records	PS_VC_PLAN_TBL, PS_VC_AWARD, PS_PERSONAL_DATA
Sorted By	group ID

This report identifies each individual who had either an errored or rejected award under the VC plan and payout period. For each errored or rejected award, the report identifies the employee, award value, award status, and the rejection reason (payroll only).

The following are the valid payroll rejection reason codes:

Invalid Earning Code (Invalid EC)

Invalid Employee ID & Record # (Invalid EE)

Invalid Currency Code (Invalid CC)

Transaction already exists (Tran exist)

Amount Exceeds Payroll Maximum (Exceed Max)

Reject All -Requested by VC (Reject All)

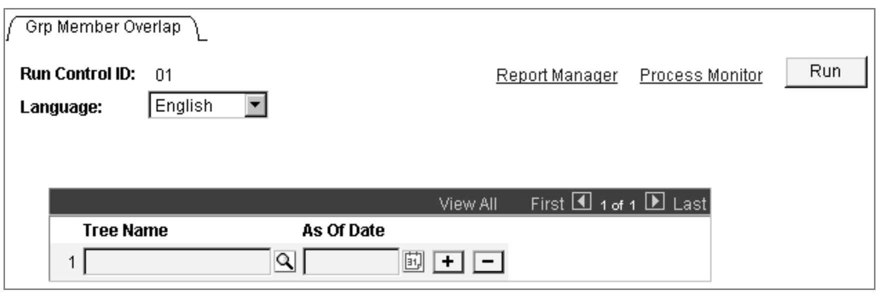
For samples of this and other reports in your application, see the PDF files published on CD-ROM with your documentation (for online users) or the *PeopleSoft HRMS Reporting Tools* (for hard copy users).

Generating the Tree Member Overlap Report

Use the Tree Member Overlap report to identify employees who exist multiple times on a tree so that you can validate or correct the group membership, as appropriate.

Tree Member Overlap Report Page

Usage	Use this run control page to run the Tree Member Overlap report.
Object Name	RUNCTL_VCP001
Navigation	**Compensate Employees, Manage Variable Compensation, Report, Tree Member Overlap, Runctl Vcp001**
Access Requirements	Enter a Run Control ID.



Tree Member Overlap Report page

The following fields are common to reports using the Runctl Vc Rep page and are defined at the front of this section in Standard Page Element Definitions for the RUNCTL_VC_REP Page: **Run Control ID.**

Language	Select the language in which you want the system to print the report.
Tree Name	Select the name of the tree for which you want to identify overlapping group memberships.
As of Date	Enter the date as of which you want to identify overlapping group memberships.

Click **Run** to run the report using Process Scheduler.

For more information about Process Scheduler, see Process Scheduler.

Tree Member Overlap Report

Description	The Tree Member Overlap report identifies employees who exist multiple times on a tree. Use the information to validate or correct the group membership, as appropriate.
Report ID	VCP001
Type of Report	Process Scheduler Job consisting of the AE program VC_VCP001 and the SQR VCP001
Parameters	Tree Name, As of Date
Source	RUNCTL_VCP001
Source Records	PSTREEDEFN, PSTREENODE, VC_PLAN_MEM
Sorted By	group ID, employee ID, name, job code

For samples of this and other reports in your application, see the PDF files published on CD-ROM with your documentation (for online users) or the *PeopleSoft HRMS Reporting Tools* (for hard copy users).

Index

S

T

V

W