



PeopleSoft 8.3 Human
Resources PeopleBook:
Administer Salary Packaging

PeopleSoft 8.3 Human Resources PeopleBook: Administer Salary Packaging

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Chapter 1

About the PeopleSoft 8.3 Human Resources PeopleBook: Administer Salary Packaging

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About the HRMS PeopleBooks

The HRMS PeopleBooks provide you with the information you will need for implementing and using PeopleSoft Human Resources Management System (HRMS) products.

This section describes information you should know before you begin working with PeopleSoft products and documentation, including PeopleSoft-specific documentation conventions, information specific to the PeopleSoft HRMS product line, how to order additional copies of our documentation, and so on.

Before You Begin

To benefit fully from the information covered in these books, you need to have a basic understanding of how to use PeopleSoft applications. We recommend that you complete at least one PeopleSoft introductory training course.

You should be familiar with navigating around the system and adding, updating, and deleting information using PeopleSoft windows, menus, and pages. You should also be comfortable using the World Wide Web and the Microsoft® Windows or Windows NT graphical user interface.

Because we assume you already know how to navigate the PeopleSoft system, much of the information in these books is not procedural. That is, it does not typically provide step-by-step instructions on using tables, pages, and menus. Instead, we provide you with all the information you need to use the system most effectively and to implement your PeopleSoft application according to your organizational or departmental needs. These books expand on the material covered in PeopleSoft training classes.

PeopleSoft Application Fundamentals for HRMS PeopleBook

The individual HRMS PeopleBooks provide you with implementation and processing information for the individual HRMS products. However, there is additional, essential information describing the setup and design of each HRMS product contained in the companion volume of documentation called *PeopleSoft Application Fundamentals for HRMS PeopleBook*.

The *PeopleSoft Application Fundamentals for HRMS PeopleBook* consists of important topics that apply to many or all PeopleSoft applications across the HRMS product line. Whether you are implementing a single HRMS product, some combination of products within the product line, or the entire PeopleSoft HRMS system, you should be familiar with the contents of this central PeopleBook. It is the starting point for fundamentals such as setting up control tables and administering security.

In the *PeopleSoft Applications Fundamentals for HRMS PeopleBook*, we've included common information pertinent to all applications in the HRMS product line, such as defining general options. If you're upgrading from a previous PeopleSoft release, you may notice that we've

removed some topics or topic headings from the individual application PeopleBooks and consolidated them in this single reference book. You'll now find only application-specific information in your individual application PeopleBooks. This makes the documentation as a whole less redundant. Throughout each PeopleBook, we provide cross-references to *PeopleSoft Application Fundamentals for HRMS* and other PeopleBooks.

Related Documentation

To add to your knowledge of PeopleSoft applications and tools, you may want to refer to the documentation of other PeopleSoft applications. You can access additional documentation for this release from PeopleSoft Customer Connection (www4.peoplesoft.com/cc). We post updates, troubleshooting documentation, and other items on Customer Connection, as well. In addition, documentation for this release is available on CD-ROM and in hard copy.

Important! Before upgrading, it is *imperative* that you check PeopleSoft Customer Connection for updates to the upgrade instructions. We continually post updates as we refine the upgrade process.

Documentation on the Internet

You can order printed, bound versions of the complete PeopleSoft documentation delivered on your PeopleBooks CD-ROM. You can order additional copies of the PeopleBooks CDs through the Documentation section of the PeopleSoft Customer Connection Web site: <http://www4.peoplesoft.com/cc>

You'll also find updates to the documentation for this and previous releases on Customer Connection. Through the Documentation section of Customer Connection, you can download files to add to your PeopleBook library. You'll find a variety of useful and timely materials, including updates to the full PeopleSoft documentation delivered on your PeopleBooks CD.

Documentation on CD-ROM

Complete documentation for this release is provided on the CD-ROM *PeopleSoft 8.3 HRMS PeopleBooks*, SKU HR83PBR0, and *PeopleTools 8.14 PeopleBooks*, SKU PTB814R0.

Note. Your access to PeopleSoft PeopleBooks depends on which PeopleSoft applications you've licensed. You may not have access to some of the PeopleBooks listed here.

Hardcopy Documentation

To order printed, bound volumes of the complete PeopleSoft documentation delivered on your PeopleBooks CD-ROM, visit the PeopleSoft Press Web site from the Documentation section

of PeopleSoft Customer Connection. The PeopleSoft Press Web site is a joint venture between PeopleSoft and Consolidated Publications Incorporated (CPI), our book print vendor.

We make printed documentation for each major release available shortly after the software is first shipped. Customers and partners can order printed PeopleSoft documentation using any of the following methods:

| | |
|------------------|---|
| Internet | From the main PeopleSoft Internet site, go to the Documentation section of Customer Connection. You can find order information under the Ordering PeopleBooks topic. Use a Customer Connection ID, credit card, or purchase order to place your order. PeopleSoft Internet site: http://www.peoplesoft.com . |
| Telephone | Contact Consolidated Publishing Incorporated (CPI) at 800 888 3559 . |
| Email | Email CPI at callcenter@conpub.com . |

PeopleBooks Standard Page Element Definitions

Throughout our product documentation, you will encounter fields that are used on many application pages or panels. This section lists the most common fields and provides standard definitions.

| Field | Definition |
|--|---|
| Address 1, Address 2, Address 3 | Freeflow text entry fields that enable you to describe street, street number, apartment number, and other address information. |
| As of Date | The last date for which a report or process includes data. |
| Block (Bloque) | In Spanish addresses, a building or buildings that are close together may be called a Block (Bloque). Include the Block name in the address, if necessary. |
| Business Unit | An identification code that represents a high-level organization of business information. You can use a business unit to define regional or departmental units within a larger organization. |
| City | Name of city for address. |
| Comment(s) | Freeflow text entry that enables you to add comments. |
| Company | A business organization. For US companies using PeopleSoft Payroll for North America or PeopleSoft Pension Administration, a business unit that has a unique federal Employer Identification Number (EIN) for payroll reporting purposes. |

| Field | Definition |
|--|--|
| Country | Country for address. Other address fields will be adjusted to reflect Country choice. Select a country from the list of valid values and press TAB to move through the field. The system automatically displays the appropriate address fields using the standardized address formats previously set up in the Country Table. Enter the appropriate address data in the fields that appear. |
| County (also Prefecture and Parish) | Name of county (prefecture/parish) for address, if applicable. |
| Currency Code | The 3-letter code in which the currency is specified. |
| Description | Freeflow text up to 36 characters that describes what you are defining. |
| Department | An identification code that represents an organization in a company. |
| Door (Puerta) | In Spanish addresses, identifies the door name or number. |
| Effective Date | Date on which a table row becomes effective; the date that an action begins. For example, if you want to close out a ledger on June 30, the effective date for the ledger closing would be July 1. This date also determines when you can view and change the information. Pages or panels and batch processes that use the information use the current row. |
| Email | The email address for a person or organization. |
| EmplID (employee ID) | Unique identification code for an individual associated with your organization. |
| Empl Rcd# (Employee Record Number) | A system-assigned number that indicate an employee has more than one record in the system. |
| Fax (also Fax Number) | The fax number for a person or organization. |
| Floor (Piso) | In Spanish addresses, identifies the floor name or number. |
| House | Identifies the type of house. |
| Initials | Initials of individual. |
| Language | Language spoken by employee/applicant/non-employee. |
| Language or Language Code | The language in which you want the field labels and report headings of your reports to print. The field values appear as you enter them. Language also refers to the language spoken by an employee, applicant, or non-employee. |
| Last Run On | The date that a report or process was last run. |
| Locality | A tax location within an organization. |
| Name | Name of individual. |

| Field | Definition |
|------------------------------------|--|
| National ID | Identification code used by countries to track information on their residents for payroll, identification, benefits, and other purposes. For example, for US residents this would be their Social Security Number; for German residents it would be their Social Insurance Number, and for UK residents it would be their National Insurance Code. |
| Number | The number related to a street, avenue, or other address field in Spanish addresses. When an address has no number, enter s/n (sin numero) to indicate that there is no number. |
| Phone | The phone number for a person or organization. |
| Phone Extension | The phone extension number for a person or organization. |
| Phone Type | Identifies the type of phone number entered in the Telephone field. Valid values are Business, Campus, Cellular, Dormitory, FAX, Home, Other, Pager 1, Pager 2, or Telex. |
| Post Code (also Postal) | Postal code for address. |
| Prefix | Prefix for individual (such as Mr., Ms., Mrs., Dr., and so on) |
| Process Frequency group box | Designates the appropriate frequency in the Process Frequency group box: Once executes the request the next time the batch process runs. After the batch process runs, the process frequency is automatically set to Don't Run . Always executes the request every time the batch process runs. Don't Run ignores the request when the batch process runs. |
| Process Monitor | This button takes you to the Process List page, where you can view the status of submitted process requests. |
| Regulatory Region | A regulatory region can be any region where there are specific laws and regulations that are addressed by functionality in PeopleSoft Human Resources. Many country-specific transactions are driven by regulatory requirements where Regulatory Region is used for transaction processing. |
| Report ID | Identifies a report. |
| Report Manager | This button takes you to the Report List page, where you can view report content, check the status of a report, and see content detail messages (which show you a description of the report and the distribution list). |
| Request ID | A request identification that represents a set of selection criteria for a report or process. |
| Run | This button takes you to the Process Scheduler request page, where you can specify the location where a process or job runs and the process output format. |

| Field | Definition |
|------------------------------|---|
| Run Control ID | Identifies specific run control settings for a panel. |
| Run Date | The date that a process was run or a report was generated. |
| Run Time | The time that a process was run or a report was generated. |
| SetID | An identification code that represents a set of control table information. SetIDs enable the sharing of a set of control table information across two or more Business Units. |
| Short Description | Freeflow text up to 15 characters. |
| Stair (Escalera) | In Spanish addresses, identifies the stair name or number. |
| State (also Province) | State (Province) for address. |
| Status | Indicates whether a row in a table is <i>Active</i> or <i>Inactive</i> . |
| Street Type | Identifies whether an address is a place, street, avenue, road, or so on. Spanish law requires addresses in official documents to include the Street Type. |
| Telephone (Phone) | The telephone number for a person or organization. |
| User ID | The system identifier for the individual who generates a transaction. |

See Also

PeopleTools Development Tools: Application Designer PeopleBook, “Creating Field Definitions,” Understanding Effective Dates

PeopleSoft Process Scheduler

PeopleBook Standard Group Boxes

The following group boxes and field groupings appear throughout PeopleSoft HRMS. We have documented them once here.

Entering Name Information

The following fields appear wherever you enter or display naming information:

Format Using

Select the country with name format appropriate for this employee. The system will display the appropriate fields for this format in the Person Name group box.

Refresh the Name Field

Click to refresh the Name field after you’ve edited any of the name fields. The system will refresh the name field when you save.

Person Name or Current Name

The following fields appear in the Person Name group box. You will not see all of the fields listed below at any one time. The system displays the fields necessary for the country you select in the Format Using field.

| | |
|---------------------------------|---|
| Title | Select a title. If you are reporting employee information under the German Duevo Directive, this field is required and must be completed according to the Duevo rules. |
| Prefix and Name Prefix | Select a Prefix or Name Prefix, if applicable. |
| Royal Prefix | Select a Royal Prefix, if applicable. |
| First Name | Enter the employee's official first name. |
| Preferred First Name | For The Netherlands, enter the employee's preferred first name, if different from the First Name. The system will use the preferred name when you generate form letters or mailing labels for this employee. |
| Last Name Preference | For the Netherlands, choose this link to provide additional name information for married employees. The Last Name Preference page contains three fields: Last Name Partner, Prefix Partner and Last Name Preference. |
| Middle | Enter the employee's middle name, if applicable. |
| Last Name | Enter the employee's official last name. |
| Suffix | Select a suffix, if applicable. |
| Second Last Name | For Spanish employees, enter the second surname (mother's surname). |
| Alternate Character Name | Use this field to enter the employee's name using alternate characters (such as Japanese phonetic characters). Note. You can enter names using Japanese characters with or without a space between the surname and given name. Names using Roman alphanumeric characters require a comma delimiter. Warning! Be sure to select the correct character set on the Installation Table – Alternate Characters page. Using the wrong character set generates an error message. |
| Royal Suffix | Select the appropriate royal suffix. If you are reporting employee information under the German Duevo Directive, this field is required and must be completed according to the Duevo rules. |
| Name | The system displays the employee's name as it will appear in the system. |

Displaying Japanese Names on Pages

Pages that display personal name fields usually display them in First Name, Last Name order. When the country is Japan, however (JPN in the Format Using field), those fields appear in the Last Name, First Name order.

Another difference is that the Name field displays “Last Name[space]First Name,” not “Last Name,First Name”; that is, a space separates the last and first names, not a comma.

| Person Name | |
|---------------------------|--------|
| Last: | 津村 |
| First: | 友則 |
| Alternate Character Name: | ツムラトモリ |
| Name: | 津村 友則 |

Japanese name format on a page

See Also

PeopleSoft Applications Fundamentals for HRMS PeopleBook, “Setting Up PeopleSoft HRMS,” Working With Double-Byte Characters

Entering Address Information

The following fields appear in address group boxes throughout PeopleSoft HRMS. You may not see all of the fields listed below as the system displays only the fields necessary for the country in use. Determine which address fields are required for each country on the Country Table – Address Format page.

| | |
|---|---|
| Country | Select the country with address format appropriate for this address. The system will display the appropriate fields for this format in the address group box. |
| Address 1, Address 2, Address 3, and Address 4 | Freeflow text entry fields that enable you to describe street, street number, apartment number, and other address information. |
| City | Enter the city. |
| County | Enter the county, if applicable. |
| State (State, Province, or other) | Enter the state or province. |
| Postal | Enter the postal, such as zip or postal code. |
| Number 1, and Number 2 | Enter the number related to a street, avenue, or other address field in Spanish addresses. When an address has no number, enter s/n (sin numero) to indicate that there is no number. |

| | |
|----------------------|--|
| House Type | Enter the house type, if applicable. |
| Postal Search | Click Postal Search to use international address formats. |

Entering or Viewing Pay Components

Amounts Tab

Pay Components - Amounts

| | |
|---|---|
| Rate Code | Rate codes are IDs for pay components. The system inserts any compensation information associated with this rate code in the compensation grid. Note. If a seniority rate code is inserted as a default value on the Job Data - Compensation page, the values for these rate codes are unavailable for entry. |
| Seq (sequence) | The sequence number of the rate code if it is used more than once. |
| Details | Click the Details button to open the Comp Rate Code Secondary Panel page. |
| Comp Rate , (compensation rate) Currency , and Frequency | The compensation rate, its currency, and the frequency (for example, annually, weekly, or hourly) the comp rate will be paid. |
| Apply FTE | If selected, the system multiplies the rate code value by the FTE factor for annualization and deannualization. FTE is the percent of full time the employee should normally work in the corresponding job. This field isn't available for Percent rate codes. |
| Points | The salary points associated with this rate code, if any. |
| Percent | If the rate code rate type is Percent , the system displays the percent to be applied to the job compensation rate or to a rate code group if you are using rate code groups. |
| Rate Code Group | A rate code group enables you to be more specific when calculating percentages based components as part of your employee compensation package. |

Comp Rate Code Secondary Panel

Comp Rate Code: TSDFLT

Description: Salaried Default

Base Pay **Use Highest Rate**

Default Without Override

Rate Code Type: Flat Amount

Rate Code Class:

Comp Rate Code Secondary Panel

Access this page by clicking the Details link on the Amounts page. Displays additional information about the rate code.

See Also

PeopleSoft Application Fundamentals for HRMS PeopleBook, “Working With Multiple Components of Pay,” **Defining Rate Codes**

Changes Tab

| Pay Components | | | | | | | First | 1 of 1 | Last |
|----------------|-----|--------------------------|---------------|---------------|----------------|----------------------------------|----------------------------------|--------|------|
| Amounts | | Changes | | Conversion | | | | | |
| *Rate Code | Seq | Manually Updated | Change Amount | Change Points | Change Percent | | | | |
| 1 | 0 | <input type="checkbox"/> | 0.000000 | | 0.000 | <input type="button" value="+"/> | <input type="button" value="-"/> | | |

Pay Components – Changes page

This page displays the change in an employee’s salary.

- Manually Updated** The system selects this if you have manually updated the pay components.
- Change Amount** The overall change amount to this pay component rate.
- Change Points** The overall change amount (in points) to this pay component, if applicable.
- Change Percent** The overall percentage change to this pay component, if applicable.

| Pay Components | | | | | | First | 1 of 1 | Last |
|----------------|-----|---------|--------------------------|--------------------------|---------------------|-------|--------|------|
| Amounts | | Changes | | Conversion | | | | |
| *Rate Code | Seq | Source | Default Without Override | Apply FTE | Converted Comp Rate | | | |
| 1 | | None | <input type="checkbox"/> | <input type="checkbox"/> | | | | |

Pay Components – Conversion

This page displays the conversion rates in an employee's salary.

| | |
|---------------------------------|--|
| Source | The system displays the source of the rate code, such as <i>Absorbing Premium</i> , <i>Seniority Pay</i> , <i>Job Code</i> , or <i>Manual</i> . |
| Default Without Override | Selected if the worker's compensation package cannot be manually updated on the Job Data – Compensation page. |
| Apply FTE | Indicates if the converted rate code value will be multiplied by the FTE factor for annualization and deannualization. |
| Converted Comp Rate | Displays the converted compensation rate for this pay component. The system converts all base pay components to the Job currency and compensation frequency. |

Required Fields on Pages

When you see a field on a page with an asterisk (*) preceding the field name, it means the field is required. You can not save a page without entering data into all of the required fields on a page.

| | |
|---------------|--------------------------|
| *Description: | This is a required field |
|---------------|--------------------------|

Example of a required field label

In some unique instances a field may be required even though there is no asterisk preceding the field name. In such cases, you will be prompted to enter data in these fields before saving the page.

Typographical Conventions and Visual Cues

To help you locate and interpret information, we use a number of standard conventions in our online documentation.

Please take a moment to review the following typographical cues:

| | |
|-----------------|--|
| monospace font | Indicates PeopleCode. |
| Bold | Indicates field names and other page elements, such as buttons and group box labels, when these elements are documented below the page on which they appear. When we refer to these elements elsewhere in the documentation, we set them in Normal style (not in bold). We also use boldface when we refer to navigational paths, menu names, or process actions (such as Save and Run). |
| <i>Italics</i> | Indicates a PeopleSoft or other book-length publication. We also use italics for <i>emphasis</i> and to indicate specific field values. When we cite a field value under the page on which it appears we use this style: <i>field value</i> . We also use italics when we refer to words as words or letters as letters, as in the following: Enter the number <i>0</i> , not the letter <i>O</i> . |
| KEY+KEY | Indicates a key combination action. For example, a plus sign (+) between keys means that you must hold down the first key while you press the second key. For ALT+W, hold down the ALT key while you press W. |
| See Also | PeopleBooks provide cross-references under the heading “See Also.” Capitalized titles in italics indicate the title of a PeopleBook; titles in quotes indicate the title of a chapter; titles in normal font refer to sections within the PeopleBook. Here's an example: See Also <i>About These HRMS PeopleBooks, PeopleSoft 8.3 HRMS PeopleBooks Preface</i> |

Note. Text in this bar indicates information that you should pay particular attention to as you work with your PeopleSoft system. If the note is preceded by **Important!**, the note is crucial and includes information that concerns what you need to do for the system to function properly.

Warning! Text within this bar indicates a crucial configuration consideration. Pay very close attention to these warning messages.

Process Introductory Table

In the documentation, each business process in the application is accompanied by an introductory table with pertinent information about the pages used in the process.

| <i>Page</i> | <i>System Name</i> | <i>Navigation</i> | <i>Usage</i> |
|-------------------|---|---|---------------------------------------|
| Name of the page. | Gives the system name of the page as specified in the PeopleTools Application Designer. For example, the system name of the Detail Calendar panel is DETAIL_CALENDAR1. | Provides the path for accessing the page. | Describes how you would use the page. |

USF U.S. Federal Government Functionality

Any functionality that is specific to the U.S. Federal Government sector will be designated by a USF marker. Most often this will appear at the beginning of a section heading (such as with this section), but the USF designation might also appear in a note or within text, if appropriate.

E&G Education and Government Functionality

Any functionality that is specific to the Education and Government sector will be designated by an E&G marker. Most often this will appear at the beginning of a section heading (such as with this section), but the E&G designation might also appear in a note or within text, if appropriate.

Local Country Functionality

Any functionality that is specific to an individual country will be designated by the three-character ISO code for that country. For example, functionality specific to Germany would be indicated by a DEU designation at the beginning of a section heading. Most often this will appear at the beginning of a section heading (such as with this section), but the country designation might also appear in a Note or within text, if appropriate.

Comments and Suggestions

Your comments are important to us. We encourage you to tell us what you like, or what you would like changed about our documentation, PeopleBooks, and other PeopleSoft reference and training materials. Please send your suggestions to:

PeopleSoft HRMS Product Documentation Manager
 PeopleSoft, Inc.
 4460 Hacienda Drive
 Pleasanton, CA 94588

Or send comments by email to the authors of the PeopleSoft documentation at:

DOC@PEOPLESOFT.COM

While we cannot guarantee to answer every email message, we will pay careful attention to your comments and suggestions. We are always improving our product communications for you.

CHAPTER 1

About the PeopleSoft 8.3 Human Resources PeopleBook: Administer Salary Packaging

This book provides you with the information you will need for implementing and using PeopleSoft Human Resources: Administer Salary Packaging.

This chapter complements and extends the About the HRMS PeopleBooks section of HRMS documentation by providing specific information on how to use the documentation for Human Resources. Much of the general information you should know before you begin using PeopleSoft documentation is presented in About the HRMS PeopleBooks.

Note. We strongly recommend that you read About the HRMS PeopleBooks. In particular, the PeopleSoft Application Fundamentals section lists where you can find information about topics that apply to many PeopleSoft applications across the HRMS product line. For example, you can find information about setting up control tables, administering security, and setting language and currency preferences in the *PeopleSoft Application Fundamentals for HRMS PeopleBook*.

See Also

PeopleSoft HRMS PeopleBooks Preface, “About the HRMS PeopleBooks”

PeopleBooks Standard Page Element Definitions

Throughout our product documentation, you will encounter fields that are used on many application pages. This section lists the most common fields and provides standard definitions for Human Resources.

| Field | Definition |
|--------------------------|---|
| Benefit Plan | A specific benefit offering within a plan type. |
| Benefit Plan Type | Also known as Plan Type, it is a two-digit code that identifies a benefit category, such as health, life, or savings. |
| Benefit Program | A collection of benefit plans your company offers to a group of employees. |

| Field | Definition |
|----------------------------------|---|
| Deduction | Any amount taken from an employee's pay check to offset all or part of the cost of the employee's benefits. |
| Deduction Code | The code assigned to a benefit deduction. |
| FSA Maximum Annual Pledge | This is the total maximum an employee can pledge to contribution to a health or dependent care flexible spending accounts during a benefit plan year. |
| FSA Minimum Check Amount | This is the minimum amount for which a check will be printed. |
| Plan Type | Also known as Benefit Plan Type, it is a two-digit code that identifies a benefit category, such as health, life, or savings. |

See Also

PeopleSoft HRMS PeopleBooks Preface, "About the HRMS PeopleBooks," PeopleBooks Standard Page Element Definitions

Understanding the Documentation

Documentation for PeopleSoft Human Resources is made up of 25 business processes, each with their own book:

- Administer Company Cars
- Administer Festive Advance
- Administer Salaries for the Netherlands
- Administer Salary Packaging
- Administer Training
- Administer Variable Compensation
- Administer Workforce
- Base Benefits
- Manage Commitment Accounting
- Manage Competencies
- Manage French Public Sector
- Manage Netherlands Salary Administration
- Manage Performance
- Manage Positions

- Manage Professional Compliance
- Meet Regulatory Requirements
- Monitor Absence
- Monitor Health & Safety
- Plan Careers and Successions
- Plan Salaries
- Recruit Workforce
- Report Total Compensation
- Track Faculty Events
- Track Flexible Service
- Track Global Assignments

Human Resources Reports

The documentation for the Human Resources reports is in the reports chapter in the *PeopleSoft Application Fundamentals for HRMS PeopleBook*. There you will find information about each report, listed by module.

See Also

PeopleSoft Application Fundamentals for HRMS PeopleBook, “Appendix: PeopleSoft Application Fundamentals for HRMS Reports”

CHAPTER 2

Setting Up Salary Packaging

This chapter provides an overview of setting up the Administer Salary Packaging business process of PeopleSoft Human Resources and discusses how to:

- Set up salary packaging payroll and human resources components.
- Set up salary packaging tax options.
- Set up salary packaging components.
- Set up salary packaging additional components.
- Set up salary packaging templates.
- Set up salary packaging rules.
- Set up salary packaging defaults.

Overview of Setting Up Salary Packaging

There are six main steps involved in setting up and managing the Administer Salary Packaging business process for Australia:

| |
|--|
| To set up and manage Administer Salary Packaging: |
|--|

1. Set up your PeopleSoft Global Payroll and Human Resources components.

Salary Packaging relies on information defined in PeopleSoft Global Payroll and Human Resources to ensure accurate payroll processing and to facilitate expenditure monitoring. When setting up Salary Packaging, identify the different forms of remuneration and define the components you use in your salary packages. Also set up the calendars you use to process your salary-packaged employees. When implementing Salary Packaging with PeopleSoft Global Payroll, use the following Human Resources (HR) and Global Payroll (GP) pages:

- Pay Calendar Table (GP) or Pay Calendar Table (HR only).

Create and schedule payroll cycles for your salary packaged employees in specific pay groups.

- Earnings Component (GP).

Define different earnings elements you use to pay your salary packaged employees through PeopleSoft Global Payroll. Used for expense tracking.

- Deductions Component (GP).

Set up the way the system processes deductions, including the priority of the deduction and how the deduction affects taxes. Used for expense tracking.

- Comp Rate Code Table - Comp Rate Code Table (HR).

Select the *Maintained via Package Only* check box in the Australian Salary Packaging group box to define and review your compensation rate codes. Rate codes are attached to salary package components and are enrolled on the employee's Job Data - Compensation page.

- Ern/Ded Included (GP).

Select the non-packaged earnings and deductions elements that appear on the Package Summary component after you run the expense calculation process.

- Business Expenses (GP).

Enter actuals for salary packaging components defined as an expense payroll type. You must have a unique expense code for each package component to facilitate reconciliation of package expenditure.

2. Set up your salary packaging tables.

These tables enable you to set up components, additional components, package rules and package templates. Define the components that employees can include in their remuneration packages, as well as the tax liabilities on those components. Also define the rules associated with components and then group components into templates.

3. Set up your default rules and templates.

The Position Data - Job Information page and Job Code Table - Job Code Profile page enable you to attach the default package rule and template that you use when modelling your packages to a job code or a position. The defaults on the position override the defaults on the job code. To specify a default compensation rate code for TPY and TEC for a specific company to use when modelling applicant/employee packages, use the Company Table - Default Settings page.

4. Model and approve your applicant/employee packages.

This process enables you to enter a package and model it to the employee/employers preference. Approval of the employee salary package occurs when you select the *confirmed* status. Once the package is confirmed, enrol the employee into it.

5. Enrol/de-enrol employees into salary packages.

After you confirm the employee's selected package and run the package enrolment process, the system enrolls the rate codes onto the Compensation page of the employee's job record. This step establishes the employee's entitlements for processing through

payroll. Enrolment into an approved salary package triggers the creation of multiple components of pay on the employee's Job Date - Compensation page.

6. Run the expense calculation process (GP).

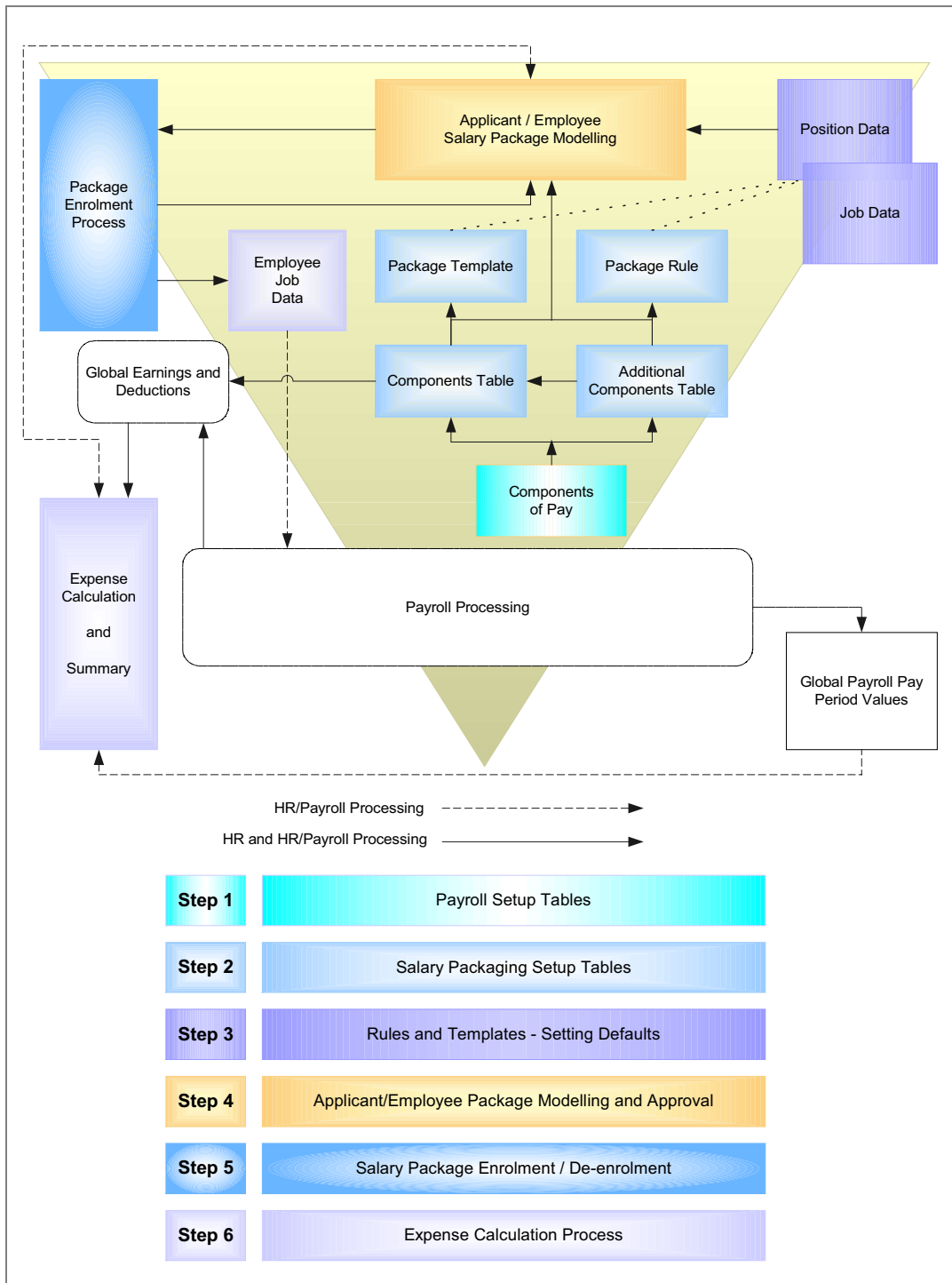
This process uses the actual calculated amounts that have been processed by payroll and compares them to the budgeted amounts. The difference is shown as a percentage. You can monitor the employee's actual expenditures against the budgeted salary package. When packages end, you can monitor package expenditure on an ongoing basis during the life of the package (package period) and acquit any balances when you model against the employee's package for the package period.

Understanding Salary Packaging Integration Points

While Salary Packaging is closely tied to payroll, it is regarded as a human resource function and has many integration points between PeopleSoft Global Payroll and PeopleSoft Human Resources. Salary Packaging requires base table data definition in two parts:

- General human resources and payroll information.
- Salary packaging components and additional components.

The following diagram provides you with an overview of the different processes and tables required by PeopleSoft Human Resources and PeopleSoft Global Payroll as part of the Salary Packaging system:



Salary Packaging, Human Resources, and Payroll integration

The integration between Salary Packaging and PeopleSoft Human Resources and PeopleSoft Global Payroll serves two valuable purposes:

- To facilitate the maintenance of payroll data through the package enrolment process.
- To track expenditure against components in the package expense summary processes.

See Also

“Managing Salary Packages,” Enrolling Salary Packages

PeopleSoft Global Payroll for Australia PeopleBook, Monitoring Salary Packaging Expenditure for Australia

Setting Up Salary Packaging Payroll Components

Salary Packaging relies on information defined in PeopleSoft Global Payroll and PeopleSoft Human Resources to ensure accurate payroll processing and to facilitate expenditure monitoring. When setting up your Salary Packaging business process, identify the different forms of remuneration and define the PeopleSoft Global Payroll and PeopleSoft Human Resources components that you'll use in your salary packages.

Note. Assign a unique earnings or deductions element for all package components, which enables you to track expenditure for each individual component. If you don't define and link different elements for each earning or deduction component, the system aggregates your salary packaging expenditures when it calculates them. As a result, you can't identify expenditures against individual components.

In this section, we discuss how to:

- Set up salary packaging business expense codes.
- Set up salary packaging compensation rate codes.
- Define calendars for salary packaged employees.
- Set up salary packaged earnings and deductions.
- Define non-salary packaged earnings and deductions elements.

See Also

Understanding Salary Packaging Integration Points

Pages Used to Set Up Salary Packaging Payroll Components

| <i>Page Name</i> | <i>Object Name</i> | <i>Navigation</i> | <i>Usage</i> |
|-------------------------|--------------------|--|---|
| Pay Calendar Table (GP) | PKG_CALENDAR_TABLE | Compensate Employees, Administer Sal Packaging (AUS), Setup, Pay Calendar Table (GP) | Create pay calendars for your salary packaged employees in specific pay groups. Used for package modeling so that it can determine the budget values on the employee's package. Note. Use only if you have both PeopleSoft Global Payroll and PeopleSoft Human Resources installed. |
| Pay Calendar Table | PKG_CALENDAR | Compensate Employees, Administer Sal Packaging (AUS), Setup, Pay Calendar Table | Create and schedule pay calendars for your salary packaged employees in specific pay groups. Used for package modeling so that it can determine the budget values on the employee's package. Note. Use if you have PeopleSoft Human Resources installed. |
| Ern/Ded Included | PKG_ERN_DED_INCL | Compensate Employees, Administer Sal Packaging (AUS), Setup, Included Non-Packaged Ern/Ded | Specify the nonpackaged earnings and deductions elements that appear on the Package Summary component after you run the expense calculation process. |

Setting Up Salary Packaging Business Expense Codes

When defining your salary package components, you can link them to business expenses to help you track expenditures against the appropriate components. You must have a unique code for each package component (identified as an expense payroll type) to facilitate reconciliation of package expenditure.

Note. The value of monitoring expenditure for salary packaging is possible only if you are using PeopleSoft Global Payroll.

See Also

Understanding Salary Packaging Integration Points

PeopleSoft Global Payroll for Australia PeopleBook, Monitoring Salary Packaging Expenditure for Australia

PeopleSoft Human Resources PeopleBook: Administer Workforce, “Entering Additional Data in Human Resource Records,” Tracking Business Expenses

Setting Up Salary Packaging Compensation Rate Codes

When implementing Salary Packaging, define and review the compensation rate codes for your salary packages using the Comp Rate Code Table - Comp Rate Code Table page. When defining your salary package components and additional components, you can link them to compensation rate codes, which are enrolled on the employee’s Job Data - Compensation page.

Maintained Via Package Only

If you are going to use pay components with Salary Packaging, select the Maintained via Package Only check box in the Australian Salary Packaging group box on the Comp Rate Code Table - Comp Rate Code Table page. This check box, combined with other information on the employee's job record, works to maintain salary package integrity.

Selecting this check box prompts a warning message when a salary packaged employee’s compensation rate codes are changed manually. The following warning message appears if you update or change an employee who has these rate codes assigned to them: “Salary Packaging Compensation Rate Code fields should be changed through Salary Packaging menu.”

Note. Set up your salary packaging rate codes with a rate code type of *flat amount* and a frequency of *A* (annual).

See Also

PeopleSoft Application Fundamentals for HRMS PeopleBook, “Working With Multiple Components of Pay,” Setting Up Multiple Components of Pay

Defining Calendars for Salary Packaged Employees

Access the Pay Calendar Table page.

Pay Calendar Table

Pay Group: KABIWEEKLY Australian BiWeekly Pay Grp

Calendar Generation Parameters

Pay Frequency: Biweekly

Begin Date: **End Date:**

Pay Periods Find | View All First ◀ 1 of 1 ▶ Last

| Pay Period Begin Date | Pay Period End Date |
|---|---|
| <input type="text" value="10/01/2001"/> <input type="button" value="E1"/> | <input type="text" value="10/14/2001"/> <input type="button" value="E1"/> <input type="button" value="+"/> <input type="button" value="-"/> |

Pay Calendar Table page

Calendar Generation Parameters

Pay Frequency

Value comes from the Pay Frequency field on the Additional Info AUS page in PeopleSoft Global Payroll. This group box enables you to set up default pay frequencies for the pay groups you use as part of Salary Packaging. The Package Calendar Table page also retrieves the frequency you selected.

Generate Calendar

Click this button to build a pay calendar.

Note. The calendars you generate on this page are used to determine the periods for budgeting purposes only. You must set up calendars before you can use the Salary Packaging budgeting feature.

Note. Use the Pay Calendar Table (GP) page if you have both PeopleSoft Global Payroll and PeopleSoft Human Resources installed. If you have only PeopleSoft Human Resources installed, use the Pay Calendar Table page. Both pages have the same functionality, except PeopleSoft Global Payroll uses the pay group key and PeopleSoft Human Resources uses the company/pay group key.

See Also

PeopleSoft Global Payroll for Australia PeopleBook, “Setting Up PeopleSoft Global Payroll for Australia,” Entering Additional Pay Group Information

Setting Up Salary Packaged Earnings and Deductions

Set up the earnings and deductions elements that represent the different forms of remuneration in your organisation. Although you establish these tables as part of your PeopleSoft Global

Payroll system, review them for use with Salary Packaging. Attach earnings and deductions elements to your package components using the Expense Data page. These elements are used in the expense calculation process.

See Also

PeopleSoft Global Payroll PeopleBook, “Defining Earnings and Deduction Elements ”

Defining Non-Salary Packaged Earnings and Deductions Elements

Defining Expense Details for Salary Packaged Components

PeopleSoft Global Payroll for Australia PeopleBook, Monitoring Salary Packaging Expenditure for Australia

Defining Non-Salary Packaged Earnings and Deductions Elements

Access the Ern/Ded Included page.

| Ern/Ded Included | | | |
|---|-------------------------------|-----------------|---|
| Earnings/Deductions Included in Sal Packaging Calculation | | | |
| | | Find View All | First 1-3 of 3 Last |
| Element Name: | | | |
| <input type="text" value="K0PARKING"/> | <input type="text" value=""/> | Parking | <input type="button" value="+"/> <input type="button" value="-"/> |
| <input type="text" value="K0GARNISHMEN"/> | <input type="text" value=""/> | Garnishment | <input type="button" value="+"/> <input type="button" value="-"/> |
| <input type="text" value="K0BONUS T/L"/> | <input type="text" value=""/> | Bonus T/L | <input type="button" value="+"/> <input type="button" value="-"/> |

Ern/Ded Included page

Element Name

Specify the non-packaged earnings and deductions elements that appear on the Package Summary component after you run the expense calculation process. You can then view the total value of any deductions, earnings, and expenses that are not included as a packaged component but have been paid out to the employee in the payroll.

You can see if expenditure outside the package has occurred for the employee and quickly respond to the non-packaged payments. These types of payments may prompt you to perform a package review or some other corrective action.

See Also

Setting Up Salary Packaged Earnings and Deductions

PeopleSoft Global Payroll for Australia PeopleBook, “Monitoring Salary Packaging Expenditure for Australia,” Reviewing Salary Package Expenditures

Setting Up and Viewing Salary Packaging Tax Options

PeopleSoft delivers and maintains the Fringe Benefits Tax (FBT) and Goods and Services Tax (GST) tables in the system. Because you can create salary package components to represent fringe benefits, such as a car allowance or a housing allowance, review the FBT and GST table information as part of your salary package setup. The system uses these tables when it calculates salary package FBT and GST liabilities for package components. Link the tax liability information to a salary package component using the Additional Comp page.

In this section, we discuss how to:

- View salary packaging FBT and GST tax details.
- View salary packaging FBT statutory interest rates.
- Review salary packaging FBT motor vehicle statutory percentage information.
- Set up salary packaging company payroll tax options.
- Maintain tax scales used in salary package calculations.

Pages Used to Define and View Salary Packaging Tax Options

| Page Name | Object Name | Navigation | Usage |
|--------------------|--------------------|--|---|
| FBT/GST Rate Table | PKG_FBT_TBL | Compensate Employees, Administer Sal Packaging (AUS), Setup, FBT Rate Table | View the FBT and GST rates for Australia. The GST percentage and rate for the calculation of Fringe Benefits Tax (FBT) appear. |
| FBT Stat Interest | PKG_FBT_INT_TBL | Compensate Employees, Administer Sal Packaging (AUS), Setup, FBT Statutory Interest Rate | View FBT statutory interest rates. The statutory percentage rate used in the calculation of interest payments for depreciation of motor vehicles and low interest loans appear. |

| <i>Page Name</i> | <i>Object Name</i> | <i>Navigation</i> | <i>Usage</i> |
|-------------------|--------------------|---|--|
| FBT Vehicle Rates | PKG_FBT_VEH_TBL | Compensate Employees, Administer Sal Packaging (AUS), Setup, FBT Statutory Vehicle Rate | Review FBT motor vehicle statutory percentage information. The kilometre thresholds and the corresponding statutory percentages used in determining the taxable value of a motor vehicle appear. |
| State Payroll Tax | PKG_PYTX_RT_TBL | Compensate Employees, Administer Sal Packaging (AUS), Setup, State Payroll Tax | Specify the payroll tax percent rate for all states where employees in a specific company are located. This page provides maintenance functions for the State Payroll Tax tables. These percentages are used in the notional calculation of tax during package modeling. |
| Tax Scales | PKG_TAX_SCALES_AUS | Compensate Employees, Administer Sal Packaging (AUS), Setup, PAYG Tax Scales. | Maintain tax scales used in package calculations. Set up and view the thresholds and the percentage of tax for each threshold. Note. Use only if you have PeopleSoft Human Resources installed. |

Viewing Salary Packaging FBT and GST Tax Details

Access the FBT/GST Rate page.

| FBT/GST Rate | |
|--|----------------------------------|
| Country: | AUS Australia |
| FBT and GST Rates View All First 1 of 4 Last | |
| Effective Date: | 01/01/2000 Status: Active |
| Description: | FBT Tax Rate |
| FBT Percent: | 48.500 |
| Min reportable FBT liable ern: | 1000.00 |
| GST Rate: | 10.000 |

FBT/GST Rate page

FBT and GST Rates

FBT Percent (Fringe Benefits Tax percentage)

The rates are set by the Australian Taxation Office, with any changes generally effective in line with the FBT year of April 1 to March 31.

Min reportable FBT Liable ern (minimum reportable Fringe Benefits Tax liable earning)

When producing payment summaries, the system has to determine if an employee has received, in the FBT year, fringe benefits with a total taxable value exceeding \$1000. A collection process totals the FBT liable earnings and, if they exceed \$1000, reports the grossed-up taxable value on the payment summary.

GST Rate

The GST on your package components is calculated using this rate.

See Also

Viewing Salary Packaging FBT Statutory Interest Rates

Reviewing Salary Packaging FBT Motor Vehicle Statutory Percentage Information

Setting Up Salary Packaging Company Payroll Tax Options

Maintaining Tax Scales Used in Salary Package Calculations

Viewing Salary Packaging FBT Statutory Interest Rates

Access the FBT Stat Interest page.

FBT Stat Interest

Country: AUS Australia

FBT Statutory Interest Rate [View All](#) First 1 of 4 Last

Effective Date: 04/01/1998 **Status:** Active

Description: FBT Statutory Interest Rate

Statutory Percent: 6.700

FBT Stat Interest page

FBT Statutory Interest Rate

Statutory Percent Used in the calculation of interest payments for depreciation of motor vehicles and low interest loans.

Reviewing Salary Packaging FBT Motor Vehicle Statutory Percentage Information

Access the FBT Vehicle Rates page.

FBT Vehicle Rates

Country: AUS Australia

FBT Vehicle Rates [View All](#) First 1 of 2 Last

Effective Date: 05/23/2001 **Status:** Active

Description: FBT Statutory Factor

GST Grossup Pct: 10.000

Vehicle Statutory Percentage [Find](#) | [View All](#) First 1-4 of 4 Last

| Mileage Limit (Km) | Statutory Percent |
|--------------------|-------------------|
| 14,999 | 26.000 |
| 24,999 | 20.000 |
| 40,000 | 11.000 |
| 99,999,999 | 7.000 |

FBT Vehicle Rates page

FBT Vehicle Rates

GST Grossup Pct Used in the calculation of GST on vehicles.

Vehicle Statutory Percentage

Mileage Limit (Km) / Statutory Percent (mileage limit kilometre/statutory percentage) Determine the taxable value of a motor vehicle.
 The statutory percentage rate is used in the calculation of interest payments for depreciation of motor vehicles and in the calculation of FBT for components with a component type of motor vehicle.

See Also

- Viewing Salary Packaging FBT Statutory Interest Rates
- Setting Up Salary Packaging Company Payroll Tax Options
- Maintaining Tax Scales Used in Salary Package Calculations
- Viewing Salary Packaging FBT and GST Tax Details

Setting Up Salary Packaging Company Payroll Tax Options

Access the State Payroll Tax page.

State Payroll Tax

Company: KAB Australian Business Institute

State Payroll Tax View All First 1 of 1 Last

*Effective Date: 01/01/2001

| State | Tax Percent |
|-----------------------|-------------|
| ACT Austl. Cap. Terr. | 6.850 |
| NSW New South Wales | 6.400 |
| NT Northern Territory | 6.800 |
| QLD Queensland | 4.900 |
| SA South Australia | 6.000 |
| TAS Tasmania | 6.530 |

State Payroll Tax page

State Payroll Tax**State/Tax Percent**

If you want the notional payroll tax liability to be calculated during salary package modeling, enter the tax percent for each state in which you pay employees. If you don't enter these details, the system does not calculate liability for payroll tax for employees when you model salary packages. The tax percentage rates you enter are *only* used in PeopleSoft Salary Packaging calculations.

For most Australian states, the tax rate varies based on the value of your company payroll. To obtain an even more accurate notional tax calculation, specify the percentage rate of tax for each state. To do so, enter a rate based on your knowledge of your company payroll.

For example, if you know the amount of your total wages bill in a given state, and you know that the threshold you are allowed to take effectively reduces your true net payroll tax rate from 7 percent to 6.75 percent, then enter the 6.75 percent here. Then your true net rate is used in package modeling, so your notional calculations in Salary Packaging are more accurate.

Note. Specify company payroll tax liability on the Company Table.

See Also

Viewing Salary Packaging FBT Statutory Interest Rates

Maintaining Tax Scales Used in Salary Package Calculations

Viewing Salary Packaging FBT and GST Tax Details

PeopleSoft Application Fundamentals for HRMS PeopleBook, "Setting Up Companies, Agencies and Locations," Entering Company Information

Maintaining Tax Scales Used in Salary Package Calculations

Access the Tax Scales page.

Tax Scales

Tax Scale: 02

Tax Scale Details View All First 1 of 1 Last

*Effective Date: 10/02/2001 Status: Active

*Description: Tax Free Threshold Claimed

Threshold Details View All First 1 of 1 Last

| *Weekly Threshold Amount | A Percent | B Amt |
|--------------------------|-----------|---------|
| 248 | 0.2031 | 20.1900 |

Tax Scales page

Threshold Details

Weekly Threshold Amount and A Percent and B Amt (weekly threshold amount and a percentage and B amount)

Set up and view the thresholds and the percentage of tax for each threshold.

These values correspond to the information on the "Statement of Formulae for Calculating Income Tax Instalments," issued by the Australian Taxation Office (ATO). In addition to the tax scales on that document, PeopleSoft has introduced tax scales A, B, and L for processing annual leave, long service leave, and leave bonus payments.

The system identifies the top threshold and then works down, checking the weekly amounts and using its logic to calculate the tax installment.

Note. If you need to apply special tax rates, create your own tax scales using the Tax Scales page. For example, you might choose to establish a Tax Scale E where no tax applies for tax exempt employees or for those employees who you keep on a flat amount or percentage of tax due to instructions that you've received from the ATO.

See Also

Viewing Salary Packaging FBT Statutory Interest Rates

Setting Up Salary Packaging Company Payroll Tax Options

Viewing Salary Packaging FBT and GST Tax Details

Setting Up Additional Salary Package Components

Many components that make up your salary package might incur additional liabilities, such as FBT, GST, or payroll tax. The cost of these liabilities can be borne by either the employer or the employee. Define the cost liability and who will carry it—the employee or the employer—as *additional components*.

Note. Additional component codes must be unique. You cannot associate an additional component with a component of the same name. Consider this carefully when defining codes for both components and additional components. The system warns you when you use a duplicate component code.

Pages Used to Define Additional Salary Package Components

| <i>Page Name</i> | <i>Object Name</i> | <i>Navigation</i> | <i>Usage</i> |
|------------------|--------------------|--|--|
| Additional Comp | PKG_ADD_CMP_TBL | Compensate Employees, Administer Sal Packaging (AUS), Setup, Additional Components Tbl | Define the liabilities associated with each of your salary packaging components. Determine the level of package remuneration in which to include these liabilities—Total Package Value (TPV) or Total Employment Cost (TEC). |

Defining Salary Package Component Liabilities

Access the Additional Comp page.

Additional Comp

Additional Component: CPKGST

Additional Component Definition View All First 1 of 1 Last

*Effective Date: 01/07/1986 *Status: Active + -

*Description: Car Parking GST

Short Description: Cr Prk GST

*Additional Component Type: Goods & Services Tax

*Package Level: Total Empl Cost

*Gross Up Calculation: Type 1 -Tax Credit Claimed

Comp Rate Code: KAGS08 GP Car Parking GST

Additional Comp page

Additional Component Definition

Additional Component Type

The type of liability the additional component represents. Your choice determines the tax tables and rates the system references when it calculates the salary package component liability. Select *Fringe Benefits Tax*, *Goods & Services Tax*, or *Payroll Tax*.

The value you select here controls the display of the **Gross Up Calculation** field.

Package Level

Enables you to set how this additional component affects the employee’s package. Select:

No Effect: Has no effect on the employee’s package either in total employee cost or total package value. Typically used where you select *Goods & Services Tax* in the **Addl Component Type** field.

Total Empl Cost (TEC): Usually relates to the cost or oncost that is borne by the employer as a result of employing the employee. If you select this option, you could be indicating that the employer will pay the cost of the liability.

Total Pkg Value (TPV): Typically used where the cost or oncost is borne by the employee. An example of this would be FBT. The value of this additional component forms part of the employees overall package. Selecting this could indicate that the employee will pay the liability.

Gross up Calculation

This field appears only when you select *Goods & Services Tax* in the **Addl Component Type** field. The type of component this additional component relates to determines the calculation method. There are, however, no set rules for components and calculation rules. You must select them. Select *Type 1 – Tax Credit Claimed* or *Type 2 – No Input Tax Credit*.

Input tax credits are tax credits that a company can claim back for the GST paid on the supply of a good or service. Where that good or service forms part of an employee's salary package, the calculation of the total value of the package item changes if the company is claiming part of the cost back as an input tax credit.

Comp Rate Code

Enables you to utilize the multiple components of pay functionality for your salary packaging. Compensation rate codes are enrolled onto the employee's Job Data - Compensation page. If you are using PeopleSoft Global Payroll, you can link salary package components and additional components to different types of PeopleSoft payroll entities to facilitate the payment of earnings and deductions through your payroll system.

Note. Only compensation rate codes with the Salary Packaging check box selected on the Comp Rate Code Table can be assigned to package components and additional components. You must also define the rate code as a flat amount rate code type.

See Also

PeopleSoft Application Fundamentals for HRMS PeopleBook, “Working With Multiple Components of Pay,” Setting Up Multiple Components of Pay

Setting Up Salary Packaging Payroll Components

Setting Up Salary Package Components

Package components identify the different forms of remuneration that can be included in salary packages in your organisation. When defining components, identify different attributes that determine the value of the component and any associated liabilities (additional components), the information to be enrolled to payroll, and the detail required to track expenditures against this component.

Note. Package components are reusable—you can include them in any number of packages or templates, so you don't need to define components more than once.

In this section, we discuss how to:

- Set up base salary package components.
- Link salary packaging additional components with components.
- Define contributing salary package components.
- Define expense details for salary packaged components.

Pages Used to Set Up Salary Package Components

| <i>Page Name</i> | <i>Object Name</i> | <i>Navigation</i> | <i>Usage</i> |
|------------------|--------------------|---|--|
| Base Component | PKG_BSE_CMP_TBL | Compensate Employees, Administer Sal Packaging (AUS), Setup, Package Component Table, Base Component | Set up basic information about the salary package component. |
| Additional Comp | PKG_BSE_CMP_ADD | Compensate Employees, Administer Sal Packaging (AUS), Setup, Package Component Table, Additional Comp | Associate additional components with a salary package component. |
| Calculated Comp | PKG_BSE_CMP_CAL | Compensate Employees, Administer Sal Packaging (AUS), Setup, Package Component Table, Calculated Comp | Define contributing components. To assist in the accurate calculation of components dependent on the value of other components, define the calculation starting point and the other components that affect the value on the Expense Data page. |

| Page Name | Object Name | Navigation | Usage |
|--------------|-----------------|--|--|
| Expense Data | PKG_BSE_CMP_EXP | Compensate Employees, Administer Sal Packaging (AUS), Setup, Package Component Table, Expense Data | If you are planning on tracking expenditure (the package expense calculation) and you have PeopleSoft Global Payroll installed, specify package component expenses information for each component. Enter the details and identify the payroll types and related data to track expenditures against package components. |

Setting Up Base Salary Package Components

Access the Base Component page.

Base Component Additional Comp Calculated Comp Expense Data

Component: CARPK

Base Component Definition View All First 1 of 1 Last

*Effective Date: 07/01/1986 *Status: Active + -

*Description: Car Parking

Short Description: Car Parkin

*Component Type: Car Parking

*Package Level: Total Pkg Value

*Projection Type: Regular Add to Gross Pay

*Comp Rate Code: KASP08 SP Car Parking

Enrol Benefits Base Benefit Base Comp Rate Code:

Base Component page

Base Component Definition

Component Type

Determines the data the system needs when you are modeling your packages.

The component definition drives more than the Fringe Benefits Tax calculation. It drives the enrolment, expense, and component calculations for all components— regardless of whether they are subject to

FBT. Component definition is essential to the accurate calculation and administration of each package component.

Package Level

PeopleSoft can represent the value of remuneration at two different levels—*Total Empl* (total employment), *Cost* (TEC), *Total Pkg* (total package), and *Value* (TPV). By selecting the level for each component, you identify the level of remuneration of the component value that should be included.

Projection Type

Used during package expense calculation. It's possible to project the expenditure to the end of the package based on the actual expenditure of the component to date. The method of projection can differ for different types of components. Select:

Ad Hoc: This does no calculation. The value of projected expenditure at period end reflects the actual expenditure of the component.

Regular: Projection is based on the actual expenditure to date. The rate of expenditure is assumed to be the same for the remainder of the effective period of the component. Calculation of the projected period end expenditure looks at the actual expenditure against the period to date and calculates for the remaining effective period expenditure at the same rate.

Budget: During modeling you can identify an expenditure budget. This gives you the ability to identify known expenditure expectations for components spent on an irregular basis. The information entered during modeling is used to reflect the projected expenditure at period end.

Note. Regardless of which option you select, if the component start date is in the future, the system uses the budgeted component amount when calculating the impact of the component on an employee salary package.

Comp Rate Code (component rate code)

Enables you to use the multiple components of pay functionality for your salary packaging. If you are using PeopleSoft Payroll, link salary package components and additional components to different types of PeopleSoft Payroll entities to facilitate the payment of earnings and deductions through your payroll system.

Add to Gross Pay

Enables you to identify components to include in the notional calculation of Pay As You Go tax liabilities.

Select this check box for components that represent cash payments. At the time of modeling, the value of components with this check box selected are aggregated and the PAYG tax liability is calculated on the total (such as salary and allowances).

Enrol Benefits Base / Benefit Base Comp Rate Code (enrollment benefits base/benefit base compensation rate code)

Select this check box and a specific rate code to update the annual benefits base rate at the time of package enrollment. This field is available only when you have selected a component type of *Percentage of Benefits Base* or *Pct of Contributing Components* on the Base Component page.

Some of your benefits, like superannuation, might be calculated using the Annual Benefits Base Rate. When this is the case, it is possible to also maintain the value of the annual benefits base rate from within Salary Packaging.

See Also

Linking Salary Packaging Additional Components With Components

Defining Contributing Salary Package Components

Defining Expense Details for Salary Packaged Components

Linking Salary Packaging Additional Components With Components

Access the Additional Comp page.

Additional Components

Additional Components

Many components attract additional liabilities, such as FBT, payroll tax, or GST. PeopleSoft defines these liabilities as additional components.

Select additional components to include in the Package Component Table for this component. You can attach multiple additional components.

Additional components vary from component to component. For example, a car component might attract FBT, payroll tax, and GST. A salary component only payroll tax and some components like superannuation might be exempt from all tax.

Note. You must first define your additional components on the Additional Comp page.

See Also

Defining Contributing Salary Package Components

Defining Expense Details for Salary Packaged Components

Setting Up Base Salary Package Components

Setting Up Additional Salary Package Components

Defining Contributing Salary Package Components

Access the Calculated Comp page.

The screenshot displays the 'Calculated Comp' page for component 'CARPK' (Car Parking). At the top, there are tabs for 'Base Component', 'Additional Comp', 'Calculated Comp', and 'Expense Data'. The 'Component' is identified as 'CARPK' with the description 'Car Parking'. Below this, the 'Component Calculation Definition' section shows the 'Effective Date' as 07/01/1986 and 'Status' as Active. The '*Calculation Starting Value' is set to 'None'. The 'Contributing Components' section lists two components: 'SALARY' (Salary Component) and 'CAR' (Car). For each, the '*Effect on Component' is set to 'Adds to', with '+' and '-' buttons for adjustment.

Calculated Comp page

Component Calculation Definition

Calculation Starting Value If you select a component type of *Pct of Contributing Components* and a Package Level of *Total Empl Cost* on the Base Component page, determine the calculation starting value for this component: either *None* or *TPV* (total package value).

If you accept the default value of *None*, the value of the component is calculated as a percentage of the specified contributing components.

If you change the value to be *Total Pkg Value* (total package value), this value is used as the starting point for the value of this component in the package that you are modelling. Any components that are then specified as contributing components add or subtract from the total package value before the component is calculated.

If you don't enter any contributing components, and the value is *Total Pkg Value*, the value of the component is calculated to be a percentage of the total package value. Enter the percentage value during modeling.

If you indicate a component type of *Pct of Contributing Components*, indicate a value of **Total Pkg Value** or enter at least one contributing component. If you do not do either (or both) of these, an error message appears and you must modify the component definition before saving.

Contributing Components

Contributing Components Select components you have also set up using the Package Component Table pages. These components are dependent on the value of the component you are setting up.

Spcl Effect Specify whether the contributing component **Adds to** or **Subtracts From** the total value of the contributing components (if there is a special effect on the component).

See Also

Linking Salary Packaging Additional Components With Components

Defining Expense Details for Salary Packaged Components

Setting Up Base Salary Package Components

Defining Expense Details for Salary Packaged Components

Access the Expense Data page.

The screenshot displays the 'Expense Data' page for component 'CARPK'. At the top, there are tabs for 'Base Component', 'Additional Comp', 'Calculated Comp', and 'Expense Data'. The 'Component' is 'CARPK' (Car Parking) with an 'Effective Date' of 07/01/1986 and 'Status' of Active. Below this is a 'Component Expense Data' header with search and navigation options. The 'Expense Details' section includes a '*Payroll Type' dropdown set to 'Earning', a '*GST Calculation' dropdown set to 'GST Included', and a 'Sequence' field with '+' and '-' buttons. Three expandable sections are visible: 'Earnings' (with 'Element Name' 'GBR ER REGPY' and 'Period Earnings'), 'Business Expenses' (with 'Expense Code' field), and 'Deductions' (with 'Element Name' field).

Expense Data page

Payroll Type, Earnings, Business Expenses, and Deductions

The Payroll Type field identifies which payroll entity to reference to track expenditure against this component for the employee during the package expense calculation. Select *Deduction*, *Earning*, or *Expenses*.

Your selection enables or disables the fields in the **Earnings**, **Deductions**, and **Business Expenses** group boxes.

During the expense calculation process, the actual amounts used are the values recorded against the earnings and deductions through payroll. However, if using the **Expense Code** field, the values entered on the Business Expenses page in Administer Workforce are used as the actual amounts.

This enables you to track expenditure through both earnings and deductions, or deductions and expense accounts, or even multiple earnings elements. This gives you the flexibility to administer payments in any way you prefer, but still have the expenditure accurately reflected against the employee's package.

It is possible to enter more than one **Payroll Type** when tracking expenditure, which is necessary for some components where the expenditure is not always made against a consistent payroll entity. For example, the salary component might have multiple entries to reflect the different earnings elements that are used to make payments that should be reflected as salary.

GST Calculation

Defines how GST is tracked as an expense. Select:

GST Not Applicable: Indicates that for this particular component, GST will not be calculated as part of the expense process. For example, if the expense amount picked up is \$100, this option treats it as \$100 base amount and \$0 GST.

GST Included: Indicates that the component has GST included in the value of the component. For example, if the expense amount picked up is \$100, this option treats it as \$91 base and \$9 GST.

GST Excluded: Indicates that the expense calculation will include the GST on top of the component value. For example, if the expense amount picked up is \$100, this option treats it as \$100 base and \$10 GST.

GST Only: Indicates that the expense calculation should calculate only the GST. For example, if the expense amount picked up is \$100, this option treats it as \$0 base and \$100 GST.

The GST is calculated using the GST rate from the FBT/GST Rate page.

Note. If you are not using PeopleSoft Payroll, you do not need to complete the Expense Data page.

See Also

Linking Salary Packaging Additional Components With Components

Defining Contributing Salary Package Components

Setting Up Base Salary Package Components

Viewing Salary Packaging FBT and GST Tax Details

“Managing Salary Packages,” Enrolling Salary Packages

PeopleSoft Global Payroll for Australia, Monitoring Salary Packaging Expenditure for Australia

PeopleSoft Human Resources PeopleBook: Administer Workforce, “Entering Additional Data in Human Resource Records,” Tracking Business Expenses

Setting Up Salary Package Templates

Use package templates to define groups of components to use as defaults for employees that qualify for similar salary packages. For example, you can define one salary package template for executives, another for sales managers, and another for administrative assistants.

Note. Associate salary package templates with jobs on the Job Code Table - Job Code Profile page and positions on the Position Data - Job Information page so that the employee in the job or position is automatically associated with the right salary package option.

Pages Used to Set Up Salary Package Templates

| <i>Page Name</i> | <i>Object Name</i> | <i>Navigation</i> | <i>Usage</i> |
|------------------|--------------------|---|--|
| Package Template | PKG_TMP_TBL | Compensate Employees, Administer Sal Packaging (AUS), Setup, Package Template Table | Define salary package templates. Define a standard collection of components that are automatically defaulted into package model records for employees or applicants. |

Defining Salary Package Templates

Access the Package Template page.

Package Template

Template ID: KAMIDDLE

Template Details View All First 1 of 1 Last

*Effective Date: 01/07/1986 *Status: Active + -

*Description: Middle Management Template

Short Description: Mid Mgmt

Package Components View All First 1-2 of 2 Last

| *Package Component | Description | | |
|--------------------|--------------------|---|---|
| SALARY | Salary Component | + | - |
| SUPSGC | SGC Superannuation | + | - |

Package Template page

Package Components

Package Component

Enter the components that form part of this template that are automatically assigned to your employees as defaults when modeling their packages on the Package Model page.

The number and type of components you enter depend on your organisation's salary package business requirements. Define components using the Package Components Table component.

Note. While we recommend that you make your templates as complete as possible, you can modify any template to fit the exact requirements for that employee after the template is included in an employee's salary package model.

See Also

Setting Up Salary Packaging Payroll Components

PeopleSoft Application Fundamentals for HRMS PeopleBook, "Setting Up Jobs and Pay Groups," Classifying Jobs

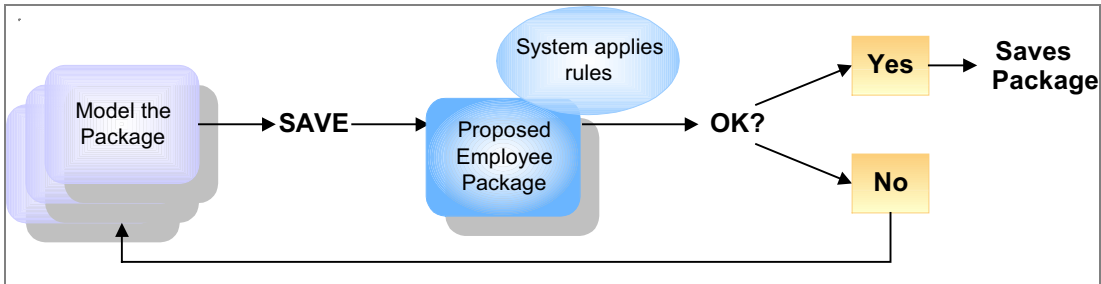
PeopleSoft Human Resources PeopleBook: Manage Positions, "Setting Up Positions," Entering Job Information"

"Modelling Salary Packages"

Setting Up Salary Package Rules

Define rules to ensure that salary packages meet legislative requirements for remuneration, to meet company policy, or to maintain data integrity and standards. Define as many rules, or sets of rules, as you need to use when modelling packages.

PeopleSoft applies package rules to validate the package models when you save them. If the components of a package model do not comply with all the rules, the system issues an error message and doesn't enable you to save the package until you have modified the components so that they comply.



How rules apply to proposed salary packages

Associate package rules with package templates, use package rules only, use templates only, or use neither templates nor rules when you model salary packages. Also associate default rules with job codes or positions.

Pages Used to Set Up Salary Package Rules

| <i>Page Name</i> | <i>Object Name</i> | <i>Navigation</i> | <i>Usage</i> |
|------------------|--------------------|---|--|
| Package Rule | PKG_RULE_TBL | Compensate Employees, Administer Sal Packaging (AUS), Setup, Package Rule Table | Create salary package rules. PeopleSoft applies package rules to validate the package models when you save them. |

Creating Salary Package Rules

Access the Package Rule page.

Package Rule

Package Rule ID: KAMIDDLE

Rule Definition View All First 1 of 1 Last

*Effective Date: 01/07/1986 + -

*Status: Active + -

*Description: Middle Management Rule Short Description: Mid Mgmt

Component Rules View All First 1-3 of 3 Last

| *Package Component | *Operator | Comparison Value | *Amt or Pct | *Comparing Component | Required | + - |
|--------------------|-----------|------------------|-------------|----------------------|-------------------------------------|-----|
| SALARY | > | | Amt | Component Value | <input checked="" type="checkbox"/> | + - |
| SALARY | < | 70,000.00 | Amt | Component Value | <input checked="" type="checkbox"/> | + - |
| SUPSGC | >= | 7.00 | Pct | Component Value | <input type="checkbox"/> | + - |

Package Rule page

Component Rules

Package Component

Select the component to which you want to apply some type of rule.

Operator

The mathematical values used in the application of this rule.

Comparison Value

Enter a figure that is defined as an amount (*Amt*) or a percent (*Pct*). This figure is used in the application of the rule.

Amt or Pct (amount or percent)

Select whether the figure in the **Comparison Value** field is either an amount or a percent.

Comparing Component

Indicates what the component is compared to when validating that the rule has been satisfied. This field prompts for the final part of the rule. If selecting *Pct*, select what it is a percent of: *Total Package Value*, *Component Value*, or *Total Employment Cost*.

If selecting an amount, select *Component Value*.

Note. When defining rules with a comparing component of *Component Value*, ensure that the amount or percent option is consistent with the component type. For a component type of *Pct* of *Contributing Components*, the **Amt or Pct** value must be *Pct*. If the component type is *Flat Amount*, the value must be *Amt*.

Required

Select to indicate whether individual components must be included in the salary package. If a component is identified in the package rule as **Required**, the system checks that the component exists at the package begin and end dates.

If the components of a package model do not comply with all the rules, the system issues an error message and doesn't enable you to save the package until you have

modified the components so that they comply.

Note. It is possible for a component that is required to exist at the begin and end dates of the package, but to not be effective for the entire package period. Take care when modeling mandatory components to ensure that they are effective for the entire package period.

See Also

Setting Up Salary Packaging Payroll Components

“Modelling Salary Packages”

Setting Up Salary Packaging Defaults

Within PeopleSoft, there are specific pages you use to attach your package rules and templates. These tables act as defaults in the employee salary packaging modelling. Specify various salary packaging default values using the following pages in PeopleSoft HRMS:

- Company Table - Default Settings.
- Job Code Table - Job Code Profile.
- Position Data - Job Information.

These default values assist you in setting up consistent employee salary packages when you model packages as part of your salary packaging business process. They streamline your modelling time per employee and ensure consistent application of salary packages for employees in the same jobs or positions in your organisation.

In this section, we discuss how to:

- Set up your organisation’s TPV and TEC compensation rate codes.
- Set up default package templates and rules for jobs and positions.
- Set up default salary packaging pay frequencies.

Setting Up Your Organisation’s TPV and TEC Compensation Rate Codes

To establish default TEC and TPV compensation rate codes for a specific company to use when modelling employee packages, use the Company Table - Default Settings page. Select a salary packaging compensation rate code from among the valid codes set up on the Comp Rate Code Table component. These companies are then enrolled into compensation containing TEC and TPV amounts.

You can also specify whether tax is applicable to the default compensation rate codes you select. When you select the Liable for Payroll Tax check box, the state payroll tax rates you

set up on the State Payroll Tax page are used in the package compensation calculation for your salary packaged employees.

Note. You must enter a TPV. This compensation rate code is referenced in the rules used when processing terminations for packaged employees (unused leave is paid out at the packaged rate).

See Also

PeopleSoft Application Fundamentals for HRMS PeopleBook, “Setting Up Companies, Agencies, and Locations,” Setting Default Information for Companies

PeopleSoft Application Fundamentals for HRMS PeopleBook, “Working With Multiple Components of Pay,” Setting Up Multiple Components of Pay

Setting Up Default Package Templates and Rules for Jobs and Positions

Salary packaging is completed on an individual basis. Each employee may require different components and the overall value of the package may be unique to that employee. Therefore, a package is always modelled for a single employee.

However, if you structure your organisation using positions or base your remuneration structures on jobs, set up defaults for package templates and rules that administer salary packages by default standards or minimum levels of remuneration to employees based on their positions and jobs.

To specify a default package template and package rule ID for a job code, use the Job Code Table - Job Code Profile page, access the Australian group box, and select the job code to which you are assigning salary packaging defaults.

To update position data to use the salary packaging defaults, access the Australian group box on the Position Data - Job Information page.

See Also

PeopleSoft Application Fundamentals for HRMS PeopleBook, “Setting Up Jobs and Pay Groups,” Classifying Jobs

PeopleSoft Human Resources PeopleBook: Manage Positions, “Setting Up Positions,” Entering Job Information

(AUS) Setting Up Default Salary Packaging Pay Frequencies

When you are defining calendars for salary packaged employees, the pay frequency comes from the value you enter in the Pay Frequency field in the Salary Packaging group box on the Additional Info AUS page in PeopleSoft Global Payroll.

This group box enables you set up default pay frequencies for the pay groups you use as part of Salary Packaging. The frequency you select is also retrieved by the Package Calendar Table page, which enables the budgeting capabilities in the actual salary package because the system needs to know over what type of frequency to divide the component totals.

See Also

PeopleSoft Global Payroll for Australia PeopleBook, “Setting Up PeopleSoft Global Payroll for Australia,” Entering Additional Pay Group Information

CHAPTER 3

Modelling Salary Packages

This chapter provides an overview of the modelling of salary packages for Australia and discusses how to:

- Model salary packages for employees.
- Model salary packages for applicants.
- Copy applicant salary packages to the Employee Salary Package component.

Understanding Salary Package Modelling

Salary package modelling enables you to explore different package scenarios to find satisfactory solutions and alternatives for employee salary packages. You can save and report on any number of package variations during the modelling process.

Modelling occurs at the employee level and is an employee-specific process. If you're modelling packages for employees, use the Employee Salary Package pages. If you're using the Recruitment module in PeopleSoft Human Resources, you can also model salary packages for applicants using the Applicant Salary Package pages.

After you decide on one model that works best for both employer and employee, confirm and enrol that package.

Note. You cannot begin modelling with Salary Packaging until you have defined all of the different base components and additional components that support your remuneration offerings. Before you start the modelling process, review your components and additional components on the Employee Salary Packaging component to understand the different calculations that occur during the modelling process.

See Also

“Setting Up Salary Packaging,” Setting Up Salary Packaging Payroll Components and Setting Up Additional Salary Package Components

Pages Used to Model Salary Packages for Applicants

Modelling Salary Packages for Employees

“Setting Up Salary Packaging”

Common Elements Used in This Chapter

| | |
|------------------------------------|--|
| Total Employment Cost (TEC) | Displays the value of salary packages at two different levels. This level represents the cost to the employer. |
| Total Package Value (TPV) | Displays the value of salary packages at two different levels. This level represents the value to the employee. |
| Model Number | Enables you to model several packages and package scenarios that share the same effective date. Set a unique increment for the model number to number each package modeled with the same effective date. When you use the same effective date, the model number automatically increments. |
| Package Status | Indicates whether you are working with a salary package that is proposed (planned), current (existing), or history (finalized). When you first begin modelling a package for an employee, the system automatically sets the status to proposed. After you've confirmed and enrolled a package for an employee, the system changes the status to current. When the status is history, you're looking at an employee package that has been confirmed and enrolled, but is no longer in effect. |

Modelling Salary Packages for Employees

When modelling salary packages for employees, combine any number or type of components into a package to suit both the organisation and employee.

The Employee Salary Package component includes two sets of pages for tracking base and additional component values for the employee package model. The annual amount pages display values on an annual basis, while the period pages display component and additional component amounts calculated for the effective period of the package component. Regardless of which page set you use, you always enter annual amounts for components and additional components, but you can enter them on either page.

At the end of the process, confirm only one package—the package on which the payment is based.

Note. Entering the same amounts and dates results in different TPV and TEC amounts appearing on the two sets of pages. One represents values for a year (from the package start date) and the other the period of the package component.

In this section, we discuss how to:

- Define employee salary package details.
- Set up annual base components for employees.

- Enter package component details.
- Enter salary package component budget details for employees.
- View annual additional salary package components for employees.
- Set up period base components for employees.
- View additional period components for employees.
- View package component PAYG tax liabilities for employees.

Pages Used to Model Salary Packages for Employees

| <i>Page Name</i> | <i>Object Name</i> | <i>Navigation</i> | <i>Usage</i> |
|------------------|--------------------|---|--|
| Package Model | PKG_MDL_TBL | Compensate Employees, Administer Sal Packaging (Aus), Use, Employee Salary Package, Package Model | Establish the salary package and specify options that drive the calculation of package values for modelling purposes. |
| Base Components | PKG_MDL_BSE_CMP | Compensate Employees, Administer Sal Packaging (Aus), Use, Employee Salary Package, Base Components | Enter base component details that drive package value calculations on an annual basis. Components, effective for only part of the year, have a full year equivalent amount that appears on this page. |
| Additional Comp | PKG_MDL_ADD_CMP | Compensate Employees, Administer Sal Packaging (Aus), Use, Employee Salary Package, Additional Comp | View the additional component values (expressed as an annual value) associated with the Base Components page. For each component, view the associated additional components as well as component totals. |

| Page Name | Object Name | Navigation | Usage |
|-------------------|--------------------|--|---|
| Base Comp (Per) | PKG_MDL_BSE_CMP_PE | Compensate Employees, Administer Sal Packaging (Aus), Use, Employee Salary Package, Base Comp (Per) | Enter base component details that drive package value calculations on an annual basis. Components, effective for only part of the year, have a prorated amount that appears on this page. |
| Addtnl Comp (Per) | PKG_MDL_ADD_CMP_PE | Compensate Employees, Administer Sal Packaging (Aus), Use, Employee Salary Package, Addtnl Comp (Per) | View the additional component values (expressed as part year values, depending on the start and end dates of the components) associated with the Base Comp (Per) page. |
| Salary/Tax | PKG_MDL_SAL_NET | Compensate Employees, Administer Sal Packaging (Aus), Use, Employee Salary Package, Salary/Tax | View the impact to the employee's salary and tax obligations based on the package model. |
| Budget Entry | PKG_MDL_BUDGET | Compensate Employees, Administer Sal Packaging (Aus), Use, Employee Salary Package, Base Components Click the Bud button. | Set up a budget for the planned expenditure of a component. |

Defining Employee Salary Package Details

Access the Package Model page.

| Package Model | Base Components | Additional Comp | Base Comp (Per) | Addnl Comp (Per) |
|---|-----------------|------------------------------------|---|-------------------------|
| Taylor, Jane Elizabeth | | ID: KA0001 | Empl Rcd#: 0 | |
| Package Definition View All First 1 of 1 Last | | | | |
| *Effective Date: | 07/26/2001 | Department: | 10000 | |
| Model Number: | 1 | Job Code: | KA0302 | |
| Package Start Date: | 07/26/2001 | Package Status: | Proposed | |
| *Package End Date: | 07/25/2002 | <input type="checkbox"/> Confirmed | <input checked="" type="checkbox"/> De-enrolled | |
| | | Review Date: | 07/25/2002 | |
| Salary Package Details | | | | |
| *Currency Code: | AUD | Australian Dollar | | |
| *Tax Scale: | 2 | Tax Free Threshold Claimed | | *Payroll Tax State: NSW |
| Template ID: | KAMIDDLE | Middle Management Template | | |
| Rule ID: | KAMIDDLE | Middle Management Rule | | |
| *Package Method: | Bottom Up | | | |

Package Model page

Package Definition

Package Start Date, Package End Date

Define the period for which the individual package is effective. For a new package, the default start date is the effective date.

The default package end date is a year after the package start date.

If your remuneration is effective for periods other than a year, override the end date to reflect the appropriate period of the package. When modelling packages for periods other than a year, enter all values as annual values. This is also true when entering component values—all amounts are annual amounts.

When determining the default end date, the system identifies the employee's pay frequency—from the pay group on the employee's job record—and determines the end date based on a year. For example, a package for a fortnightly employee has an end date 26 fortnights after the package start date. This provides different results in a leap year than in a non-leap year. A package for a fortnightly employee who starts April 1, 2000, has a default end date of March 31, 2001, but a package for the same employee that starts April 1, 2001, has a default end date of March 30, 2002. Twenty-six fortnights is consistently 364 days, but the year 2002 has 366 days, so there is a difference.

This means that when defaulting the package period it may not always appear to be the annual anniversary exactly.

Confirmed

Select when a modeled package has been approved and the employee is ready to be enrolled into it.

Note. The package enrollment process establishes compensation rate codes on the employee's job record based on the details included in the employee's confirmed package. PeopleSoft Global Payroll then uses this information to facilitate payments to the employee. Confirming a package does not automatically enroll the employee in the package. The status of the package remains **Proposed** until after you run the package enrollment process.

De-enrolled

Select to de-enroll an employee from a confirmed package. The check box is unavailable for entry during modelling because it is used only when managing enrolled packages.

Review Date

Indicates when the employee's salary package is due for review. The default date is the package end date. To flag this package for review at an earlier date, override the default.

Salary Package Details

Tax Scale

Part of the modelling process is the calculation of the employee's Pay As You Go tax liability. The tax scale is used in the notional online calculation of the Gross to Net value of the package.

The default is the value you set up on the Tax Scales page, but you can override it while modelling an employee's salary package.

Note. The system warns you when you try to save the package if there is a difference between the package tax scale and the default tax scale on the Tax Scales page. If you want the tax scale used in packaging to be reflected through payroll, update the payee tax scales.

Payroll Tax State

Defaults from the employee's job record. You can override this value during modelling. Set up payroll tax state values on the State Payroll Tax page.

During modelling, you may need to calculate an oncost of payroll tax. To calculate the value for payroll tax, the process looks at the payroll tax state and obtains the values set on the State Payroll Tax table. A warning message appears if the state entered is different from the employees Job Data record. You can ignore this message if necessary.

Note. Payroll tax liabilities are reported based on the Payroll Tax State on the employee's Job record. If you want the value used during packaging to be used when reporting payroll tax liabilities, update the employee's Job Data record.

Template ID, Rule ID

Select a template ID to default components or groups of components into the employee's package model. If you've already defined templates using the Package Template page, specifying an ID saves you from entering the same components repeatedly for different employees who qualify for the same salary packages.

Select a rule ID to specify the rules the system uses to validate the employee's salary package when the package is saved. Use package rules to ensure the modeled package complies with legislative requirements and company policies.

Note. If you have associated a template ID or rule ID with job codes or positions in your organization, the system defaults the IDs based on the employee's job code or position. You can override the default value during package modelling.

Package Method

The method of packaging used when modelling. Select:

Top Down (starting at the TEC): Enter the total (target) employment cost into the **Target TEC** box. As components are added or values changed, regardless of whether they are paid by the employee or employer, the cash component is reduced.

Middle Out (starting at the TPV): This approach enables you to enter the total package amount you want to achieve. The employer payments (oncosts) are not taken into account with the TPV.

Bottom Up (starting with an individual component): The **Package Method** controls the display of the **Target TPV** and **TEC** fields.

Target TPV and Target TEC

If you select **Top Down** or **Middle Out** as the package method, specify a **Target TEC** or **Target TPV**.

When modelling using these methods, a package balance is calculated based on the value of components and the specified target value. When entering the package details, select a component to assume the value of the balance by selecting the Bal (balance) check box for that component on the Base Components page (annual) and Base Comp (Per) (period) page. This saves you the time and effort required to manipulate component values to reach a zero balance.

See Also

“Setting Up Salary Packaging,” Maintaining Tax Scales Used in Salary Package Calculations and Setting Up Salary Package Templates and Setting Up Salary Package Rules

“Confirming Salary Packages”

Modelling Salary Packages for Applicants

Setting Up Annual Base Components for Employees

Access the Base Components page.

Package Model | Base Components | Additional Comp | Base Comp (Per) | Addtnl Comp (Per) | Salary/Tax

Taylor, Jane Elizabeth ID: KA0001 Empl Rcd#: 0

Package Base Components View All First 1 of 1 Last

Effective Date: 07/26/2001 Model Number: 1 Package Status: Proposed

Package Components Find | View All First 1-2 of 2 Last

| Component | *From | *To | TPV | TEC | Bal | Dtls | Bud |
|------------------|------------|------------|----------|----------|-----|------|-----|
| SALARY Salary | 07/26/2001 | 07/25/2002 | 90000.00 | 90000.00 | | | |
| SUPSGC SGC Super | 07/26/2001 | 07/25/2002 | 8100.00 | 8100.00 | | | |

Package Annual Total

Current TPV/TEC: 98100.00 98100.00
 C/F Target TPV/TEC:

Base Components page

Package Components

Package Components

As part of the package template you specify for this employee on the Package Model page, the system defaults all of the components you defined on the Package Template page. Add new components or remove any default components from the package model for the employee.

Create components using the Package Component Table pages.

From and To Dates

Indicates the period for which the component is effective. These dates default from the Package Start Date and the Package End Date you entered on the Package Model page; you can change them to reflect the correct effective period. The dates for a component must be within or

equal to the package start and end dates.

When you are modelling packages for employees, you might need to indicate that components are not effective for the entire period of the package. This could be because one of the attributes or details of the component changed during the course of the package or simply because the component no longer exists. Use the component from and to dates to represent either scenario.

To reflect the change of details, modify the To date for the existing component. The component To date should be the day before the effective-dated change. You can then insert another component into the package. Select the same component, modify the dates to reflect the effective dates of the new details, and enter the component details.

TPV and TEC

These amounts are automatically updated based on the values entered for the components, the additional components, and the calculation method that apply to the component.

Bal (balance)

If you have selected a **Package Method** of *Top Down* or *Middle Out*, identify a component that should be the default package balance by selecting this check box for the appropriate component. Select only one component to be the balance; it must have a component type of flat amount.

The salary component is the most common component to select as the balance. By selecting this check box for the salary component, the Current TPV and TEC are calculated in the **Package Annual Totals** group box. The **Balance Total TPV/TEC** starts at 0 or as close to 0 as rounding allows.

The system calculates the values for the component. For each component, you can see the value of TPV and TEC. These values include values of any additional components. For example, for a salary component, \$90,000 might add to TPV and \$96,300 might add to TEC. The difference in values is the additional component of payroll tax specified for this component.

Note. You don't have to select a component to be the balance for the package. By not selecting a component, the balance is calculated and appears as the detail for each component added. Manually adjust the value of the package components to try to reach a package balance as close to zero as possible.

Dtls (details)

Whether you identify a default balance for the package, enter the component details for all components that have not been calculated.

To enter the component details, click the Dtls button for the component. This accesses a corresponding details page for each component that enables you to enter component details. The details that appear in each details page are determined by the component type you define on the Package Component Table page.

Most of the details are required to support the calculation of the FBT and GST liability, and subsequently, the component value.

The method for calculating the FBT and GST varies based on the tax category, identified by the component type.

Note. Consult the Australian Taxation Office for more information regarding the terms or requirements for calculating tax.

Bud (budget)

Click to enter budget information on the Budget Entry page for each component.

Note. Before you can access the Budget Entry page, enter the component value details in the corresponding details page for each component. If you don't enter any values for a component, the budget amounts are all zero. You must also create a Pay Calendar on the (Salary Packaging) Pay Calendar Table page.

Package Annual Total

This group box enables you to automatically track of your package totals based on what you enter in the component details pages.

Target TPV/TEC and Current TPV/TEC

The **Package Annual Totals** displays the target total TPV/TEC, the current TPV/TEC, and the balance total TPV/TEC. The **C/F** (carry forward) target TPV/TEC also appears, but it is only relevant when making effective-dated changes to a confirmed package.

As you enter or change figures, the current TPV/TEC values update, and if you have selected the top down or middle out option on the Package Model page, subtract this value from the C/F Target TPV/TEC value.

For example, if you selected a package method of Total Package Value (TPV) on the Package Model page and entered a Target TPV of \$90,000, this amount appears on the Target TPV/TEC and the Balance Total TPV/TEC for the package annual totals. The balance is \$90,000 if you have not entered any component details.

The **C/F Target TPV/TEC** field populates when an employee changes packages mid-package period. Because package amounts are calculated from the start to

end dates, a change midway through that period results in a carry forward amount.

See Also

“Setting Up Salary Packaging,” Setting Up Salary Package Components

Modelling Salary Packages for Applicants

“Setting Up Salary Packaging”

Entering Package Component Budget Details for Applicants

Entering Salary Package Component Budget Details for Employees

Entering Package Component Details

Entering Package Component Details

When you press the Dtl (detail) button for each corresponding component on the Base Components page, you are presented with one or more pages that enable you to enter component details. Most of the details are required to support the calculation of the Fringe Benefits Tax (FBT) and Goods and Services Tax (GST) liability, and subsequently, the component value. Other pages are used for informational purposes only. The details that appear depend on the component type you select. Different component types require different information, which is reflected in the fields available for entry on each details page.

Note. The details pages that appear when you are entering component details vary. However, if you are familiar with the requirements of the Australian Taxation Office for the details required in the calculation of FBT and GST liabilities, then the fields should be self explanatory. However, there are a number of component types for which the details are not driven by the calculation of FBT. These component types are Home Office Lease, Flat Amount, Percentage of Contributing Components, and Percentage of Benefits Base.

Salary Packaging Details Fields

The following detail fields are consistent across all, or a number of component types, Details pages:

| Field | Description |
|-----------------------------|---|
| Tax Exemption Amount | Some component types are eligible for a tax exemption based on the rules defined by the Australian Taxation Office. For different component types, a tax-free threshold applies, whereby the taxable value can be reduced before the calculation of the FBT liability. If you are packaging a component that is eligible for the tax free threshold, enter the amount of the tax-free threshold in the Tax Exemption Amount (Annual) field to enable accurate calculation of the FBT liability and the component value. |

| Field | Description |
|------------------------------|---|
| Tax Adjustment Amount | This is almost the reverse of the Tax Exemption Amount. Where the Tax Exemption Amount reduces the taxable value before the calculation of the FBT liability, the Tax Adjustment Amount increases the component value after the calculation of the FBT liability. |
| Employee Contribution | Like the Tax Exemption Amount and the Tax Adjustment Amount, the Employee Contribution field appears on most of the Details pages for component details, especially where the component type dictates the calculation of an FBT liability. The Employee Contribution is an amount paid by the employee to the employer as a contribution toward the cost of the benefit. The taxable value of the benefit is reduced by the amount of the contribution. |
| GST Amount | In the majority of cases, if you have defined GST for the component in the GST Calculation field on the Expense Data page, an additional GST field appears on each of the Details pages. The value you select on the Expense Data page defines how the GST, if any, can be tracked as an expense. |

Note. The Details pages prompt for the entry of details to support the calculation of FBT and GST. However, this doesn't mean that FBT and GST liabilities are calculated for the component. For tax liabilities to be calculated for a component, associate an additional component with a type of FBT or GST with the component.

Entering Motor Vehicle General Details

The system uses the following fields on the Motor Vehicle General Details page, Motor Vehicle FBT Operating Cost Details page and Motor Vehicle FBT Statutory Method Details page in the calculation of FBT tax liabilities:

FBT Calculation Method Drives the calculation of FBT. There are two methods of calculating FBT for a motor vehicle:

Statutory Formula: The Motor Vehicle FBT Statutory Method Details page appears.

Operating Cost: The Motor Vehicle FBT Operating Cost Details page appears.

Capital Cost Enter the original value of the vehicle for calculation of FBT.

Estimated Kilometres To accurately calculate the FBT liability, enter the estimated distance the motor vehicle will travel.

Note. All other fields on this page are for information only.

Entering Car Parking FBT Details

The system uses the following fields on the Car Parking FBT Details page, the Car Parking FBT Market Value Method Details, and Car Parking FBT Commercial Station Method Details pages in the calculation of FBT tax liabilities:

FBT Calculation Method

There are two different methods of calculation for the FBT liability on a car parking benefit:

Market Value: The Car Parking FBT Market Value Method Details page appears, enabling you to enter and calculate FBT details according to the market value of the car park, when the car parking is leased on the employee's behalf or on the employer's site.

Commercial Parking Station: The Car Parking FBT Commercial Station Method Details page appears, enabling you to enter and calculate FBT details when the car parking is a paid for as an ongoing, daily benefit through a parking station for the employee.

After you select a method and click **OK**, another page appears and prompts for other details related to the component.

Market Value (annual)

Enter the estimated market value of the car parking. For example, an employer pays Star's Property Management \$3,000 per year for the leasing of the car park on the employee's behalf. An independent evaluation of the market value of the car park has been quoted at \$2,200. The employer wants to pass on the total cost of the car park to the employee.

When calculating the FBT on the car park component, tax is payable only on the market value of the car park—in this case \$2,200. The employee makes no contribution for the benefit and no tax exemption applies.

In the **Tax Adjustment Amount (Annual)** field, enter \$800, which is the difference between the market value and the cost to the employer.

When the value of the component and additional components are calculated, the value of the \$2,200 is used in the calculation of tax, but the value of the base component (not including additional component values) is \$3,000. By using the tax adjustment amount, you can accurately calculate the tax on the car park and ensure that the full cost of the car park is passed on to the employee in the form of an increased component value.

See Also

“Setting Up Salary Packaging,” Setting Up Salary Package Components

Entering Package Component Budget Details for Applicants

Entering Salary Package Component Budget Details for Employees

Entering Salary Package Component Budget Details for Employees

Access the Budget Entry page.

Budget Entry

View All First ◀ 1-7 of 13 ▶ Last

| Period End | Budget | Actual |
|------------|---------|--------|
| 05/31/2001 | 362.90 | |
| 06/30/2001 | 1250.00 | |
| 07/31/2001 | 1250.00 | |
| 08/31/2001 | 1250.00 | |
| 09/30/2001 | 1250.00 | |
| 10/31/2001 | 1250.00 | |
| 11/30/2001 | 1250.00 | |

Current Total: 15000.00
Total Req'd: 15000.00
Remainder:

Budget Entry page

Period End

The default budget assumes a regular rate of expenditure for each period end (pay period) in the package period. The pay periods are determined using the employee's pay group and the applicable salary packaging pay calendar records in PeopleSoft Global Payroll. For any partial periods, the amount budgeted is pro-rated to reflect the value applicable for the partial period.

Budget and Actual

You can update and modify budget values by pay period. You cannot insert or delete budget period rows. All pay periods within the effective period of the component appear. To budget into further pay periods, change the component from and to dates for the component on the Employee Salary Package component.

The page also displays actual expenditure against the component. This information is available only after you run the Package Expense process.

Note. Before you open the Budget Entry page, enter the component value details in the corresponding details page. If you haven't entered any values for a component, the budget amounts are all zero.

You can set up a budget for the planned expenditure of a component. If you don't enter specific budget information, the system assumes that the expenditures will be made on a regular basis—calculating an equal amount to expend for each pay period.

Current Total, Total Req'd
(total required), and
Remainder

Track your progress against the budget throughout the package year by referring to the **Current Total, Total Req'd**, and **Remainder** fields that appear at the bottom of the page. While the system defaults the budget amounts so that they are evenly spread across the budget period, you can change the values for each period. However, all of the periods must add up to the totals. If they do not, and you attempt to close the page, the system displays a warning message and you cannot close the page until you correct the error.

The budget total is automatically updated and appears after every entry on the Budget Entry page.

See Also

Setting Up Annual Base Components for Employees

Setting Up Annual Base Components for Applicants

Viewing Annual Additional Salary Package Components for Employees

Access the Additional Comp page.

| | | | | | |
|---------------------------------------|-----------------|-----------------|---|--------------------|-----------------------------------|
| Package Model | Base Components | Additional Comp | Base Comp (Per) | Addnl Comp (Per) | Salary/Tax |
| Taylor, Jane Elizabeth | | ID: KA0001 | Empl Rcd#: 0 | | |
| Package Definition | | | | | View All First 1 of 1 Last |
| Effective Date: | 10/02/2001 | Model Number: | 1 | Package Status: | Proposed |
| Package Components | | | | | Find View All First 3 of 3 Last |
| Component: | CARPK | Car Parking | <input type="checkbox"/> Add to Gross Pay | | |
| Additional Components | | | | | View All First 1-3 of 3 Last |
| | | Type | Amount | Adds To TPV | Adds To TEC |
| CPKFBT | Cr Prk FBT | FBT | 8292.05 | 8292.05 | 8292.05 |
| CPKGST | Cr Prk GST | GST | 730.00 | | 730.00 |
| CPKPRT | Cr Prk PRT | Payroll Tx | 513.92 | | 513.92 |
| Base Component Amount TPV/TEC: | | | | 7300.00 | 7300.00 |
| Component Total TPV/TEC: | | | | 15592.05 | 16835.97 |
| Package Total | | | | | |
| Current TPV/TEC: | | | | 240592.05 | 256235.97 |
| C/F Target TPV/TEC: | | | | | |

Additional Comp page

Package Components

Add To Gross Pay

This check box is selected if you also selected it on the Base Component page. It enables you to identify components to include in the notional calculation of Pay As You Go tax liabilities. At the time of modelling, the value of components with the Add to Gross Pay check box selected are aggregated and the Pay As You Go tax liability is calculated on the total. Typically select this check box for components representing cash payments (such as salary and allowances).

Base Component Amount TPV/TEC and Component Total TPV/TEC

Totals appear for the base component amount for both TPV and TEC, the amount entered on the Base Components page, and the component total, which is the base plus additional components.

The base component amount represents the value of the component independent of any additional liabilities.

The component total TPV/TEC adds the additional component values and the base component amount to give a total cost of the component as it effects TPV and TEC.

Additional Components

This group box displays all the additional components and amounts that have been calculated for each of the components. There are three totals available for individual additional components.

| | |
|------------------------------------|---|
| Type | For each component, additional components may exist for FBT, GST, and payroll tax. This information appears here. |
| Adds To TPV and Adds To TEC | <p>Controlled by the set up of the additional component, where you specify if the additional component Adds To TPV or TEC.</p> <p>For example, the calculated FBT liability for a car parking component might be \$2,216.94. This appears in both the Adds to TPV and Adds to TEC fields. All values adding to TPV add to TEC (the TEC is inclusive of all TPV values).</p> <p>The payroll tax liability might be calculated as \$164.78. This value appears only under the Adds to TEC field because the component definition indicates the package level for this additional component to be TEC (which means it has no effect on TPV).</p> |

Package Totals

| | |
|---|---|
| Current TPV/TEC / C/F Target TPV/TEC | These totals are consistent with those shown on the Base Components page, identifying the target and current total for TPV and TEC. |
|---|---|

See Also

“Setting Up Salary Packaging,” Setting Up Additional Salary Package Components and Setting Up Salary Package Components

Setting Up Period Base Components for Employees

Access the Base Comp (Per) page.

The Base Comp (Per) page operates almost the same as the Base Components page. These pages enable you to enter the components and the component details for the employee's package. There is, however, one important difference.

On the Base Components page, the value of the individual components and the package indicate annual amounts, while the Base Comp (Per) page indicates the values for the effective period of the package or component.

For example, if an employee receives a salary of \$50,000 per year, but is only employed for three months, that employee's remuneration is generally described as \$50,000 per annum, not \$12,500 for three months. In the Base Components page, this amount is reflected as \$50,000. In the Base Comp (Per) page, the value appears as \$12,500 for the package or component period reflecting the three-month period.

Note. Because the process of entering components and component details is the same in the Base Components page, all common fields and functionality are discussed in the Base Components page discussion.

See Also

Setting Up Period Base Components for Applicants

Setting Up Annual Base Components for Employees

Setting Up Annual Base Components for Applicants

Viewing Additional Period Components for Employees

Access the Addtnl Comp (Per) page.

The Addtnl Comp (Per) page appears and operates almost the same as the Additional Comp page. The difference is that the Addtnl Comp (Per) page displays the additional component values (expressed as part year values, depending on the start and end dates of the components when the salary package period is not an annual period). The values that appear reflect the amounts for the effective period of the package or component.

Note. Because the fields are identical in the Additional Comp page, all common fields and functionality are discussed in the Additional Comp page discussion.

See Also

Viewing Period Additional Salary Package Components for Applicants

Viewing Annual Additional Salary Package Components for Employees

Viewing Annual Additional Salary Package Components for Applicants

Viewing Package Component PAYG Tax Liabilities for Employees

Access the Salary / Tax page.

| Salary | | | |
|--------------|--------------|----------|------------|
| | Gross Salary | Tax | Net Salary |
| Yearly | 45000.00 | 10695.94 | 34304.06 |
| Monthly | 3750.00 | 891.33 | 2858.67 |
| Semi-monthly | 1875.00 | 445.66 | 1429.34 |
| Fortnightly | 1730.77 | 411.38 | 1319.39 |
| Weekly | 865.38 | 205.69 | 659.69 |

Salary/Tax page

Salary

Salary

Based on the package tax scale that you selected on the Package Model page, the system calculates the employee's **Gross Salary**, **Tax** (liability), and take-home (**Net Salary**) for each of the following pay frequencies:

- **Yearly**
- **Monthly**
- **Semi-monthly**
- **Fortnightly**
- **Weekly**

Note. This tax calculation does not take into account any tax rebates or rounding in calculating the tax liability and is used only as an estimate of the eventual tax liability. Because it is possible to vary payments through the payroll, and the payments might alter either the **Gross Salary** or the **Tax** amounts, these figures are not regarded as an exact reflection of payments that are made through PeopleSoft Global Payroll.

See Also

Defining Employee Salary Package Details

Modelling Salary Packages for Applicants

If you have been tracking and administering job applicants through the Recruitment feature in PeopleSoft Human Resources, you don't have to re-enter all of the information you've already entered in the system when you hired an applicant. After the applicant is hired and you have created the applicant's package, copy the applicant's ID over to an employee ID using the Appl to Empl Copy page in the Recruit Workforce menu and view the package details using the Employee Salary Package pages.

You have the option of using the Recruit Workforce - AUS Applicant Salary Package component to track any remuneration offers that you make to applicants as part of your negotiations. Only employees can have packages with a package status of current or history. Applicant package status is always set to *proposed*.

Note. The Applicant Salary Package component is similar to the Employee Package Model component. The functions are the same with some exceptions: the checking against any employee job and employee tax records doesn't occur. Because the person is an applicant, these records do not yet exist. One difference is the start date. In applicant package modelling, the start date defaults to the package model effective date. Variation exists when defining the packaging options because an applicant does not have a job record from which to default package and tax information.

In this section, we discuss how to:

- Understand how applicant package modelling fits into recruitment.
- Define applicant salary packages.
- Set up annual base components for applicants.
- Enter package component budget details for applicants.
- View annual additional salary package components for applicants.
- Set up period base components for applicants.
- View period additional salary package components for applicants.
- View package component PAYG tax liabilities for applicants.

See Also

Modelling Salary Packages for Employees

“Managing Salary Packages,” Confirming Salary Packages for Applicants on Hire

“Setting Up Salary Packaging,” Setting Up Salary Package Components

“Setting Up Salary Packaging”

Entering Package Component Details

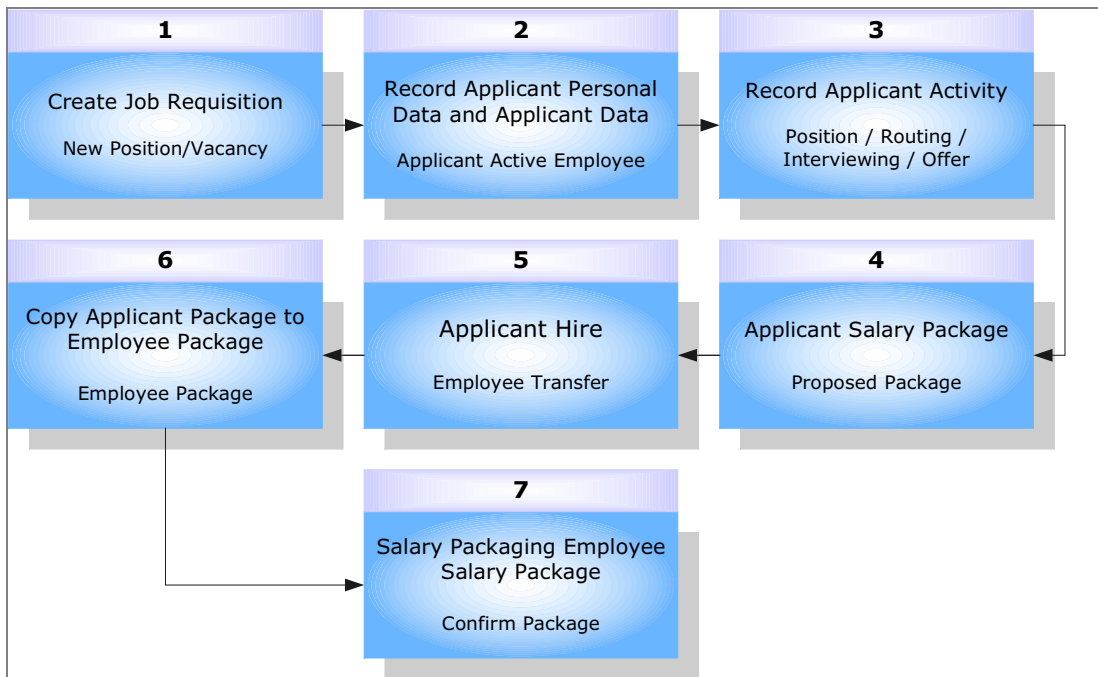
Pages Used to Model Salary Packages for Applicants

| Page Name | Object Name | Navigation | Usage |
|---|--------------------|--|---|
| Applicant Model | PKG_MDL_TBL_APP | Develop Workforce, Recruit Workforce (GBL), Use Lcl, AUS Applicant Salary Package, Applicant Model | Record applicant salary packages. |
| Base Components | PKG_MDL_BSE_CM_APP | Develop Workforce, Recruit Workforce (GBL), Use Lcl, AUS Applicant Salary Package, Base Components | Enter base component details that drive package value calculations on an annual basis for applicants. |
| Additional Components | PKG_MDL_ADD_CM_APP | Develop Workforce, Recruit Workforce (GBL), Use Lcl, AUS Applicant Salary Package, Additional Components | View the additional component values (for applicants) (expressed as an annual value) associated with the prior page. |
| Base Comp (Per) (base compensation period) | PKG_MDL_BSE_PE_APP | Develop Workforce, Recruit Workforce (GBL), Use Lcl, AUS Applicant Salary Package, Base Comp (Per) | Enter base component details (for applicants) that drive package value calculations on a prorated basis—in other words, the actual value of the component for the period for which it is effective. |
| Addnl Comp (Per) (additional compensation period) | PKG_MDL_ADD_PE_APP | Develop Workforce, Recruit Workforce (GBL), Use Lcl, AUS Applicant Salary Package, Addnl Comp (Per) | View the additional component values for applicants (expressed as part year values, depending on the start and end dates of the components) associated with the prior page. |
| Salary/Tax | PKG_MDL_SAL_NT_APP | Develop Workforce, Recruit Workforce (GBL), Use Lcl, AUS Applicant Salary Package, Salary/Tax | View the impact to the applicant's salary and tax obligations based on the package model. |

| Page Name | Object Name | Navigation | Usage |
|--------------|--------------------|---|---|
| Budget Entry | PKG_MDL_BUDGET_APP | Develop Workforce, Recruit Workforce (GBL), Use Lcl, AUS Applicant Salary Package, Budget Entry | Set up a budget for the planned expenditure of a component for applicants. Accessed by clicking the Bud button on the Base Components page. |

Understanding How Applicant Package Modelling Fits into Recruitment

The following diagram represents an overview of the recruitment process and how you can use applicant salary package modelling in your recruiting efforts.



How applicant package modelling fits into your recruitment business process

Defining Applicant Salary Packages

Access the Applicant Model page.

Note. Most of the information on this page is identical to the information on the Employee Package Model page. This discussion highlights only the differences. No job record or payroll data exists for information to default from, so you need to enter data.

Package Definition

| | |
|--|--|
| Package Status | Always Proposed for applicants. You can't confirm or enroll packages for applicants. The applicant would need to be hired, and then have the package confirmed and enrolled through the Employee Packaging pages. |
| Company | The company with the vacant position or job. |
| Tax Scale and Payroll Tax State | These values are used in the calculation of gross to net income figures and payroll tax liabilities. However, if the applicant is not an employee, enter these values or select from the list of valid values. |
| Job Code | The job code from the job requisition, which ensures that when modelling you are using the same defaults and rules that apply to the job for employees. The job code is not saved with the applicant model. It is used only to initialize the Template and Rule ID fields. |

See Also

Defining Employee Salary Package Details

Modelling Salary Packages for Employees

“Managing Salary Packages,” Confirming Salary Packages for Applicants on Hire

Setting Up Annual Base Components for Applicants

Access the Base Components page.

Note. Set up salary package model information for applicants using the Applicant Salary Package component in the same way that you set up salary package model information for employees (using the AUS Applicant Sal Package component). All of the information on this page is identical to the information on the Base Components page for employees.

See Also

Setting Up Annual Base Components for Employees

Entering Package Component Budget Details for Applicants

Access the Budget Entry page.

Note. Set up salary package model information for applicants using the Applicant Salary Package component in the same way that you set up salary package model information for employees (using the AUS Applicant Sal Package component). All of the information on this page is identical to the information on the Budget Entry page for employees.

See Also

Entering Salary Package Component Budget Details for Employees

Viewing Annual Additional Salary Package Components for Applicants

Access the Addnl Components page.

Note. Set up salary package model information for applicants using the Applicant Salary Package component in the same way that you set up salary package model information for employees (using the AUS Applicant Sal Package component). All of the information on this page is identical to the information on the Addtlnl Comp (Per) page for employees.

See Also

Viewing Annual Additional Salary Package Components for Employees

Setting Up Period Base Components for Applicants

Access the Base Comp (Per) page.

Note. Set up salary package model information for applicants using the Applicant Salary Package component in the same way that you set up salary package model information for employees (using the AUS Applicant Sal Package component). All of the information on this page is identical to the information on the Base Comp (Per) page for employees.

See Also

Setting Up Period Base Components for Employees

Viewing Period Additional Salary Package Components for Applicants

Access the Addnl Comp (Per) page.

Note. Set up salary package model information for applicants using the Applicant Salary Package component in the same way that you set up salary package model information for employees (using the AUS Applicant Sal Package component). All of the information on this page is identical to the information on the Addtl Comp (Per) page for employees.

See Also

Viewing Additional Period Components for Employees

Viewing Package Component PAYG Tax Liabilities for Applicants

Access the Salary / Tax page.

Note. Set up salary package model information for applicants using the Applicant Salary Package component in the same way that you set up salary package model information for employees (using the AUS Applicant Sal Package component). All of the information on this page is identical to the information on the Salary/Tax page for employees.

See Also

Viewing Package Component PAYG Tax Liabilities for Employees

Copying Applicant Salary Packages to the Employee Salary Package Component

After you have hired an applicant and created the applicant's salary package, you copy the salary package and applicant ID over to the Employee Salary Package component using the Appl to Empl Copy page in the Recruit Workforce menu. This enables you to then view and confirm the applicant's package details as an employee.

In this section, we discuss how to copy applicant salary packages to employees.

Pages Used to Copy Applicant Salary Packages to the Employee Salary Package Component

| <i>Page Name</i> | <i>Object Name</i> | <i>Navigation</i> | <i>Usage</i> |
|---|--------------------|---|---|
| Appl to Empl Copy (applicant to employee copy) | PKG_APP_CPY | Develop Workforce, Recruit Workforce (GBL), Use Lcl, AUS Move App Salary Pkg to Emp | Copy applicant salary packages over to the Employee Salary Package component. |

Copying Applicant Salary Packages to Employees

Access the Appl to Empl Copy page.

Copy to Employee ID

The ID you created when the applicant was hired.

Confirm Copy

When you select this check box, the applicant's ID and salary package are copied over to the Employee Salary Package component. This enables you to then view and confirm the applicant's package details as an employee.

See Also

“Managing Salary Packages,” Confirming Salary Packages

CHAPTER 4

Managing Salary Packages

This chapter provides an overview of the management of salary packages for Australia and discusses how to:

- Confirm salary packages.
- Enrol salary packages.
- Review salary packages.
- De-enrol salary packages.
- Make effective-dated changes to salary packages.

Understanding Managing Salary Packages

After modelling a salary package for an employee, confirm and enrol the package to facilitate payments through PeopleSoft Global Payroll.

This simple, two-step process establishes all compensation records for an employee's confirmed package. If details of employee's package change during the package year, you can change either the components or the component details in the package by making effective-dated changes to the package.

Note. If you are not using PeopleSoft Global Payroll, you can still enrol salary packages to track compensation. Enrolment creates compensation records for the employee on the employee's Job Data Compensation page based on the components in the employee's confirmed package. This information facilitates payments and expense tracking. If you are not using PeopleSoft Global Payroll, you can't track expenditure against the package using the Package Expense Summary page.

See Also

Confirming Salary Packages

Enrolling Salary Packages

PeopleSoft Global Payroll for Australia PeopleBook, "Monitoring Salary Packaging Expenditure for Australia," Reviewing Salary Package Expenditures

Common Elements Used in This Chapter

| | |
|--------------------------|---|
| Package Enrolment | This process enrolls compensation rates on the Job Data Compensation page for all employees with a confirmed package. This process saves you the administrative overhead of updating each of the employee's records after a package has been confirmed. |
| De-enrolment | The process of removing an employee from a salary package. |

Confirming Salary Packages

When you have completed the modelling process and the employee has selected a package, confirm the selection online to identify the package against which payments should be made. Approving or confirming a modelled package is the last phase prior to enrolling the employee into the salary package.

As each employee chooses a package, identify the selected package by selecting the Confirmed check box on the Package Model page in the Salary Package component. After the package is confirmed, run the Package Enrolment process to enrol the employee based on the components in the package.

Note. After a package has been confirmed, the package status remains as *proposed*. This means that the employee has made a selection but has not yet been enrolled into the package. After the enrolment process is complete, the package status is updated to *current* and payments are made in accordance with the package components.

See Also

“Modelling Salary Packages”

Enrolling Salary Packages

De-enrolling Employees from Salary Packages

Confirming Salary Packages for Applicants on Hire

If you have been tracking and administering job applicants through the Recruitment feature of PeopleSoft Human Resources, when you hire applicants you don't have to re-enter all of the information you've already entered into the system. The information becomes part of the employee record after you copy the details over to the Employee Salary Package component using the Appl to Empl Copy page. This includes any salary package model that was completed through the AUS Applicant Salary Package component.

Because you can't confirm applicant package models, you must confirm the employee's selected package at the time of hire and then complete the Package Enrolment process as you would for other employees.

To model salary packages for job applicants that you are tracking in the Recruit Workforce business process, use the AUS Applicant Salary Package component located on the Recruit Workforce, Use Lcl menu.

Note. You can't confirm salary packages in the Recruit Workforce component. You must first hire the applicant, copy the applicant's package to the Employee Salary Package component, and then confirm the package in the Administer Salary Packaging menu.

See Also

“Modelling Salary Packages,” Copying Applicant Salary Packages to the Employee Salary Package Component and Modelling Salary Packages for Applicants

Enrolling Salary Packages

The Package Enrolment process creates compensation rates on the Job Data - Compensation page for all employees with a confirmed package. This process saves you the administrative overhead of updating each of the employee's records after a package has been confirmed.

You can run the package enrolment process for individual employees or for a pay group. Regardless of the selection criteria, enrolments are only completed for confirmed packages with a status of *proposed*.

When enrolling employees, the system identifies the relevant payroll information from the component definitions. Each component and additional component has a compensation rate code attached. The system uses this information to enrol employees.

Pages Used to Enrol Salary Packages

| <i>Page Name</i> | <i>Object Name</i> | <i>Navigation</i> | <i>Usage</i> |
|-------------------|--------------------|--|------------------------------------|
| Package Enrolment | RUNCTL_PKG001 | Compensate Employees, Administer Sal Packaging (AUS), Process, Package Enrolment | Run the Package Enrolment process. |

Initiating Salary Package Enrolment

Access the Package Enrolment page.

When enrolling an employee through salary packaging for the first time, the rate codes on the employee's Job Data - Compensation page are replaced with all of the salary packaging rate codes (unless the original rate code is *not* flagged as Maintained by Salary Packaging).

If the employee has been packaged before, and you are enrolling a package because of review or an amendment, then the enrolment process treats the package as a new package. All salary packaged flagged compensation rate codes are deleted and new codes inserted.

Note. Regardless of the selection criteria, the package enrolment process is completed for only *confirmed* packages.

You can see the result of the package enrolment process by viewing the impacted employee's job data record before and after running the enrolment process.

The Job Data - Compensation page displays the employee's compensation rate. It also indicates the source of the record with the Salary Packaged check box. If the record was not created by the package enrolment process, the Salary Packaged check box clears.

After you have run the package enrolment process, both the action/reason code and the Salary Packaged check box indicate that a salary packaging process inserted this record.

See Also

PeopleSoft Human Resources PeopleBook: Administer Workforce, “Hiring Your Workforce,” Entering Worker Compensation Information

Reviewing Salary Packages

Salary Packages are generally effective for a year and subsequently subject to annual review. Regardless of the period of the package, it is necessary to review the package near the end of its effective period and establish a new package. Reviewing a package involves:

- Reconciling the expenditure against the package.
- Remodeling where necessary.
- Confirming and enrolling the new package for payment.

Most organisations align their employee package reviews with the calendar using the calendar year, the tax year, or the financial year to determine the review cycle. This makes it easy to remember when employee packages are due for review.

However, you might align an employee's package with the employee's service or some other anniversary. This could mean that review periods are not consistent across your employee population. To handle this situation, run the Packages Due for Review report to identify any employee whose package is due for review in a specified period.

In this section, we discuss how to:

- Identify salary packages due for review.
- Remodel the employee's salary package.

Identifying Salary Packages Due for Review

View the review date for each employee package on the Package Model Table page in the Employee Salary Package component. The review date defaults when modelling the package. The default is for the review date to equal the package end date. Override this value if necessary. You can run the Packages Due for Review report to identify all employees who have salary packages due for review.

See Also

PeopleSoft Application Fundamentals for HRMS PeopleBook, “Appendix: PeopleSoft Application Fundamentals for HRMS Reports,” Administer Salary Packaging Reports and PKG003 - Salary Packaging - Models Due for Review

Remodelling the Employee's Salary Package

Before you can remodel an employee's package, reconcile the expenditure against the existing package. In this section, we discuss both processes:

- Reconciling expenditure.
- Remodeling the salary package.

Reconciling Expenditure

You should understand the expense calculation process and the package summary information before attempting to reconcile a package. At the package period end date, employees may have overspent or underspent their budgeted package entitlements. Before modelling a subsequent package, reconcile the differences.

When reconciling a package, you can deal with the differences in a number of ways. For a package that is overspent, you recover the difference as an overpayment or reduce the value of the subsequent package. Similarly, you can pay out underspent components or include the value in the subsequent package. The method of reconciling the differences varies from organisation to organisation.

Any action taken to pay or recover differences at the end of the package year should be made through the payroll. Any adjustment to subsequent packages can be in the form of adjusted values for existing components or by defining a separate component to track the adjustment.

Remodeling the Salary Package

When you have identified the employees requiring package review, remodel their packages. This process can be as simple as inserting a new effective dated package and confirming and enrolling the package, or it can be far more complex. The complexity depends on the changes to the employee's package.

| |
|---|
| To remodel a salary package for an employee: |
|---|

1. Open the current salary package and insert a new row.

When you insert a new package, all of the current details from the current package are defaulted, including the component details. The component from and to dates default to the package start and end dates. Components with an end date in the current package, which is prior to the start date of the new package, do not default from the current package because they are already ended.

2. To remodel for the employee, ensure that the effective date of the package is outside the package start and end dates for the existing package.

If the effective date is between the package start and end dates, it is regarded as an effective-dated change to the existing package rather than a new package model.

A new package model resets package expenditure and reinitializes the component from and to dates (to match the package start and end dates). An effective-dated change does not reset package expenditure or reinitialize the from and to dates.

3. Change any of the package details at the package or component level.

The package balance is recalculated based on the changes you make. If, however, you change the template ID used for the package, all package details are cleared and you must repackage all of the details for the employee.

If you have not modified the template ID for the employee, all of the package details are retained. Because changes are likely to be minor (such as an increase in the salary component or minor adjustment to other components), using the details of the employee's current package is the most efficient method of repackaging.

Check some package component details when repackaging on review. These details include estimated distance travelled for a motor vehicle component or other component, as well as details that can change year to year that are not evident in the package display.

4. After you enter the new package details, confirm and enrol the package.

Note. If you are tracking expenditures for packages, run the package expense calculation before remodeling the package. This ensures that the final expenses have been recorded against the package.

See Also

“Modelling Salary Packages”

PeopleSoft Global Payroll for Australia PeopleBook, “Monitoring Salary Packaging Expenditure for Australia”

De-enrolling Employees from Salary Packages

Sometimes it is necessary to de-enrol employees from salary packaging. You might have areas of your organisation that are administered through salary packaging and other areas that have salary- or hourly-based employees with no other packaged benefits. If this is the case, employees are likely to move from one area of the organisation to another.

To remove an employee from a salary package, update the employee's salary package record with a package end date and de-enrol the package. Review the employee's job data to ensure accurate payments under the conditions of the new position.

You might need to reconcile expenditure against the package before completing the de-enrolment and adjust any components over or underspent.

Note. Always run the expense calculation process before de-enrolling the employee from the package.

See Also

PeopleSoft Global Payroll for Australia PeopleBook, “Monitoring Salary Packaging Expenditure for Australia”

Enrolling Salary Packages

Initiating Salary Package De-enrolment

To access the Package De-enrolment page and run the Package De-enrolment process, navigate to Compensate Employees, Administer Sal Packaging (AUS), Process, Package De-enrolment. You also use this page to run the Package Enrolment process.

Before you can run the Package De-enrolment process, indicate that the package is to be de-enrolled and review the package end date on the Package Model page.

The package de-enrolment process updates the job record with a new effective-dated row. The new Job Data record has an effective date that is the day after the package end date. The action/reason indicates that it is a De-enrol Salary Package record.

No change is made to the compensation rate when de-enrolling an employee from salary packaging. Review the job data details, especially the compensation rate, to ensure that the details of the new job or conditions are accurate.

Note. Regardless of the selection criteria, the system de-enrolls only those packages with the De-enrolment check box selected and a current package end date on the Package Model page in the Salary Package component.

See Also

“Modelling Salary Packages,” Defining Employee Salary Package Details

Enrolling Salary Packages

Making Effective-Dated Changes to Confirmed Salary Packages

Details in a package may change during the course of the package period. The employee might choose to discontinue a package component, or the details of a component might change because of legislation or company policy. You can reflect these changes as effective-dated changes to a package.

If you know of these changes at the time of modelling the package for the employee, it is possible to use the component from and to dates to reflect the changes.

If you do model the package to reflect changes in component details during the course of the package, the package enrolment process recognises these changes and inserts multiple records for the respective benefit, deduction, or payroll data. This ensures that accurate payments can be made without further intervention.

If, however, you do not know about changes immediately, and you have to change details later in the year, you can simply enter an effective-dated change. After you confirm and enrol the change, it is administered through payroll, in accordance with the new package details.

| |
|--|
| To make an effective-dated change to an employee package: |
|--|

1. Access the current salary package by using the Package Model page in the Employee Salary Package component.
2. Insert a new effective-dated row.
3. Modify the effective date to indicate the effective date of the change you are making.

The effective date controls whether you are making a change to an existing package or model a new package.

4. If you are making an effective-dated change to an existing package, the effective date must be between the package start and end dates of the existing package.
5. If you make an effective-dated change where the effective date is equal to the effective date of a package that is already confirmed, use the model number to show that this is a later change.

By incrementing the model number to any number higher than the confirmed model, the new record is recognised as a later change for that effective date.

In this section, we discuss how to:

- Change existing packages and model new packages.
- Work with budgets and the carry forward amounts.

Changing Existing Packages and Model New Packages

The difference in process between remodelling for an employee and making an effective-dated change in a package is subtle. Essentially, the only difference is whether the new effective date is within or outside the package period for the existing package.

Despite the subtlety in process, the business impact is more dramatic. Modelling a new package for an employee, on review or for any other reason, means that all expenditure values are reset. This means that when you next look at the Expense Summary process, it reflects only expenditures since the new model was enrolled and payments were made against that package.

When you make an effective-dated change to a package, the expenditure details for the package to date are retained. If you are viewing details of this package through the Expense Summary pages, you can see expenditure information for all components within the package period—regardless of whether they were before or after the effective-dated change. This enables you to see a complete history of the package, including the detail changes.

All of the package and component details default from the previous package, except for components that had an end date earlier than the effective date of the current package. Now you can change any of the component details, including the component dates, or add new components to fit your needs.

See Also

PeopleSoft Global Payroll for Australia PeopleBook, “Monitoring Salary Packaging Expenditure for Australia”

Working With Budgets and the Carry Forward Amounts

The Base Components and Base Comp (Per) pages include a carry forward (C/F) amount C/F TPV/TEC that you use to ensure the accuracy of the package values when making effective-dated changes to the package. The adjustment amount ensures that the package total is correct, regardless of the timing and the type of effective-dated changes to the package.

The carry forward amount is important if you have used the budget capabilities to calculate the expected expenditure of components. The amount represents the difference between the prorated value of the package (up to the effective date of the change) and the budgeted value of the package for the period.

For example, you package a component that represents an employee's bonus payment. The calculated value of the component is \$10,000. You know that you pay bonuses only once a year in February. When budgeting this component, you can identify that the \$10,000 is attributable to the February pay period. To ensure data integrity, you must ensure that the amount budgeted and the component value are equal.

When you define the budget, it has no effect on the expenditure of the component. Expenditure is controlled through the payroll enrolments (which assume a regular rate of expenditure) and any overrides done through payroll.

If you then make an effective-dated change to the package, recognise the budget you have set and adjust the package values accordingly.

For example, an employee has a package that is effective for a year, from July 7, 2000, to June 6, 2001. The package was modelled from the top down with the Total Employment Cost (TEC) set to \$120,000. The Total Package Value (TPV) was calculated to be \$85,000.

Without budgeting, we would have assumed a regular rate of expenditure of \$10,000 per month, based on the TEC of \$120,000. In this situation, any effective-dated change that is made two months into the package would assume \$20,000 has been expended and calculate the package values accordingly. This means that for the remainder of the package, the employee has \$100,000 left to expend.

By using budgeting, you can ensure that the package better reflects the real world. Because of putting money aside for holidays, bonuses paid only annually, and any other possible variables, it is likely that the rate of expenditure will be irregular. In the real world, it may be that \$75,000 of the TEC is budgeted in the first six months of the package and \$45,000 in the last six months.

In this situation, it is necessary to adjust the package value to reflect any irregularities in expenditure.

Taking the example a little further, we created a package with values of \$120,000 TEC and \$85,000 TPV. We budgeted to spend \$75,000 evenly over the first six months and \$45,000 in the last six months. We make an effective-dated change to the package after two months. This change does not alter the TEC or the TPV but rather modifies various component details. Based on the budget, we want the employee to spend only \$95,000 over the remaining 10 months of the package. This is because the employee was budgeted to have spent \$25,000 in the first two months.

When calculating the package values, we need to adjust the package by \$5,000. This amount is the difference between the prorated value of the package (up to the effective date of the change) and the budgeted value of the package for the period.

Here is the calculation of the prorated value of the example package:

$$\$120,000 / 12 \text{ (months in year)} \times 2 \text{ (months elapsed)} = \$20,000$$

The budgeted value of the package for the period is \$25,000 (assuming a regular rate of expenditure on the \$75,000 budgeted in the first six months). This value is extracted from the details stored against the package.

The difference between the two is \$5,000. This value represents the amount of the package that was budgeted before it would have been entitled, or in arrears if the package was budgeted to spend less early in the year and spend more later in the year. This amount can be seen as the carry forward amount (C/F TPV/TEC) on the effective-dated change to the package.

Note. The adjustment amount doesn't consider actual expenditure. It looks at the value of the package, the period of the package that has already elapsed, and the details entered by the user for the budgeted expenditure for the package.

See Also

“Modelling Salary Packages,” Entering Salary Package Component Budget Details for Employees and Entering Package Component Budget Details for Applicants and Setting Up Annual Base Components for Employees and Setting Up Period Base Components for Employees

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