



PeopleSoft 8.3 Human Resources PeopleBook: Manage Variable Compensation

PeopleSoft 8.3 Human Resources PeopleBook: Manage Variable Compensation

SKU HRr83HVC-B 1001

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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

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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

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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"/>		<input style="background-color: yellow;" type="button" value="+"/>	<input style="background-color: yellow;" type="button" value="-"/>		

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**).

Italics Indicates a PeopleSoft or other book-length publication. We also use italics for *emphasis* and to indicate specific field values. When we cite a field value under the page on which it appears we use this style: *field value*.

We also use italics when we refer to words as words or letters as letters, as in the following: Enter the number *0*, not the letter *O*.

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

About These HRMS PeopleBooks, **PeopleSoft 8.3 HRMS PeopleBooks Preface**

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: Manage Variable Compensation

This book provides you with the information you will need for implementing and using PeopleSoft Human Resources: Manage Variable Compensation.

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

Overview of Variable Compensation

This chapter provides a brief overview of:

- Variable compensation plan definition.
- Eligibility and awards processing.
- Award payout.
- Reporting.
- Sample business process diagrams.

Defining a Plan

The Manage Variable Compensation business process in PeopleSoft Human Resources offers flexibility in designing variable compensation plans. Select from a variety of methods of setting up:

- Plan types.
- Plan membership.
- Goals.
- Other plan business rules and options.

Selecting Plan Type

Select from ten plan types in three major categories:

Monetary

Plan types are Discretionary Bonus, Profit Sharing, and Goal Sharing.

Non-Monetary

Calculate awards in units.

Define a valuation amount per unit to report the monetary value of the award.

Stock

Plan types include ISO, NQ, NSAR, RSA, and ISAR.

Integrates with PeopleSoft Stock Administration.

See Also

“Setting Up Variable Compensation Plans,” Overview of Variable Compensation Plan Types

Determining Plan Membership

Select from four methods of administering plan membership.

Ad Hoc Awards

- Enter employees and their award amounts directly.
- No formulas or calculation processes required.
- Optional funding and approval process.

Employee Variable Compensation Record

- Determine membership and target payout at the individual employee level.
- Maintain membership and payout continuously when an employee’s job changes.
- Associate each employee with one or more variable compensation plans.

Employee Variable Compensation Record with Groups

- Define and maintain target payouts at an individual level.
- Define and maintain membership through groups.
- Define groups in Group Build and assign them to hierarchical variable compensation trees.

Define Tree/Group

- Define payouts and membership through groups.
- Define groups in Group Build and assign them to hierarchical Variable Compensation trees.

See Also

“Setting Up Plan Membership ”

Using Goals

For performance-based plans, select from two methods of administering goals:

Weighted goals

Set up weighted goals at the organizational, individual, and/or group level and enter attainment percentages. The system calculates a performance factor for each level of goals and applies the factor when calculating the employee's award.

Goals Matrix

Set up an organization or group level goals matrix. Associate payout formulas with the performance levels on the matrix. The organization or group performance score determines the payout formula used to calculate the employees' awards.

See Also

“Managing Plans With Weighted Goals”

“Managing Plans With Matrix Goals”

Selecting Other Plan Business Rules and Options

After determining plan membership and selecting the variable compensation plan type, you can select additional plan business rules and options. Some options are restricted or required according to the plan type and membership rule.

Plan Payouts

Assign target payouts at the individual or group level, depending on the plan member rule. Minimum and Maximum payouts are optional.

Eligibility Proration (optional)

Calculate in daily, weekly, or monthly frequency. Select from three methods of calculating daily frequency.

Calculate a Budget (optional)

Run the Budget Report to estimate the total outlay under the plan, considering 100% eligibility and your estimated goal attainments.

Funding (optional)

- Allocate funds (currency or units) to a plan and monitor the balance as you distribute awards.
- After funding the plan, managers allocate plan funding to the various groups on the tree if the plan uses groups.

- If funds are insufficient to pay out awards as calculated, the system calculates and applies an adjustment factor to each employee's award that is above the minimum payout.

Reserves (optional)

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

Carryover Balances (optional)

Use carry over balances at the individual employee level as a smoothing mechanism.

- The balance can be carried over for the life of the plan.
- Select carryover on the VC Plan - Plan Business Rules page.
- Administer carryover on the Award Allocation page.
- Monitor carryover using the Carryover report.

Guarantees (optional)

- If you establish the target payout at the employee level, you can also specify a guarantee for the employee and adjust the calculated award based on the guarantee.
- Set guarantees on the Empl Var Comp page.
- Adjust awards on the Award Allocation page.
- Monitor guarantees using the Guarantee report.

Award Approval (optional)

Approve awards manually or use the batch approval process. For security purposes, identify the authorized approver at the plan or group level.

See Also

“Setting Up Variable Compensation Plans”

“Managing Eligibility and Proration”

“Funding Variable Compensation Plans and Groups”

“Managing Awards Approval and Payout ”

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

Processing Eligibility and Awards

For all but Ad Hoc Award plans, use three calculation processes to administer variable compensation plans.

Calculate Eligibility/Proration process

- Calculates eligibility status and proration factors.

Determine Allocations process

- Calculates target awards.
- Calculates organization and group level performance factors for weighted goal plans.

Calculate Awards process

- Calculates awards using the target payout formula, to which it applies performance factors (if goals are used), a proration factor (if the plan is prorated), and an adjustment factor (if the plan is funded).
- If the employee was eligible for the entire period, the process adjusts the award if it is under the minimum payout or over the maximum payout.
- Calculates the monetary value of non-monetary awards and applies rounding and decimal rules.
- After running the calculation process, the system provides full details of all calculations on the Award Allocation page, where you can manually adjust awards before approving them.

See Also

“Managing Eligibility and Proration”

“Calculating Allocations and Awards ”

Managing Award Payout

The system uses application messaging to automatically publish awards to PeopleSoft Payroll for North America, PeopleSoft Global Payroll, or PeopleSoft Stock Administration. If the employee is paid through PeopleSoft Payroll Interface, the system automatically generates a flat file.

See Also

“Managing Awards Approval and Payout ”

Variable Compensation Reports

Reports help you make decisions as you progress through the variable compensation business process and summarize your variable compensation results.

See Also

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

Sample Variable Compensation Process Flows

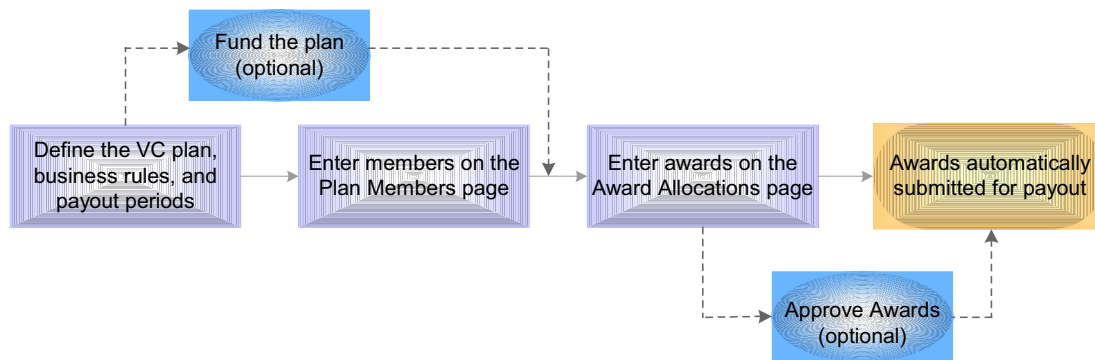
The following business process diagrams illustrate some of the possibilities for assembling and administering variable compensation plans.

Ad Hoc Plan

Plan Definition

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

Process Illustration



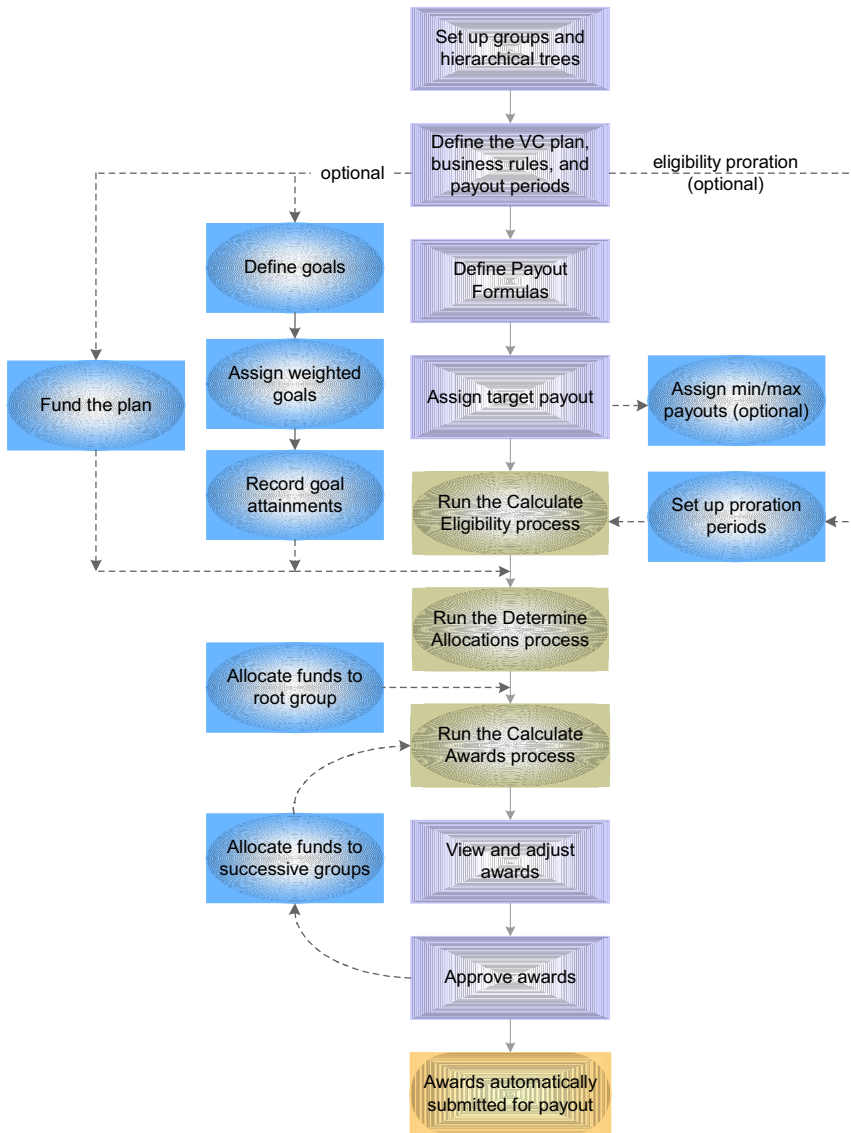
Ad Hoc Awards business process with optional funding and approval

Define Tree/Groups Plan

Plan Definition

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

Process Illustration



Sample Define Tree/Groups plan with goals, proration, and funding

CHAPTER 3

Setting Up Variable Compensation Plans

This chapter provides overviews of control table setup and variable compensation plan types and describes how to:

- Define payout formulas.
- Define valuation.
- Set up variable compensation plans.
- Assign payout formulas.

Overview of Control Table Setup

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

Control Table	Which Plans Use This Control Table
Payout Formula	Required for all plans except those with Ad Hoc Award as the plan member rule.
Valuations	Required for non-monetary and stock plans only.
Goals	Required when the plan type is Goal Sharing and for any other plan that you administer using goals.
Proration periods	Required for plans that specify Calculate Proration as a plan business rule.
Workday Rules	Required for the Workday Schedule method of calculating eligibility proration.
Proration Percentage Rule	Required for the Proration Percentage method of calculating eligibility proration.

See Also

“Managing Eligibility and Proration,” Setting Up Proration Tables

Defining Payout Formulas

Construct Structured Query Language (SQL) statements and assign them a Payout Formula ID on the Payout Formulas page. Select from the Payout Formula IDs when you set up target, minimum, and maximum payouts for employees, groups, or plans, or when you set up a matrix goal payout schedule.

The payout formula that you define can be a flat amount or a complex SQL statement based primarily on the employee’s Job record.

Page Used to Define Payout Formulas

Page Name	Object Name	Navigation	Usage
Payout Formula	VC_PAYFORM_TBL	Compensate Employees, Manage Variable Compensation, Setup, Payout Formulas, Payout Formula	Define a formula that the Determine Allocation process and Calculate Award process will use to calculate funding and award allocations. The payout formula is a Structured Query Language (SQL) statement that you define on this page.

Creating a Payout Formula

Access the Payout Formula page.

Payout Formula

Payout Formula ID: K10PCT

Payout Formula Criteria View All First 1 of 1 Last

*Effective Date: 01/01/2000 *Status: Active

*Description: 10% Employee Base Salary

Short Description: 10% Annl

Pay Formula SQL: JOB.ANNUAL_RT * 0.1

Rounding Rule: Up Decimal Places: 0

Payout Formula Details View All First 1-3 of 3 Last

Sequence	Operand	Value/Rec/Rate Code	Field Name	
1	Rec.Field	JOB <input type="text"/>	ANNUAL_RT <input type="text"/>	<input type="button" value="+"/> <input type="button" value="-"/>
2	*			<input type="button" value="+"/> <input type="button" value="-"/>
3	Constant	0.100000000		<input type="button" value="+"/> <input type="button" value="-"/>

Payout Formula page

Payout Formula Criteria

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

Rounding Rule The rule to apply to award calculations that use this payout formula. Select from:

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

Standard: Use the standard IEEE rounding rules.

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

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

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

Payout Formula Details

Sequence (Required) This number determines the order in which the SQL generator builds the formula. Entering sequence numbers in increments of five or 10 gives you room to add a component to the formula without renumbering all the existing components. When you save the page, the system sorts your components according to their sequence numbers.

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

Operand Enter an operand for the component. The Operand that you select determines the other fields that are hidden or displayed on the page. The following table lists the valid operand values and the additional fields displayed for each:

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

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

Value/Rec/Rate Code

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

<i>Operand Selected</i>	<i>Value/Rec/Rate Code</i>
<i>Constant</i>	Enter a fixed amount. This Value can be a percent or other fixed value to be used in the calculation. For non-monetary plans, enter the number of units to be awarded to each plan member.
<i>Rate Code</i>	Enter a Rate Code from the Rate Code table.
<i>Rec. Field</i>	Select a Record from the following available options: <i>EMPLOYMENT, JOB, PERSONAL_DATA,</i> and <i>SAL_GRADE_TBL.</i>

Field Name

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

See Also

Setting Up and Reporting Non-Monetary Plans

Payout Formula Example

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

Defining Valuation

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

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

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

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

See Also

Overview of Variable Compensation Plan Types

Page Used to Define Valuation

<i>Page Name</i>	<i>Object Name</i>	<i>Navigation</i>	<i>Usage</i>
Valuation	VC_VALUATION	Compensate Employees, Manage Variable Compensation, Setup, Valuations, Valuation	Define units of non-monetary and stock awards and assign a currency value for one unit. This page is required only if you set up non-monetary or stock variable compensation (VC) plans.

Creating a Valuation Definition

Access the Valuation page.

Valuation Details					
*Effective Date:	01/01/1980	*Status:			
*Description:	Non Cash Incentive				
Short Desc:	Non Cash				
*Amount:	50.00				
*Currency Code:	USD	US Dollar			

Valuation page

Effective Date

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

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

Amount

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

Currency Code

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

You can override the default value that the system enters.

Defining Goals

Use goals that you name and describe on the VC Goal Tbl (variable compensation goal table) page to set up a plan with either weighted goals or a goals matrix.

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

Page Used To Define Goals

<i>Page Name</i>	<i>Object Name</i>	<i>Navigation</i>	<i>Usage</i>
Vc Goal Tbl	VC_GOAL_TBL	Compensate Employees, Manage Variable Compensation, Setup, Goals, Vc Goal Tbl	Name and describe generic goals to use with variable compensation (VC) plans. Use the goals that you define here when you set up weighted goals or matrix goals for a VC plan. You do not need this page if you do not administer plans with goals.

See Also

“Managing Plans With Weighted Goals”

“Managing Plans With Matrix Goals”

Overview of Variable Compensation Plan Types

When you define a variable compensation (VC) plan, you must specify its type. The system provides 10 plan types. The topics in this section describe the unique steps required to set up plans in each of these categories. Additional setup options and procedures common to all plan types are in the discussion of the VC Plan setup pages.

Monetary Plan Types

Monetary plan types are as follows:

- | | |
|----------------------------|---|
| Discretionary Bonus | Select this type to label a plan for your own tracking. No special plan setup steps apply. Plan options are available according to the plan member rule. |
| Goal Sharing | Select either <i>Weighted Goals</i> or <i>Matrix Goals</i> and specify weighted goal percents or matrix columns on the VC Plan - Plan Definition page. For additional setup steps for using goals, see “Managing Plans With Goals.” |
| Profit Sharing | Select this type to label a plan for your own tracking. No special plan setup steps apply. Plan options are available according to the plan member rule. |

See Also

Specifying the VC Plan Definition

“Managing Plans With Weighted Goals”

“Managing Plans With Matrix Goals”

Setting Up and Reporting Non-Monetary Plans

A non-monetary plan generates awards in terms of units rather than money. Use this plan type to manage the award of various kinds of gifts and merchandise to employees. The plan is administered in terms of units. Set up of valuation of units for reporting purposes.

Setting Up Non-Monetary Plans

1. Define units of non-monetary awards and the value per unit on the Valuations Page.
2. Identify the number of units to be distributed to an employee on the Payout Formula Page.
Select *Constant* as the Operand and enter the number of units in the Value/Rec/Rate Code column.
3. Set up a plan with *Non-Monetary* plan type and select a Valuation ID on the VC Plan - Plan Definition Page.
4. Assign the payout formula to an employee, group, or plan.

Reporting on Non-Monetary Plans

Use the Non-Monetary report to track the number of units awarded under a plan and the value to employees.

See Also

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

Setting Up Stock-Type Variable Compensation Plans

Stock-type variable compensation (VC) plans require setup of valuation and funding. Use goals and other optional plan rules. The system uses valuation only for variable compensation reporting purposes, because stock prices can change so rapidly.

The variable compensation system provides five stock plan types for your organization’s tracking purposes. Within the Manage Variable Compensation business process, the system treats them all the same. Select one of the following stock plan types:

Stock ISO

Incentive Stock Option

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

The system provides some specific functionality to support the integration of PeopleSoft Stock Administration with the Manage Variable Compensation business process. The specific functionality is explained in this documentation wherever it occurs in the variable compensation business process.

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

Summary of Setting Up Stock-Type Plans

1. Define valuation of stock units on the Valuations Page.
2. Specify a Stock ID and Stock Plan on the VC Plan - Plan Definition Page.
 - If you use PeopleSoft Stock Administration, the Stock administrator sets up stock IDs on the and stock plans on the Stock Plan Table page.
 - If you do not use PeopleSoft Stock Administration to administer your stock plans, the Stock Plan and Stock ID fields won't appear on the Plan Definition page.
3. Specify a Valuation ID on the VC Plan - Plan Definition page.
4. Set up Plan Funding on the Plan Funding Page.

See Also

PeopleSoft Stock Administration PeopleBook, "Overview of Your Stock Options System," Stock Option Types

PeopleSoft Stock Administration PeopleBook, "Defining Stock Administration Business Rules," Creating a Stock ID, and Defining Stock Plans

"Funding Variable Compensation Plans and Groups"

Setting Up Other Plans

Most plans fit into one of the named plan types. If you have a plan that is not described by one of these plan types, use the plan type *Other*. The Manage Variable Compensation business process provides no specific functionality to support plans labeled *Other*, so we recommend selecting one of the remaining nine plan types whenever possible.

Defining a Variable Compensation Plan

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

Standard Terms

The following elements are common to the VC Plan pages.

VC Plan ID (variable compensation plan ID)

The unique identifier used to access many of the variable compensation pages. Once you open a page, the system displays the ID that you entered to access the page.

Payout Period ID

An identifier for the payout period, such as *Q1* for the first quarter. This is a key for many of the variable compensation pages.

Pages Used to Define a Variable Compensation Plan

<i>Page Name</i>	<i>Object Name</i>	<i>Navigation</i>	<i>Usage</i>
VC Plan - Plan Definition	VC_PLAN_TBL	Compensate Employees, Manage Variable Compensation, Setup, VC Plan, Plan Definition	Define a variable compensation plan, plan dates, earnings code, plan type, and specifics related to the plan type.
VC Plan - Plan Business Rules	VC_PLAN_BUS_RULE	Compensate Employees, Manage Variable Compensation, Setup, VC Plan, Plan Business Rules	Specify the method of administering plan membership and select optional business rules for the plan.
VC Termination Status	VC_EE_TERM_STAT	Click the EE Term Status link on the VC Plan - Plan Business Rules page.	Select the termination status codes that exclude employees from payment under a plan that has Empl VC Record as the plan member rule.
Plan Payout Periods	VC_PAYPRD_TBL	Compensate Employees, Manage Variable Compensation, Setup, VC Plan, Plan Payout Periods	Define or change the beginning and ending dates of a variable compensation plan's payout periods.

Specifying the VC Plan Definition

Access the Plan Definition page.

Plan Definition	Plan Business Rules	Plan Payout Periods
VC Plan ID: EVCADHOC1		
*Description: KVCADHOC1 ISO 95 PLAN		
Short Desc: KVCADHOC1		
*Plan Start Date: 01/01/1995	*Plan End Date: 01/01/2005	*Currency: USD
*Plan Type: Stock - ISO	Stock ID: EBAR1	Grants Test Suite Stock ID
Plan Goals:	Stock Plan: E1OPT95	OPTION STOCK PLAN
Plan Details View All First 1 of 1 Last		
*Effective Date: 01/01/1995	*Status: Active	+ -
Earnings Code:		
*GP Earnings:		
Valuation Id: E0002		

VC Plan - Plan Definition page

Plan Start Date

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

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

Plan End Date

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

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

Currency

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

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

Plan Type

Select from the available options: **Discretionary Bonus**, **Goal Sharing**, **Non-Monetary**, **Other**, **Profit Sharing**, **Stock ISO**, **Stock NQ**, **Stock NSAR**, **Stock RSA**, and **Stock ISAR**.

Fields Related to Plan Type

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

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

Plan Goals

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

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

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

Stock ID

Enter the ID that applies to this plan. Valid values prompt from the Stock table. This field does not appear if you do not use PeopleSoft Stock Administration.

Stock Plan

Enter the ID that applies to this VC plan. This field does not appear if you do not use PeopleSoft Stock Administration.

Plan Details

The plan definitions in this section of the page might change during the life of the plan. Insert a row and enter new data to modify a plan.

Earnings Code

Payroll reporting code. Applies to awards paid out through PeopleSoft Payroll for North America.

GP Earnings

Payroll reporting code. Applies to awards paid out through PeopleSoft Global Payroll.

Valuation ID	<p>Select an ID from the available options, which prompt from the VC Valuation table. This field appears only if the Plan Type is <i>Non-Monetary</i> or one of the <i>Stock</i> types.</p> <p>The ID that you select must be defined with the same currency code as the Currency Code that you select for this Plan ID.</p> <p>This field represents only the valuation ID. The monetary value associated with the valuation ID used to calculate the award value is determined using the maximum effective-dated row on the VC Valuation table that is equal to or less than the payout period end date.</p>
Matrix Columns	<p>This field appears if you select <i>Goals Matrix</i> in the Plan Goals field. Select the number of columns that you will set up in your goals matrix: <i>Three</i>, <i>Five</i>, or <i>Seven</i>.</p>

Goal Weights Group Box

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

Org Weight (organization weight)	Enter the relative percentage of organizational goals compared to other goals used in administering the plan.
Group Weight	<p>Enter the relative percentage of group goals compared to other goals used in administering the plan.</p> <p>Indicate a weight for group goals only if the plan's Group Member Rule is <i>Empl VC Rec with Groups</i> or <i>Define Tree Group</i>, as specified on the VC Plan - Plan Business Rules page.</p>
Ind Weight (individual weight)	Enter the relative percentage of individual goals compared to other goals used in administering the plan.
Total Weight	The system computes the totals of the percentages as you enter them at each level and displays the sum in the Total Weight field. Adjust the weights until the sum of all levels equals 100 percent.

See Also

Overview of Variable Compensation Plan Types

“Managing Plans With Weighted Goals”

“Managing Plans With Matrix Goals”

Specifying Plan Business Rules

Access the Plan Business Rules page.

VC Plan - Plan Business Rules page

Plan Member Rule

Select the rule to use to administer membership under this VC plan: **Ad Hoc Award**, **Empl VC Record** (employee variable compensation record), **Empl VC Record with Groups** (employee variable compensation record with groups), and **Define Tree/Group**.

EE Term Status (employee termination status)

This link appears if you select **Empl VC Record**. Click to access the VC Termination Status page, where you select the termination status codes that exclude employees from payment under the plan.

Static Plan Rules

Static Plan Rules

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

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

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

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

Funded Plan Select if you allocate a funding amount to the VC plan or are defining a stock-type plan.

Plan Details

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

Calculate Proration Select if you want to prorate eligibility under the plan. This check box is unavailable for entry if you selected the **Ad Hoc Award** option as the **Plan Member Rule**.

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

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

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

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

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

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

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

Plan Tree

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

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

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

See Also

“Setting Up Plan Membership” Plan Member Rule Definitions

“Funding Variable Compensation Plans and Groups”

“Managing Eligibility and Proration,” Calculating Eligibility and Proration

Selecting Termination Status Codes for Employee VC Record Plan Member Rule

Access the VC Termination Status page.

VC Termination Status

VC Plan ID: EE VC BON

Employee Status		View All	First	1-7 of 7	Last
1	<input type="text" value="D"/> <input type="button" value="Q"/> Deceased	<input type="button" value="+"/>	<input type="button" value="-"/>		
2	<input type="text" value="Q"/> <input type="button" value="Q"/> Retired With Pay	<input type="button" value="+"/>	<input type="button" value="-"/>		
3	<input type="text" value="R"/> <input type="button" value="Q"/> Retired	<input type="button" value="+"/>	<input type="button" value="-"/>		
4	<input type="text" value="T"/> <input type="button" value="Q"/> Terminated	<input type="button" value="+"/>	<input type="button" value="-"/>		
5	<input type="text" value="U"/> <input type="button" value="Q"/> Terminated With Pay	<input type="button" value="+"/>	<input type="button" value="-"/>		
6	<input type="text" value="V"/> <input type="button" value="Q"/> Terminated Pension Pay Out	<input type="button" value="+"/>	<input type="button" value="-"/>		
7	<input type="text" value="X"/> <input type="button" value="Q"/> Retired-Pension Administration	<input type="button" value="+"/>	<input type="button" value="-"/>		

VC Termination Status page

Employee Status

Select the employee status values that cause an employee to be ineligible under the plan. The eligibility process excludes employees from the plan if they have a selected status on their Job record as of the eligibility evaluation date.

Valid values are *Active, Deceased, Leave of Absence, Leave With Pay, Retired With Pay, Retired, Suspended, Terminated, Terminated With Pay, Terminated Pension Pay Out, Short Work Break, and Retired-Pension Administration.*

The following values are entered by default: *Deceased, Retired With Pay, Retired, Terminated, Terminated With Pay, Terminated Pension Pay Out, and Retired-Pension Administration.*

You may add and delete values to reflect the rules for each plan that you set up with Empl VC Record plan member rule. These selections are not effective-dated.

See Also

“Managing Eligibility and Proration,” Understanding Eligibility Status

Defining Plan Payout Periods

Access the Plan Payout Periods page.

The Plan Payout Period rows are unavailable for entry if the VC plan has expired or if any approved awards exist for that payout period.

Plan Definition		Plan Business Rules		Plan Payout Periods	
VC Plan ID: KCORP		Tree Plan - Corporate Compensation			
Payout Periods			View All First 1-4 of 4 Last		
	*Payout Period ID	*Period Begin Date	*Period End Date		
1	Q1	01/01/2000	03/31/2000	+	-
2	Q2	04/01/2000	06/30/2000	+	-
3	Q3	07/01/2000	09/30/2000	+	-
4	Q4	10/01/2000	12/31/2000	+	-

VC Plan - Plan Payout Periods page

Payout Periods

Payout Period ID	Enter an identifier for the payout period, such as <i>Q1</i> for the first quarter.
Period Begin Date	Enter the beginning date of the payout period. As the default date, the system enters the day after the prior period's end date. For example, if the prior period's end date is 01/31/2000, the next period's default begin date is 02/01/2000. After you save the page, the system sorts the rows by Period Begin Date .
Period End Date	Enter the last date in the payout period. If the date that you enter is later than the Plan End Date as defined on the Plan Definition page, the system issues the error message "Period End Date must not exceed the Plan End Date of [selected plan end date]." If the Period Begin Date of one period overlaps with the Period End Date of another period, the system issues the message, "Payout Period dates must not overlap."

Assigning Payout Formulas

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

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

Determining Payout Award Formulas

Minimum Payout	The minimum award that a plan or group member should receive.
Target Payout	The award a plan member would receive upon 100 percent completion of objectives.
Maximum Payout	The maximum award that a plan or group member should receive.

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

If the calculated award is less than the minimum award, the process overwrites the calculated award with the minimum. If the calculated award exceeds the maximum, the process

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

Deciding Which Payouts Page to Use

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

<i>Plan Rule</i>	<i>Plan Payouts Page</i>
Ad Hoc	Do not assign payout formulas; instead, enter the award amount directly on the Award Allocations page.
Employee VC Record	Use the Plan Payouts page to assign optional minimum and maximum payouts at the plan level. (Assign the Target Payout at the employee level on the Employee Variable Compensation page.)
Employee VC Record with Groups.	Use the Plan Payouts with Groups page to assign optional minimum and maximum payouts at the group level. (Assign the Target Payout at the employee level on the Employee Variable Compensation page.)
Define Tree/Group	Use the Plan Payouts with Groups page. The system applies payouts established on this page to all members of the selected group and to child groups for which you do not specify otherwise.
Matrix goals (with any plan member rule except Ad Hoc)	Do not use either of these pages; instead, associate payout formulas with the goals matrix on the Matrix Goals: Payout Schedule Page.

See Also

“Calculating Allocations and Awards ”

“Managing Plans With Matrix Goals,” Assigning Payout Formulas to Performance Score Ranges

Pages Used to Assign Payout Formulas

Page Name	Object Name	Navigation	Usage
Plan Payouts	VC_PAYOUT	Compensate Employees, Manage Variable Compensation, Setup, Plan Payouts, Plan Payouts	Assign payout formulas at the minimum and maximum levels under the plan. Plans that use matrix goals or Ad Hoc membership are not available. Use this page if the Plan Member Rule is Empl VC Record.
Plan Payouts with Groups	VC_PAYOUT_WG	Compensate Employees, Manage Variable Compensation, Setup, Plan Payouts with Groups, Plan Payouts With Groups	Assign payout formulas at the target, minimum, and maximum levels under the plan. Plans that use Matrix goals are not available.

Assigning Payout Formulas for Empl VC Record Plans

Access the Plan Payouts page.

Plan Payouts

VC Plan ID: EEVC1 Bonus plan with individual target formula

Payout Values View All First ◀ 1 of 1 ▶ Last

Effective Date: 01/01/2000 **Status as of Effective Date:** Active

Minimum Payout: 05% Employee Base Salary

Target Payout:

Maximum Payout: 10% Employee Base Salary

Plan Payouts page

Payout Values

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

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

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

Field	Empl VC Record	Ad Hoc Award
Minimum Payout	Optional field.	Field unavailable for entry.
Target Payout	Field unavailable for entry. Set the Target Payout at the employee level on the Employee Variable Compensation Page.	Field unavailable for entry. Enter the award at the employee level directly on the Award Allocation Page.
Maximum Payout	Optional field.	Field unavailable for entry.

See Also

“Setting Up Plan Membership,” Setting Up Members With Employee Variable Compensation Record

“Calculating Allocations and Awards,” Viewing and Adjusting Award Allocations

Assigning Payout Formulas for Plans with Groups

Access the Plan Payouts With Groups page.

Plan Payouts With Groups

VC Plan ID: KCORP Tree Plan - Corporate Compensation

Plan Payouts View All First 1 of 1 Last

Effective Date: 01/01/2000 Status as of Effective Date: Active

Payout Values Per Group View All First 1 of 2 Last

*Group ID:	KCSALES	Sales CAN
Minimum Payout:	K5KFLAT	5000 Flat
Target Payout:	K10PCT	10% Employee Base Salary
Maximum Payout:		

Plan Payouts With Groups page

Group ID

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

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

Payout Values Per Group

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

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

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

<i>Field</i>	<i>Empl VC Record with Groups</i>	<i>Define Tree/Group</i>
Minimum Payout	Optional field.	Optional field.
Target Payout	Field unavailable for entry. Set the Target Payout at the employee level on the Employee Variable Compensation Page.	Required field except when the plan uses matrix goals.
Maximum Payout	Optional field.	Optional field.

Setting Up for Goals, Funding, and Proration

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

See Also

“Managing Plans With Weighted Goals”

“Managing Plans With Matrix Goals”

“Funding Variable Compensation Plans and Groups”

“Managing Eligibility and Proration”

CHAPTER 4

Setting Up Plan Membership

This chapter provides an overview of variable compensation (VC) plan membership and describes how to:

- Determine the plan member rule for a variable compensation plan.
- Set up plan membership for Ad Hoc awards.
- Set up plan membership with Employee VC Record.
- Create groups.
- Attach groups to VC trees.
- Manage VC tree security.

Overview of Setting Up Plan Membership

Basic steps for setting up and managing variable compensation plan membership:

1. Determine the plan member rule that you want to apply to the plan.
2. Create groups in Group Build (only if the plan member rule uses groups).
3. Attach groups to variable compensation trees (only if the plan member rule uses groups).
4. Assign employees or groups to the variable compensation plan.
 - If the plan member rule is Ad Hoc Awards, enter employees directly on the Plan Members page.
 - If the plan member rule is Empl VC Record (without groups), enter an Eligibility Date for the VC Plan ID on the Employee Variable Compensation page.
 - If the plan member rule uses groups, enter the Tree Name and Group ID on the VC Plan - Plan Business Rules page.
5. Set up prorated eligibility (optional):
6. Run the Calculate Eligibility/Proration process (does not apply to Ad Hoc Awards) to populate plan membership.

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

See Also

Managing Eligibility and Proration

Determining the Plan Member Rule

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

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

Factors to Consider

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

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

Administering the Plan With or Without Groups

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

Plan Member Rules Without Groups

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

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

Plan Member Rules With Groups

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

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

Target Payout at the Individual or Group Level

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

No Target Payouts

Define Ad Hoc Awards by entering the actual award directly on the Award Allocation Page.

Target Payouts at the Individual Employee Level

- Employee Variable Compensation Record

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

- Employee Variable Compensation Record With Groups

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

Target Payouts at the Group Level

- Define Tree/Group

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

Restrictions on Plan Options based on Member Rule

If you choose Ad Hoc Awards as the plan member rule, you cannot use proration, goals, carryover, guarantees, or target/minimum/maximum payouts.

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

Plan Member Rule Definitions

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

Ad Hoc Awards

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

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

Employee Variable Compensation Record

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

Optionally specify minimum and maximum payouts at the plan level on the Plan Payouts page. Choose any plan type and any plan options that do not require groups.

Employee Variable Compensation Record With Groups

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

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

Choose any plan type and specify any plan options.

Define Tree/Group

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

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

Choose any Plan Type and specify any plan options.

Setting Up Plan Members for Ad Hoc Awards

Use the Plan Members page to set up plan members for Ad Hoc Awards. This page is also used to view and adjust plan membership for all plan types.

1. Access the Plan Members page for the desired ad hoc plan and period ID.
2. Click the search button to load existing plan members into the page.
3. Complete the Plan Members Details group box as follows:

EmplID (employee ID)	To add a new member, insert a new row and enter the employee's ID.
Eligibility Status	For Ad Hoc plans, the status defaults to Man Elig (manually eligible). You cannot enter an auto status.
As of Date	Enter the date as of which the employee is eligible for the ad hoc award. The date must be between the current date and the payout period end date.

See Also

“Managing Eligibility and Proration,” Viewing and Adjusting Plan Member Eligibility

Setting Up Members With Employee Variable Compensation Record

Use the Employee Variable Compensation page to specify a target payout formula and guarantee for individual employees. The system writes this information to the Employee Variable Compensation record. For one employee, you can select multiple VC plans and specify a different target payout and guarantee for each.

For example, an employee might be eligible for your organization's profit sharing plan and an individual performance plan.

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

Plans Without Groups

If you set the employee's target payout and guarantee for a VC plan that specifies *Employee Variable Compensation Record* as the plan member rule, enter the employee's Eligibility Date

for the plan on the Employee Variable Compensation page. The system calculates the employee's eligibility/proration based on this date.

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

Plans With Groups

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

See Also

Overview of Setting Up Plan Members With Groups

Pages Used to Set Up Members With Employee Variable Compensation Record

Page Name	Object Name	Navigation	Usage
Empl Var Comp	VC_EE_VCOMP	Compensate Employees, Manage Variable Compensation, Use, Employee Variable Comp, Empl Var Comp	<ul style="list-style-type: none"> • Add or delete plan members for plans that specify Empl VC Record (without groups) as the plan member rule. • Assign or update a target payout formula or guarantee. • Specify the plan eligibility date if the VC Plan does not use groups.
Current Employee Compensation	VC_CURRNT_COMP_SEC	Click the Current Comp Data (current compensation data) button on the Employee Variable Compensation page.	View the employee's compensation data as of the current date, which might be helpful in deciding the target payout and guarantee for the employee.

Setting Up Members with Employee VC Record

Access the Empl Var Comp (employee variable compensation) page.

Employee Data		View All		First		1 of 1		Last	
*Effective Date: 01/01/2000									
Compensation Data									
Business Unit:	GBIBU	Global Business Institute BU	Current Comp Data						
DeptID:	KU000	President							
Location:	KUNY00	US HQ	Comp Rate:	21666.67	USD				
Sal Plan:	KU02	Grade: 011	Comp Freq:	M	Monthly				
Employee Details		View All		First		1 of 3		Last	
*VC Plan ID:	EEVC1	Bonus plan with individual target formula							
Target Payout:	K5KFLAT	5000 Flat							
Eligibility Date:	01/01/2000	Guarantee:		Currency:					
Long Descr:									

Empl Var Comp page

For plans that specify Employee Variable Compensation Record (without groups) as the plan member rule, use this page to add or delete plan members or to change a member's Target Payout or Guarantee at any time in the life of the plan.

Compensation Data

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

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

Employee Details

VC Plan ID (variable compensation plan ID) Select a valid ID. The system displays the description of the plan. Only plans that define Employee Variable Compensation Record (with or without groups) as the plan member rule appear in the list.

If the plan that you select in this field has expired (that is, the end date of the Plan ID on the VC Plan table is prior to the current date), the remaining fields on the page are unavailable for entry.

Target Payout

Select a target payout for the employee. Valid values prompt from the Pay Formula table. The system displays the description of the formula that you select.

If you do not select a value here, when you save the page, the system issues a warning and specifies the Plan ID for which no target payout formula was entered.

Eligibility Date

Enter the date on which the employee becomes eligible for a payout from the VC Plan ID that you selected. The system enters the VC Plan Start Date from the VC Plan table as the default. The Calculate Eligibility/Proration process calculates plan eligibility and proration as of this date for plans that do not use groups. The system does not use this date for eligibility processing if the plan uses groups.

Guarantee

Enter an amount that is guaranteed for the employee under this VC Plan ID. This is an optional field. The amount appears for your information on the Award Allocations page, where you can adjust the calculated award as required.

Adding Additional Data Rows

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

Tips and Tricks for Administering Guarantees

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

See Also

PeopleSoft Human Resources PeopleBook: Administer Workforce, "Hiring Your Workforce"

Overview of Setting Up Plan Members With Groups

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

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

To set up variable compensation groups and trees:

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

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

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

Use special variable compensation settings in PeopleSoft Tree Manager.

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

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

Creating Groups Using Group Build

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

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

Important Information About Using Group Build Pages to Create VC Groups

- Designate the manager and approver of each group on the Group Definition - Group Profile page when you set up groups in group build.

The approver of a group is generally the manager of the immediate parent group (the group manager's manager).

- If you define new groups for managing variable compensation, do not set up group security in the group build security pages (Group Security Default page, Security by Group page, or Security by User page).

Instead, proceed directly to the PeopleSoft Tree Manager to create the Variable Compensation tree. Set up security for the groups on the tree. You cannot modify a group definition until you have attached it to a tree and set up security.

- Group build comes with a *No Group* group ID.

This group is required for Variable Compensation processing. The system assigns this group ID when it needs to simulate a group for a plan that does not use groups. Never delete this group ID or assign this group ID when building or using groups.

Tip for Setting Up Groups in VC Group Definition

After you create a group in the VC Group Definition page and save/quit the page, the group ID does not appear in the search box. If you want to modify this group from the same VC Group Definition page, first attach the group to a VC tree and set up security for the tree. Once you have set up tree security, you can return to the Group Definition page and modify the group.

See Also

PeopleSoft Application Fundamentals for HRMS PeopleBook, “Working With Groups”

Managing VC Tree Security

Attaching Groups to Trees

Once you’ve defined groups, attach them to a Variable Compensation tree. Create any number of group trees and use any group ID in multiple trees. Define a tree with a single group ID or multiple group IDs. The tree structure enables you to arrange your groups in a hierarchy that shows parent-child relationships. Use as many nodes on the tree as you want, but the maximum number of levels is 12. Define all parent and child groups separately in Group Build pages.

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

- For typical, business rollup reporting.
- For rollup funding of groups at each level, from the top down.

The system uses the hierarchy to ensure that funding at lower levels does not exceed the allocation at the upper levels of the hierarchy.

- For the inheritance of goals, goal attainments, and payout formula (target, minimum, and maximum).

Inheritance eases the setup for groups that have the same goals, attainments, or payouts as groups above them.

- To provide user security that is inherited from parent to child groups when accessing Variable Compensation pages.

Security inheritance eases the setup of user security for each level of the tree.

Important Points About Creating Variable Compensation Trees

Once you've defined groups in Group Build, use PeopleSoft Tree Manager to attach them to a Variable Compensation tree. For the most part, use standard procedures for creating hierarchical trees in PeopleSoft Tree Manager. However, keep the following additional points in mind when creating Variable Compensation trees:

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

See Also

Deleting Parent-Child Duplicates for Rollup

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

Variable Compensation Settings in PeopleSoft Tree Manager

Follow certain conventions when you use PeopleSoft Tree Manager to create or maintain Variable Compensation trees. By definition, Variable Compensation trees are Detail trees.

Use the New Tree Definition Properties page in PeopleSoft Tree Manager to specify the Variable Compensation tree settings. This section describes only the fields in the New Tree Definition Properties page that have specific settings for creating Variable Compensation trees.

New Tree Definition - Structure

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

Structure ID	Select <i>VC_GROUP_STRUCT</i> from the available values. This means that the tree is a tree of groups created in Group Definition and the tree is for Variable Compensation purposes. Selecting <i>VC_GROUP_STRUCT</i> tells the system that you are creating a Detail tree.
Tree Name	Use the name that you enter here to reference the tree in Variable Compensation pages.
Effective Date	The effective date of the tree must be equal to or later than the effective date of groups on the tree.
Description	Enter a description of the Variable Compensation Tree that you are defining.
Category	A high-level grouping under which you can organize your tree structures and tree definitions. This field is not specific to Variable Compensation trees.

New Tree Definition - Levels

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

See Also

PeopleTools PeopleBook: Tree Manager

Effective-Dated Trees and Variable Compensation

PeopleSoft trees are effective-dated. When you add a group to a tree, PeopleSoft Tree Manager makes sure the effective date of the group is equal to or less than the tree's effective date.

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

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

See Also

“Managing Eligibility and Proration” Calculating Proration for Plan Members Who Fall Off a Tree

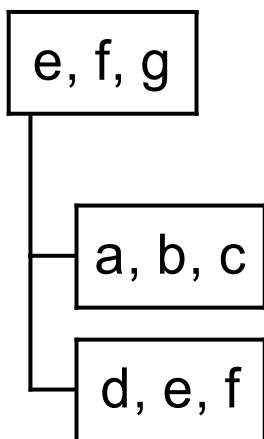
Deleting Parent-Child Duplicates for Rollup

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

The parent-child duplicate deletion works as follows:

Example

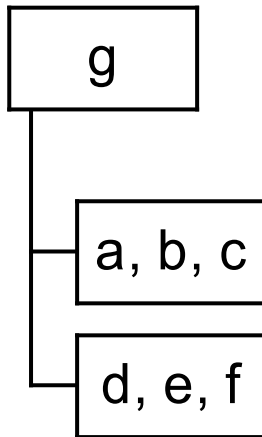
Three groups containing employees *a* through *f* are created separately in Group Build and arranged in a tree that looks like this:



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

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

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



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

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

Deleting Duplicates Doesn't Change Group Definitions

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

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

Checking for Membership in Overlapping Groups

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

Sometimes one employee is eligible for more than one group on the same tree and is eligible for multiple awards under one plan ID in the same payout period. To accommodate this situation, the system allows member overlap on a tree. To ensure that member overlap on a tree is not an error, we provide the Tree Member Overlap report, which identifies employees who exist multiple times on a tree so that you can validate or correct the group membership.

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

See Also

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

Managing VC Tree Security

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

Tree Manager Security

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

Group Tree Security

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

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

Note. Set up your Group Tree Security so that you give access to both the manager *and* the approver of a group.

Group Tree Security Limits Page Access

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

- **Prompt Dialog Boxes:** When a user enters a Variable Compensation page, its prompt boxes display only the groups and trees to which the user has access.
- **Tree Control Views:** Tree control views display all group IDs, but only the groups to which the user has access appear as links; the others cannot be activated. When an authorized user clicks a link, the system loads the data for the group in the right pane of the page.

By default, security granted in the Group Tree Security page applies only to Variable Compensation pages. Therefore, Group Tree Security does not alter security for predefined groups when your organization uses them in other business processes. If you define groups

specifically for administering variable compensation, do not set up security in the Group Build - Group Security page. Instead, set up all group security on only the Variable Compensation Group Tree Security page.

See Also

PeopleTools PeopleBook: Security

Pages Used to Establish Tree Security

Page Name	Object Name	Navigation	Usage
Group Tree Security	VC_TREE_SEC_TABLE	Compensate Employees, Manage Variable Compensation, Setup, Group Tree Security, Tree Security	Set up a security relationship between a group on a Variable Compensation tree, a user, and the Variable Compensation components. Access to a group provides access to variable compensation components for all its child groups as well.
VC – Tree Group Security	VC_TREE_SECU_SEC	Click the Component Security button to the left of the User ID.	Specify the components for which the selected user has security access.

Setting Up Security Relationships

Access the Tree Security page.

The screenshot displays the 'Tree Security' interface. On the left, a tree view shows a node 'KVCALL - Variable Comp ALL' selected. The main area on the right is divided into sections: 'Group' (KVCALL, VC ALL), 'User Security on Group' (Effective Date: 01/01/2000), and 'User Security Details' (listing users PS, PSHR, and SAMPLE with search and control icons).

Tree Security page

Tree Name Name of the tree that you entered in the search page, along with its description.

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

Using the Tree Control View

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

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

User Security on Group

Effective Date Enter the effective date of the user's security access. You can add rows of data with different effective dates. Enter the page in Correct History mode to delete a row.

User ID You see a data row for each User ID who has security access to the selected **Group ID** for the specified **Effective Date**. Add a user by adding a data row and selecting a user ID from the available values.

Set up your Group Tree Security so that you give access to both the manager *and* the approver of a group.

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



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

Default Security

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

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

You cannot remove a user's security access to a group if the access is granted by default.

Specifying Access to Components

Access the VC - Tree Group Security page

VC - Tree Group Security

Panel Security on Group [View All](#) First 1-11 of 21 Last

*Component Name		
<input type="text" value="GB_GRP_DEFN_TABLE"/>	<input type="checkbox"/>	Group Build - Group Definition
<input type="text" value="RC_VC_CALCWRD_G"/>	<input type="checkbox"/>	Calculate Award by Group
<input type="text" value="RC_VC_CALCWRD_P"/>	<input type="checkbox"/>	Calculate Award by Plan
<input type="text" value="VC_AWD_ALLOC"/>	<input type="checkbox"/>	Award Allocation
<input type="text" value="VC_AWD_ALLOC_WG"/>	<input type="checkbox"/>	Award Allocation with Groups
<input type="text" value="VC_EE_HISTORY"/>	<input type="checkbox"/>	Employee Var Comp History
<input type="text" value="VC_GRP_ALLOC"/>	<input type="checkbox"/>	Group Funding Allocation
<input type="text" value="VC_GRP_ATN"/>	<input type="checkbox"/>	Group Goal Attainments
<input type="text" value="VC_IND_ATN"/>	<input type="checkbox"/>	Ind. Attainments w/o Groups
<input type="text" value="VC_IND_WG_ATN"/>	<input type="checkbox"/>	Ind. Attainments w/ Groups
<input type="text" value="VC_MTX_ATN"/>	<input type="checkbox"/>	Matrix Attainment panelgroup

OK Cancel

VC - Tree Group Security page

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

Updating Trees and Tree Security

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

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

Deleting a Tree

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

- Removes the tree name from the Variable Compensation records.
- Sends an email to the VC administrator noting that the synchronization process has been launched.
- Sends a work list entry to the VC administrator with instructions to enter a new tree name in the records. The email specifies the old deleted tree name, the deleted tree effective date, and the impacted VC Plan ID.

Renaming a Tree

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

- Changes the tree name in the Variable Compensation records.
- Sends an email to the VC administrator noting that the synchronization process has been launched. The email specifies the old tree name and effective date and the new tree name and effective date.

Restructuring a Tree

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

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

Warning! You must configure your application server so that the automatic update process runs when you delete, rename, or restructure trees in PeopleSoft Tree Manager. Moreover, when modifying a tree, it is important that the messaging server is up on the application server for the message channel TREE_MAINT. If it is not up, the update process isn't triggered and the security administrator must update security manually on the Tree Group Security page. Use the Application Message Monitor to verify that TREE_CHANGE messages are processed correctly.

CHAPTER 5

Managing Eligibility and Proration

This section provides overviews of eligibility and proration factor calculation and describes how to:

- Set up proration tables.
- Calculate eligibility and proration.
- View and adjust plan member eligibility.

Overview of Calculating Eligibility and Proration

Here are the basic steps in calculating eligibility and proration:

1. Set up plan membership.
2. Set up proration-related control tables (for prorated plans).
3. Run the Calculate Eligibility/Proration process.
 - The process generates a list of employees who are eligible under the plan and calculates the eligibility status.
 - For prorated plans, it calculates a proration factor that the system applies when it calculates the award allocation.
4. View and adjust plan member eligibility.

See Also

“Setting Up Plan Membership”

Setting up Proration Tables

Understanding Proration Factor Calculations

This section provides overviews of:

- The general proration factor calculation process.
- Daily, weekly, or monthly frequency calculation method.

- Workday schedule calculation method.
- Proration percentage calculation method.
- Proration calculation method for plan members who fall off a tree.

General Proration Factor Calculation Process

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

The Calculate Eligibility/Proration process calculates eligibility and the proration factor. The Calculate Awards process uses the proration factor in awards calculation. Before you calculate awards, ensure that you have calculated proration for the entire plan payout period.

Terms and Elements

The following terms are important in understanding proration calculation.

Payout Period	Time period of a payout. Defined for the plan by begin and end dates on the VC Plan – Plan Payout Periods Page.
Prorate Period	A subset of the plan payout period used for proration. The Eligibility/Proration process tests an employee’s eligibility as of each proration period end date.
Eligibility Evaluation Period	Time period of the eligibility/proration calculation. Define begin and end dates on the run control page.

Basic Proration Factor Calculation Process

1. Select Calculate Proration on the VC Plan - Plan Business Rules page.
2. Set up proration-related control tables.
 - Set up workday rules on the Workday Schedule page (for workday schedule calculation method)
 - Set up proration percentage rules on the Prorate Percent page (for proration percentage calculation method).
 - Set up proration periods on the Prorate Periods page (for all prorated plans).
3. Define the begin and end dates of the eligibility evaluation period on the Calc Eligibility / Proration Process run control page.
4. Run the process to calculate eligibility based on whether the employee is eligible as of the end date of each of the proration periods evaluated.

Each time you run the process, it calculates the cumulative eligibility proration factor for each member from the begin date of the plan payout period through the eligibility evaluation end date.

The system displays the proration factor on the Plan Members or Plan Members with Groups pages and on the Award Details section of the Award Allocation page.

See Also

Daily, Weekly, or Monthly Frequency Calculation Method

Workday Schedule Calculation Method

Proration Percentage Calculation Method

“Calculating Allocations and Awards,” Calculating Awards

Calculating Proration for Plan Members Who Fall Off a Tree

Daily, Weekly, or Monthly Frequency Calculation Method

The system calculates the proration factor for each evaluation period and accumulates the factor for the entire payout period.

Setting Up

Set up the prorate periods on the Prorate Periods page.

- Select *Calendar Days*, *Weekly*, or *Monthly* as the proration frequency (length of the proration period).
 - If you select *Calendar Days*, do not select a prorate % ID when the field appears.
 - If you select *Weekly*, or *Monthly*, define which day of the week or month is the as of date for eligibility calculation.
- The system defines the end dates of proration periods for the payout period based on the daily, weekly, or monthly frequency parameters.

Calculation Formula

(number of proration periods eligible) / (number of proration periods in the evaluation period)

Example of Monthly Calculation

Evaluation Period Begin Date: 04/01/2000

Evaluation Period End Date: 06/30/2000

Proration period end dates: April 30, May 31, June 30

(Monthly frequency with end of

month as the period end date.)

The process evaluates eligibility for each of the three proration periods of the evaluation period. Employees eligible on the proration period end dates are eligible for the month.

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

A member who was eligible in all three proration periods would receive a proration factor of one (3/3).

Workday Schedule Calculation Method

The system calculates a proration factor for each day in the period and accumulates the employee's proration factors for eligible days.

Setting Up

1. Set up Workday Rules on the Workday Schedule page.
 - Create schedules assigning a factor to each day of the week (Sunday through Saturday).
 - Each day in the period has a proration factor equal to that day's factor over the total of the factors for the period.
2. Set up the prorate periods on the Prorate Periods page.
 - Select *By Workday* as the proration frequency. This is a daily frequency, so the system creates a prorate period end date for each day in the payout period.
 - Select a Workday Rule to assign factors to each day in the payout period.
 - This Workday Rule is assigned to all members of the plan for the duration of the payout period.

Calculation Formula

(total of factors on eligible days) / (total of factors for the period)

Example

Workday Schedule Definition:

Day	Factor
Sunday	0
Monday	1
Tuesday	1

Day	Factor
Wednesday	1
Thursday	1
Friday	1
Saturday	.5

Based on this schedule, the total factor was 23.5 in January 2000.

The proration factor attributed to a member for any eligible day in January 2000 is that day's factor on the workday schedule over 23.5. In this example, the proration factor for a Saturday is $.5 / 23.5$; the proration factor for a Tuesday is $1 / 23.5$.

The employee's proration factor for the entire payout period is the accumulated sum of the daily proration factors for eligible days in the period. The maximum, for an employee who is eligible on every day in the period, is $23.5 / 23.5$, or one.

Proration Percentage Calculation Method

The proration factor is determined by looking up the percentage associated with the number of days that the employee is eligible in the period.

Setting Up

1. Set up proration percentage rules on the Prorate Percent page.
 - For each Prorate % ID, create separate proration rate schedules for employees who are active and those terminated at the end of the payout period.
 - For each proration rate schedule, define ranges of eligible days and associate a percentage with each range.
2. Set up prorate periods on the Prorate Periods page.
 - Select *Calendar Days* as the proration frequency. This is a daily frequency, so the system creates a prorate period end date for each day in the payout period.
 - Select a Prorate % ID to associate proration rates schedules with the plan for the payout period.

Calculation Formula

The percentage assigned to the range into which the employee's number of eligible days falls for the period.

Example

Proration Rates schedule:

Eligible Days	Proration Percentage
10	35.00
21	65.00
31	100

Sample of Proration Factors:

Employee's Eligible Days	Proration Factor
5	35 percent
17	65 percent
22	100 percent

Calculating Proration for Plan Members Who Fall Off a Tree

Sometimes an employee is a member of a group that was on the VC Tree for part of a payout period, but by the end of the period, the employee or group is no longer on the tree due to reorganization or other factors.

The Calculate Eligibility/Proration process does not calculate the proration factor for such employees who fall off the tree. For prorated plans, the Consistency Report, available in the Variable Compensation report menu, provides a list of the name and employee ID of employees who have fallen off a tree, along with the group ID to which they belonged. The VC administrator or the employees' managers can use this information to manually add the employees back into the tree in a special group for this purpose.

To recalculate eligibility for employees who fall off a tree:

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

See Also

PeopleSoft Application Fundamentals for HRMS PeopleBook, "Appendix: PeopleSoft Application Fundamentals for HRMS Reports"

"Setting Up Plan Membership"

Setting Up Proration Tables

This section describes how to:

- Set up workday rules.

- Set up proration percentage rules.
- Define proration frequency parameters.

Pages Used to Set Up Proration

<i>Page Name</i>	<i>Object Name</i>	<i>Navigation</i>	<i>Usage</i>
Workday Schedules	VC_WRK_DY_SCHE D	Compensate Employees, Manage Variable Compensation, Setup, Workday Schedules	Set up Workday Rules in which you create schedules assigning a factor to each day of the week (Sunday through Saturday).
Prorate Percent	VC_PRORATE_TBL	Compensate Employees, Manage Variable Compensation, Setup, Prorate Percent.	Define ranges of eligible days and associate a percentage with each range.
Prorate Periods	VC_PRORATE_PRD	Compensate Employees, Manage Variable Compensation, Setup, Prorate Periods, Prorate Periods	Define proration frequency parameters for a prorated plan's payout periods. The Calculate Eligibility/Proration process evaluates eligibility as of the proration period end dates generated on this page.

Setting Up Workday Rules

Access the Workday Schedule page.

Workday Schedule

Workday Rule ID: WKDRULE1

Employee or Paygroup required View All First 1 of 1 Last

Effective Date: 01/01/2000

Workday factor defaults.

Day of the Week	Factor
1 Sunday	0.00
2 Monday	1.00
3 Tuesday	1.00
4 Wednesday	1.00
5 Thursday	1.00
6 Friday	1.00
7 Saturday	0.50

Workday Schedule page

Factor Enter the factor for each day. For example, you could assign a factor of 1 for a full working day, .5 for a half day, and 0 for a holiday.

See Also

Workday Schedule Calculation Method

Setting Up Proration Percentage Rules

Define a lookup table that the system uses to determine the employee's proration factor based on the number of eligible days in the period.

Access the Prorate Percent page.

Prorate Percent

Prorate % ID: HWVCPER1

Proration Rule Details View All First 1 of 1 Last

Effective Date: 01/01/1999 Status: Active

*Description: VC Profit Share NewHire Prorat

Short Description: VCPPrftNewH

Employee Status Rules View All First 1 of 1 Last

*Eligible Status: Active

Proration Rates View All First 1-3 of 5 Last

	*Eligible Days	Proration Percentage		
1	60	25.00	+	-
2	120	50.00	+	-
3	180	75.00	+	-

Prorate Percent page

Eligible Status

You can define separate proration rate schedules for *Active* and *Terminated* employees under each Prorate % ID. Select whether this proration rate schedule applies to employees who are *Active* or *Terminated* at the end of the payout period.

Terminated status includes the following employee status values on the Job record: Deceased, Retired, Retired with Pay, Terminated, and Terminated with Pay.

If you do not define a proration rate schedule with a value of *Terminated* in **Eligible Status**, the system assigns a proration factor of 0 to employees with these termination employee status values in their Job record.

All other employee status values on the Job record are associated with the *Active* value in this field.

Eligible Days

Enter the ending number in the eligible days range. For example, if the range is 1-15 days, enter 15.

Proration Percentage

Associate a proration factor, expressed as a percentage, with the eligible days range. This is the proration factor used by the Calculate Awards process if the employee's eligible days for the period falls into this Eligible Days range.

Define a date range and assign a proration percentage of 0 if you want to exclude employees who are not eligible in the first portion of the period. For example, you can exclude employees were not eligible in the first 21 days of the period by setting up an eligible days range that ends in 21 and associating 0 as the proration percentage.

See Also

Proration Percentage Calculation Method

Defining Proration Parameters

Prorate periods are subsets of the plan payout period. Prorate periods can have daily, weekly, or monthly frequency. Daily frequency is the most accurate, but the processing time is greater.

Access the Prorate Periods page.

Prorate Periods

Plan ID: HVEMPDISC Employee discretionary plan

Prorate Period Details View All First 1 of 1 Last

Period ID: 1 Period Begin Date: 01/01/2000 Period End Date: 06/30/2000 + -

Proration Freq: Monthly Date Ind: Month End

Prorate Dates View All First 1-5 of 6 Last

End Date	Run Status		
1 01/31/2000	<input type="checkbox"/>	+	-
2 02/29/2000	<input type="checkbox"/>	+	-
3 03/31/2000	<input type="checkbox"/>	+	-
4 04/30/2000	<input type="checkbox"/>	+	-
5 05/31/2000	<input type="checkbox"/>	+	-

Prorate Periods page

Period ID

Select a payout period from the available options. Valid values prompt from the VC_PAYPRD_TBL. The list does not include payout periods for which an award has been finalized, canceled, or manually entered. In other words, if the Award Status on the Award Allocation page is other than *Initial Calculation* for any award in the plan, or if any award was manually allocated, that payout period is not available.

	The system displays the payout Period Begin and Period End Dates that you defined on the VC Plan - Plan Payout Periods page.
Proration Freq (proration frequency)	<p>Select a proration frequency from the following valid values:</p> <p>By Workdays: (daily frequency) The Workday Rule ID field appears.</p> <p>Calendar Days: (daily frequency) The Prorate % ID field appears.</p> <p>Monthly: The Date Ind field appears.</p> <p>Weekly: The Day field appears.</p>
Workday Rule ID	If you select By Workdays as proration frequency, you must select a workday rule. The maximum number of Eligible Days defined in the rule you select must not be less than the number of days in the payout period.
Prorate % ID	<p>This field appears if you select Calendar Days.</p> <p>If you use the proration percentage calculation method, select a prorate percentage ID to associate a prorate percentage schedule with the plan for the payout period.</p> <p>If you use daily calculation method without proration percentages, leave this field blank.</p>
Day	If you select Weekly as the proration frequency, you must select the day of the week as of which you want the system to calculate the proration. Valid values are the 7 days of the week (Sunday through Saturday).
Date Ind (date indicator)	<p>If you select Monthly proration frequency, select a date indicator in this field. Valid values include the following:</p> <p>End of Month: The system calculates eligibility as of the end of each month.</p> <p>Day of Month: The Day of Mon field appears.</p>
Day of Mon (day of the month)	Enter the number of the day of the month as of which you want the system to calculate eligibility. Select any number from 1 - 28 . The system sets the Date Ind to End of Month if you select a number higher than 28.
End Date	After you define the proration frequency, the system displays the end date here of each proration period within the payout period you specified.
Run Status	The system selects this check box when the Calculate Eligibility/Proration process completes the eligibility calculation for the corresponding proration period.

See Also

Daily, Weekly, or Monthly Frequency Calculation Method

Workday Schedule Calculation Method

Proration Percentage Calculation Method

Calculating Eligibility and Proration

The Calculate Eligibility/Proration process tracks the eligibility history of each plan member from the payout period start date to the payout period end date. Run the Calculate Eligibility/Proration process at any time during the life of the plan. If any awards have been manually altered or have been submitted for payout or distribution for a payout period, you cannot rerun eligibility for that payout period.

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

Page Used to Calculate Eligibility and Proration

Page Name	Object Name	Navigation	Usage
Eligibility / Prorate Process	RUNCTL_VC_ELIG	Compensate Employees, Manage Variable Compensation, Process, Calc Eligibility / Proration	Run the Calc Eligibility/Proration (calculate eligibility/proration) process, which populates the Plan Members and Plan Members with Groups pages, updates eligibility status, and calculates proration for prorated plans.

Running the Eligibility/Prorate Process

Run this process to calculate and update eligibility for all plans except those having Ad Hoc Awards as the plan member rule. For Ad Hoc Award plans, manually enter and change member eligibility on the Plan Members page.

Access the Eligibility / Prorate Process page.

Eligibility / Prorate Process

Run Control ID: Q2 [Report Manager](#) [Process Monitor](#)

Process Request Parameters

VC Plan ID: Tree Plan - Corporate Compensation

Payout Period ID: Eval As of Date:

Eval Begin Date: Eval End Date:

Eligibility / Prorate Process page

VC Plan ID

Select the VC Plan for which you want to calculate eligibility/proration.

Payout Period ID

Select the ID for the payout period during which you want to calculate eligibility/proration. Valid options are the payout periods that you defined for the **Plan ID** that you selected. The list does not include payout periods for which an award has been finalized, canceled, or manually entered. In other words, if the Award Status on the Award Allocation page is other than *Initial Calculation* for any award in the plan, or if any award was manually allocated, that payout period is not available for calculation of eligibility.

Determining the Period of Calculation

Depending on whether the Plan ID you select is a prorated plan, only certain fields are available for entry.

- For plans without proration, Eval As of Date is available.
- For prorated plans, Eval Begin Date and Eval End Date are available.

Field Definitions

Eval As of Date (evaluation as of date)

This field is available only for nonprorated plans. Enter the date as of which you want the process to evaluate eligibility. The current date is the default value, but you can change it. The date must fall within the **Payout Period ID** that you entered.

Eval Begin Date (evaluation begin date)	<p>This field is available only for prorated plans. Select the date from which the process should begin the eligibility proration calculation.</p> <p>If you are running the process for the first time in the payout period, the payout period start date is the only option and is always available.</p> <p>If you have already run the process during the payout period, the other available option is the start date of the proration period that follows the last proration period calculated.</p> <p>For example, if you last ran the process for the period 01/01/2000 (payout period start date) through 03/31/2000 (proration period end date), the two available options would be 01/01/2000 (payout period start date) and 04/01/2000 (the next proration period start date).</p>
Eval End Date (evaluation end date)	<p>This field is available only for prorated plans. Select the date through which the process should calculate eligibility proration. The available options are all proration period end dates as defined for the plan on the Prorate Periods table.</p>

Viewing and Adjusting Plan Member Eligibility

This section provides overviews of the Plan Members pages and eligibility status codes and describes how to:

- View and adjust member eligibility.
- View or correct historical eligibility data.
- View and adjust eligibility for plans with groups.
- Maintain eligibility for Employee Variable Compensation record plans.

Overview of Viewing and Adjusting Plan Member Eligibility

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

Note. Rerun the Calculate Eligibility/Proration process if you adjust eligibility on the Plan Members pages.

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

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

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

Using the Plan Member Page for Ad Hoc Awards

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

Using the Plan Member Page for Employee VC Record Without Groups

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

See Also

“Setting Up Plan Membership,” Setting Up Plan Members for Ad Hoc Awards and Setting Up Members With Employee Variable Compensation Record

Understanding Eligibility Status

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

Automatic Status Compared to Manual Status

Eligibility falls into the categories of automatic status and manual status. The Calculate Eligibility/Proration process calculates automatic status based on a member's eligibility for a plan or group as established on the Employee Variable Compensation page or in group

definition criteria. Override the automatic status by entering a manual status for the plan member on the Plan Members page or Plan Members with Groups page. The system does not override a manual status with an automatic status.

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

Source of the Eligibility As Of Date

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

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

Definitions of the Five Eligibility Status Codes

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

- Auto Elig (Automatic Eligible)

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

Plan Member Rule	Nonprorated Plan	Prorated Plan
Ad Hoc Awards	Automatic status is not possible.	Automatic status is not possible.
Employee VC Record (without groups)	On the eligibility evaluation As of Date, the member is active in the Employee VC table and the Employee Status on the Job record is not excluded under the plan rules.	During the entire eligibility evaluation period, the member is active in the Employee VC table and the Employee Status on the Job record is not excluded under the plan rules.

Plan Member Rule	Nonprorated Plan	Prorated Plan
Employee VC Record with Groups Or Define Tree/Group	The member meets all of the Group Build group definition criteria on the eligibility evaluation as of date.	The member meets all of the Group Build group definition criteria during the entire eligibility evaluation period.

- Auto Inelig (Automatic Ineligible)

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

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

- Elig Pro (Eligible Prorated)

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

- Man Elig (Manual Eligible)

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

- Man Inelig (Manual Ineligible)

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

Pages Used to View and Adjust Plan Member Eligibility

Page Name	Object Name	Navigation	Usage
Plan Members	VC_PLAN_MEM_TB L	Compensate Employees, Manage Variable Compensation, Use, Plan Members, Plan Members	View and adjust member eligibility or add employees to a plan for Ad Hoc Awards.
Member History	VC_PLAN_MEM_SE C	Click the Member History Data button to the left of the plan member's data row on the Plan Members or Plan Members with Groups page.	View or correct historical plan member eligibility data.
Plan Members with Groups	VC_PLAN_MEM_W G_TBL	Compensate Employees, Manage Variable Compensation, Use, Plan Members with Groups, Plan Members with Groups	View and adjust member eligibility if the plan uses groups.

Viewing and Adjusting Member Eligibility

Access the Plan Members page.

Plan Members

Plan ID: EEVC1 Bonus plan with individual target formula
Period ID: S1 **Prd Begin/End:** 01/01/2000 06/30/2000
Eval As of Date: 01/01/2000

Name: Eligibility Status: 1 to 2 of 2

Sort Members by: EmplID Name

Plan Member Details				First	1-2 of 2	Last
*EmpID	Empl Rcd#	*Eligibility Status	*As of Date			
KU0001 Lewis,Douglas	0	Auto Elig	06/30/2000	+	-	
KU0002 Baran,Charles	0	Auto Elig	06/30/2000	+	-	

Plan Members page

Prd Begin/End (period begin and end) The dates that you defined for this VC Plan and payout period ID in the Payout Periods table.

Eval As of Date (evaluation as of date) Different values appear depending upon the following VC Plan conditions:

VC Plan Conditions	Default Value
Ad Hoc Awards	The current date. This date is not available for change.
Non-prorated plan	The Eval As of Date. Enter this date on the Calculate Eligibility/Proration process run control page.
Prorated plan	The Eval End Date. Enter this date on the Calculate Eligibility/Proration process run control page.

Populating Plan Members in Chunks

Because the number of plan members can be very large, the system loads members into this page in chunks. If members exist for the current plan ID, payout period, and group, the system loads the first chunk into the page by default. Click the **Refresh** button to view the members. Determine the number of rows in a chunk in the Max Number of Rows in Scrolls field on the Installation Table.

Enter information into one or more of the filter fields to narrow your search, then click the **Refresh** button to populate the page with members who meet the search criteria. Use navigator buttons to move from one chunk to another.

Use the following filters and navigator buttons:

Name Enter one or more letters to filter by employees’ last names.

EmplID (employee ID) Enter one or more numbers to filter by employee IDs.

Eligibility Status Select an available value to filter by status.



Click the **Search** button to display the first chunk of members and to display the results of a new search. The field to the left of this button tells you which rows are visible compared to the total number of rows that match the current search criteria. For example, **12 to 20 of 56** means that rows 12 to 20 are displayed out of a total of 56 rows.



Click the **Refresh Search Fields** button to clear all the previously entered search criteria from the filter fields.



Click the **First Item** button to display the first chunk of members.



Click the **Previous Item** button to display the previous chunk of members.



Click the **Next Item** button to display the next chunk of members.



Click the **Last Item** button to display the last chunk of members.

Sort Members by

Select whether you want the members to appear in the list in order by *EmplID* or *Name*. *EmplID* is the default.

Plan Member Details

When you click the **Search** button, the system loads the first chunk of members for the current plan ID, payout period, and group into the page. View a different chunk by using the Plan Member Chunking Controls. For Ad Hoc Award plans, the grid is empty if you have not previously entered members for the plan ID and payout period ID.

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

EmplID (employee ID)

The plan member’s employee ID appears. Entering or changing the ID is subject to the following conditions:

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

Empl Rcd# (employment record number)

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

Eligibility Status

The current or future eligibility status appears. The following are the valid values:

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

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

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

Man Elig (manual eligible): The default when you add a new row.

Man Inelig (manual ineligible).

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

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

As of Date

Indicates the changes in eligibility during a given payout period.

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

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

You can enter a date between the **Eval As of Date** and the payout period end date only.

Proration

Appears only for prorated plans. The Calculate Eligibility/Proration process calculates this proration factor, which is not available for change.







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

This button is unavailable if the plan member rule is Ad Hoc Award.

Viewing or Correcting Historical Plan Member Eligibility Data

Access the Member History page.

Member History	
Plan Member	
EmplID:	KU0001
Empl Rcd#:	0
Name:	Lewis,Douglas
Eligibility History View All First ◀ 1 of 1 ▶ Last	
As of Date	*Eligibility Status
<input type="text"/> 	Man Elig   

Member History page

The system displays the plan member's identification information from the corresponding data row in the Plan Members page or Plan Members with Groups page.

Eligibility History

As of Date

The date as of which the eligibility status changed.

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

Eligibility Status

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

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

Viewing and Adjusting Eligibility for Plans With Groups

Access the Plan Members with Groups page.

Plan Members with Groups

Plan ID: KCORP Tree Plan - Corporate Compensation

Period ID: Q1 **Prd Begin/End:** 01/01/2000 03/31/2000

Groups View All First ◀ 1 of 4 ▶ Last

Group ID: KEXECUTIVES Executive US&CAN **As of Date:** 03/31/2000

Name: **Sort Members by**

EmplID: **Eligibility Status:** EmplID

1 to 2 of 2

Plan Member Details First ◀ 1-2 of 2 ▶ Last

*EmplID		Empl Rcd#	*Eligibility Status	*As of Date	Proration	
KC0002	Dunbar,Kirby	0	Auto Elig	03/31/2000	1.000	<input type="button" value="+"/> <input type="button" value="-"/>
KU0005	Aliverdi,Reza	0	Auto Elig	03/31/2000	1.000	<input type="button" value="+"/> <input type="button" value="-"/>

Plan Members with Groups page

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

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

See Also

Viewing and Adjusting Plan Member Eligibility

Maintaining the Employee Variable Compensation Record

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

Employee Variable Compensation Page

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

To add or delete membership on the Employee Variable Compensation page:

1. Insert a new effective-dated row.

The system asks whether you want to copy forward all existing plan rows from the previous effective date. Copy the rows forward if the employee is still active in the plans.

2. To make an employee ineligible for a plan, insert a new effective-dated row and keep the plan detail but delete the value in the eligibility date field (null value).

Deleting the entire detail row for that plan does not make the employee ineligible.

3. To make an employee eligible for a plan, insert a new plan row and enter data as necessary.

Plan Members Page

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

See Also

“Setting Up Plan Membership,” Setting Up Members With Employee Variable Compensation Record

Viewing and Adjusting Plan Member Eligibility

CHAPTER 6

Managing Plans With Weighted Goals

This chapter provides an overview of using weighted goals and describes how to:

- Set up weighted goals.
- Enter goal attainments.
- Understand the performance factor.

Overview of Managing Plans With Weighted Goals

To manage a plan with weighted goals:

1. Define goal IDs on the Vc Goal Table page.
2. Define weighted goals as a plan option on the VC Plan - Plan Definition page.
 - Select *Weighted Goals* as the Plan Goals type.
 - Specify the plan goal weights for each of the three goal levels. The total must be 100 percent.
3. Set up weighted goals on the Plan Goals pages or Plan Goals with Groups pages.
4. Enter Goal attainments for each level of weighted goals on the goal attainments pages.
5. Calculate a performance factor for organization and group goals during the Determine Allocation process.
6. Calculate a performance factor for individual goals during the Calculate Awards process.
7. Apply the performance factor to the target payout during the Calculate Awards process.
8. Run the optional Organization and Group Goals report before or after the measurement period.

See Also

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

Common Weighted Goals Terms and Elements

The following terms are used to explain weighted goals and the performance factor calculation:

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

See Also

Calculating the Performance Factor

“Setting Up Variable Compensation Plans,” Defining Goals

Understanding Weighted Goal Levels

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

Organization Goals

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

Group Goals

You can use group goals if you administer the plan using groups. Group goals are performance goals that you set for all members of a group. Child groups inherit the performance factor of parent groups unless you establish different goals at the child group level. If goals are specified for a group, the group performance factor is calculated based on

the attainments for the group's own goals. If no goals are specified, the group performance factor is taken from the parent group.

Assign a weighted goal percent to each group goal to determine its importance relative to other goals at the same level. The attainment percent of group goals impacts the VC calculation of all members of the group equally.

Individual Goals

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

See Also

Understanding Inheritance of Group Goals

Common Weighted Goals Terms and Elements

Setting Up Weighted Goals

Set up goals only at levels for which the Plan Goal Weight is above 0% on the VC Plan – Plan Definition page. You can set up any number of goals at each level, as long as the total weighting percent at each level is 100%.

Example of One Goal at One Level

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

Example of Three Goals at One Level

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

See Also

Overview of Managing Plans With Weighted Goals

Pages Used to Set Up Weighted Goals

<i>Page Name</i>	<i>Object Name</i>	<i>Navigation</i>	<i>Usage</i>
Plan Goals - Organization Goals	VC_ORG_GOAL	Compensate Employees, Manage Variable Compensation, Setup, Plan Goals, Organization Goals Compensate Employees, Manage Variable Compensation, Setup, Plan Goals with Groups, Organization Goals	Assign goals to the plan at the organization level and indicate their relative weighting. The sum of all organization goals must be 100 percent.
Group Goals	VC_GRP_GOAL	Compensate Employees, Manage Variable Compensation, Setup, Plan Goals with Groups, Group Goals	Assign goals to the plan at the group level and indicate their relative weighting. The sum of all group goals must be 100 percent. The search dialog for the component lists only plans that use groups.
Default Individual Goals	VC_IND_GOAL	Compensate Employees, Manage Variable Compensation, Setup, Plan Goals, Default Individual Goals	For plans that do not use groups. Assign default goals to the plan at the individual level and indicate their relative weighting. The sum of all individual goals must equal 100 percent. The system enters the goals that you set up on the Default Individual Goals setup page as the default goals on the Individual Goal Attainments page, where you can modify them for individual employees.

Page Name	Object Name	Navigation	Usage
Default Individual Goals	VC_IND_GOAL_WG	Compensate Employees, Manage Variable Compensation, Setup, Plan Goals with Groups, Default Individual Goals	<p>For plans that use groups. Assign default individual goals to each group in the plan and indicate their relative weighting. The sum of all individual goals must equal 100 percent.</p> <p>The system enters the goals that you set up on the Default Individual Goals setup page as the default goals on the Individual Goal Attainments page, where you can modify them for individual employees.</p>

See Also

“Setting Up Variable Compensation Plans,” Defining Goals

Assigning and Weighting Goals at the Organization Level

Access the Organization Goals page.

Plan Goals - Organization Goals page

Total Weight	The system sums the weighting percents as you enter them for each goal and displays the cumulative total here. Adjust the weights for goals until the sum of all goal weights for the payout period is 100 percent.
Goal ID	Select a goal ID. The system displays the associated goal description when you press TAB to move out of the field. After you enter the Weight and Comments for one Goal ID, insert a row and select another Goal ID until you have entered all appropriate goals.
Weight	Enter a weighting percent for the Goal ID. Express weighting percents up to two decimal places, such as 18.25 percent. To save the page, the total of all weights for the payout period ID must equal 100 percent. By default, the system enters the difference between 100 percent and the value in the Total Weight field. For the first goal that you select, the system enters 100.00. Change it to any percent that you want, up to 100.00. Consider, for example, 25.00. When you insert a row and select a second Goal ID, the system populates the Weight field with the difference between 100.00 and the weight that you entered for the first goal, which, in this example, would result in 75.00. Change this percent and add a third goal, and so forth.
Comments	Enter any information to help you track the goal. For example, you could enter an ROI goal of 18 percent.

Understanding Inheritance of Group Goals

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

Inheritance Conditions and Solutions

- Parent and child groups have the same goals and attainments.

Set up goals on only the parent level. The Determine Allocations process applies the parent's performance factor to the child.

- Parent and child groups have the same goals, but you want to enter different attainments.

Set up the goals identically for parent and child. Enter the attainments at each level.

- The parent and child have different goals.

Set up goals for groups at each level and specify the attainments at each level.

Assigning and Weighting Goals at the Group Level

Access the Group Goals page.

The screenshot displays the 'Group Goals' setup page. It features three tabs: 'Organization Goals', 'Group Goals' (selected), and 'Default Individual Goals'. The page is titled 'VC Plan ID: KCORP Tree Plan - Corporate Compensation'. Under 'Payout Periods', the 'Period ID' is set to 'Q1'. The 'Groups' section lists a group with ID 'KSALES' and description 'Sales US&CAN', with a 'Total Weight' of 100.00. Below this, the 'Group Goals' section shows a goal with ID 'KQUARTERLY' and description 'Quarterly Sales Goals', with a weight of 100.00 and a description field.

Plan Goals with Groups - Group Goals page

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

Group ID

Select the ID for which you want to set up goals. The default value is the highest level group ID for the plan. The system displays the description of the group.

The system automatically applies the performance factor of the highest group to all groups on the tree. If you want to set different goals for lower level groups, insert a row, select the lower level Group ID, and set up the goals. The performance factor automatically applies to child groups unless you select a lower group and set goals.

See Also

Understanding Inheritance of Group Goals

Assigning and Weighting Goals at the Organization Level

Understanding Defaulting of Individual Goals

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

Default Individual Goals are a Starting Point

The Calculate Eligibility/Proration process enters the default individual goals for each plan member on the Individual Goal Attainments page or the Individual Goal Attainments with Groups page. Consider the defaulted individual goals as a starting point for defining individual goals for each plan member. On the goal attainments pages, modify the goals and goal weights for each plan member before entering the individual goal attainment percents.

Setting Up Default Individual Goals at the Plan Level

Access the Plan Goals - Default Individual Goals setup page.

Plan Goals - Default Individual Goals page

Use this page if the plan member rule does not use groups.

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

See Also

Assigning and Weighting Goals at the Organization Level

Understanding Defaulting of Individual Goals

Setting up Default Individual Goals at the Group Level

Access the Plan Goals with Groups - Default Individual Goals page.

Plan Goals with Groups – Default Individual Goals page

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

If you do not define any default individual goals for a group, the system does not enter any goals for individual employees of that group. As a consequence, the page cannot be entered for these employees. It is not possible to define goals and attainments manually for individuals in a group for which you have not set up default individual goals.

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

Group ID

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

See Also

Assigning and Weighting Goals at the Organization Level

Understanding Defaulting of Individual Goals

Entering Goal Attainments

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

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

When to Enter Attainments

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

Organization and group attainments Enter all organization and group attainments before you run the Determine Allocation process.

Individual attainments Enter individual attainments any time before you run the Calculate Awards process for the plan or group.

Pages Used to Enter Goal Attainments

<i>Page Name</i>	<i>Object Name</i>	<i>Navigation</i>	<i>Usage</i>
Organization Goal Attainment	VC_ORG_GOAL_AT N	Compensate Employees, Manage Variable Compensation, Use, Organization Attainments, Organization Goal Attainment	Enter the goal attainments for the organization goals that you set up for the plan.
Group Goal Attainments	VC_GRP_GOAL_AT N	Compensate Employees, Manage Variable Compensation, Use, Group Goal Attainments, Group Goal Attainment	Enter the goal attainments for the group goals that you set up for the plan.

Page Name	Object Name	Navigation	Usage
Individual Attainments	VC_IND_GOAL_ATN	Compensate Employees, Manage Variable Compensation, Use, Individual Attainments, Individual Attainments	For plans that don't use groups. Add goals and weights, change or delete default goals and weights, and enter goal attainments for individual plan members. The Eligibility/Proration process loads the default individual goals into this page for all eligible plan members. Use the defaults as a starting point for updating the individual's goals before entering goal attainments.
Individual Attainments With Groups	VC_IND_GOAL_WG_ATN	Compensate Employees, Manage Variable Compensation, Use, Ind. Attainments with Groups, Ind. Attainments With Groups	For plans that use groups. Add goals and weights, change or delete default goals and weights, and enter goal attainments for individual plan members.

Entering Organization Goal Attainments

Access the Organization Goal Attainments page.

Organization Goal Attainment	
VC Plan ID:	EEVC1 Bonus plan with individual target formula
Payout Period View All First 1 of 1 Last	
Period ID:	S1 Total Weight: 100.00 + -
Organization Attainment Detail View All First 1 of 1 Last	
Goal ID:	KCUSTOMER Customer Satisfaction
Weight:	100.00
Description:	
Attainment:	<input type="text" value="95.00"/>
Comments:	<input type="text"/>

Organization Goal Attainment page

Period ID	Select the plan payout period for which you want to enter goal attainments.
Goal ID	Select a goal ID. The system displays a row for each Goal ID that you entered on the Organization Goals setup page. You must enter a goal attainment for each goal that you set up. The system assumes 0 percent attainment if you leave this field blank.
Weight	The system displays the weighting percent that you assigned to the Goal ID.
Attainment	Enter the percent attained value for this goal.
Comments	Enter any information pertinent to the goal attainment.

Entering Group Goal Attainments

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

Note. The child group does not inherit the actual attainments; it inherits only the performance factor.

Access the Group Goal Attainments page.

Group Goal Attainments	
VC Plan ID: KCORP	Tree Plan - Corporate Compensation
Payout Periods View All First 1 of 1 Last	
Period ID: Q1	
Groups View All First 1 of 2 Last	
Group ID: KSALES	Sales US&CAN
Group Goal Attainments View All First 1 of 1 Last	
Goal ID: KQUARTERLY	Quartely Sales Goals
Weight: 100.00	
Description:	
Attainment:	<input type="text" value="110.00"/>
Comments:	<input type="text"/>

Group Goal Attainments page

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

Group ID

Select the ID of the group whose goal attainments you want to enter. The system displays the description of the group.

See Also

Entering Organization Goal Attainments

Understanding Inheritance of Group Goals

Entering Individual Goal Attainments

Access the Individual Attainments page.

Individual Attainments

VC Plan ID: EEVC1 Bonus plan with individual target formula
Period ID: S1

Employee Details View All First 1 of 2 Last

EmplID: KU0001 Lewis, Douglas + -
Empl Rcd#: 0 **No Goals** **Total Weight:** 100.00

Individual Goal Attainments View All First 1 of 1 Last

***Goal ID:** Individual Sales Goals + -
Weight:
Attainment:
Comments:

Individual Attainments page

- Period ID** The identifier for the plan payout period for which you want to enter goal attainments.
- No Goals** Select if you want to delete all individual goals for the plan member. When you select **No Goals**, the system deletes all individual goal records for the plan member (causing the fields to become unavailable for entry) and assumes 100 percent attainment at the individual level (so that there is no reduction in the award for lack of goals).
- Total Weight** The system sums the weighting percents as you change or enter them for each goal and displays the cumulative total in this field. Adjust the weights for goals until the sum of all goal weights for the payout period is 100 percent. To save the page, the Total Weight must equal 100 percent.
- Goal ID** Displays a row for each default Goal ID that you entered on the Organization Goals setup page. Select a data row for a default Goal ID, or add a new goal by selecting an ID from the options.
- Weight** Displays the weighting percent that you assigned to the default Goal ID. Change the default weight or enter a weighting percent for a new goal ID. The total of all weights for the payout period ID must equal 100 percent.
- Attainment** Enter the percent attained value for each goal.
- See Also**
Understanding Defaulting of Individual Goals

Entering Goal Attainments for Individuals With Groups

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

Access the Ind. Attainments With Groups (individual attainments with groups) page.

The screenshot displays the 'Ind. Attainments With Groups' page. At the top, it shows the 'VC Plan ID' as KCORP (Tree Plan - Corporate Compensation) and the 'Period ID' as Q1. Below this is a 'Groups' section with 'Group ID' KCSALES (Sales CAN). The 'Employee Details' section shows 'EmpID' KC0008 for 'Wilson, Kenneth John' with 'Empl Rcd#' 0 and 'Total Weight' 100.00. The 'Individual Goal Attainments' section shows a goal with 'Goal ID' KINDVDUAL (Individual Sales Goals), 'Weight' 100.00, and 'Attainment' 100.00. A 'Long Descr' field is also present but empty.

Individual Attainments With Groups page

The Eligibility/Proration process loads the default individual goals into this page for members of groups that have default individual goals set up. Use the defaults as a starting point for updating the individual's goals before entering goal attainments.

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

Group ID

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

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

See Also

Entering Individual Goal Attainments

Understanding Defaulting of Individual Goals

Understanding the Performance Factor

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

Calculating the Performance Factor

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

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

The Performance Factor Calculation Formula

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

$$\text{Plan Goal Weight} \times \text{Weighted Goal percent} \times \text{Attainment percent}$$

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

Example: Performance Factor for Goals Established at Three Levels

Data

Plan Goal Wts		Weighted Goal %		Attainment %	
Organization	50 %	Org. Goal 1	35 %	Org. Goal 1	100 %
Group	35 %	Org. Goal 2	65 %	Org. Goal 2	125 %
Individual	15 %	Total	100 %	Group Goal 1	75 %
Total	100 %	Group Goal 1	50 %	Group Goal 2	50 %
		Group Goal 2	50 %	Indiv. Goal 1	100 %
		Total	100 %		
		Indiv. Goal 1	100 %		
		Total	100 %		

Calculation

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

Applying the Performance Factor

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

Data

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

Award Calculation

$$(\$50,000 \times 15 \text{ percent}) / 4 \times .75 \times .95 = \$1,335.94$$

See Also

“Calculating Allocations and Awards ”

CHAPTER 7

Managing Plans With Matrix Goals

This chapter provides an overview of using matrix goals and describes:

- An example of using matrix goals.
- How to set up matrix goals.
- How to enter matrix goal attainments.

Overview of Using Matrix Goals

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

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

Organization or Group Goals Matrix

Manage a variable compensation (VC) plan with a goals matrix at the organization level or at the group level, depending upon the plan member rule that you established for the plan.

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

Organization Level

Set performance goals for the entire organization. The performance score for organization goals determines the payout formula for all plan members.

Group Level

Set performance goals for all members of a group. Child groups inherit the group goals and attainments of parent groups, unless you establish a different goals matrix at the child group level. The performance score for group goals determines the payout formula for all members of the group.

Summary of Matrix Goals Procedures

To manage plans with a goals matrix:

1. Define goal IDs on the VC Goal Table page.
2. Define *Goals Matrix* as a plan option on the VC Plan - Plan Definition Page.
 - Select *Goals Matrix* as the Plan Goals type.
 - Define the number of columns that you want to set up in the matrix.
3. Set up the goal matrix on the Plan Goals - Matrix Goals page or Plan Goals with Groups - Matrix Goals page.
 - Enter the goal IDs that you'll use to evaluate performance.
 - Establish a weighting percent for each goal ID. The cumulative total of the weights for all goals must equal 100 percent.
 - Enter the threshold, target, and stretch performance level percentages for the number of matrix columns that you defined for the plan.
 - Identify the measurable performance level values for each goal at each performance percent level.
4. On the Payout Schedule page, identify a payout schedule that represents the amount of award that a plan member would receive at the various performance levels.
5. On the matrix goal attainment pages, enter the goal attainment value for each goal.

The system performs the following calculations:

- Determines the performance score for each goal.
 - Sums the scores of all goals.
 - Determines the payout formula.
6. Calculate the award using the payout formula during the Calculate Awards process.

See Also

“Setting Up Variable Compensation Plans,” Defining Goals

Example of Managing a Plan Using Matrix Goals

“Calculating Allocations and Awards,” Calculating Awards

Common Goals Matrix Terms and Elements

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

Goal Weight	The weighting percents that you assign to the performance goals that you set up in the matrix.
Threshold	Minimal performance conditions that must be met if there is to be a payout. The function of thresholds is to cancel payouts when some minimally acceptable performance level has not been achieved on the goals that you set.
Target	Performance conditions that must be met if there is to be optimal payout. Target implies the average level of performance in achieving the goals in the matrix. The group or organization usually meets the target level of performance 80 percent of the time.
Stretch	Performance conditions that must be met if there is to be the highest payout. Stretch implies the maximum level of performance in achieving the goals in the matrix. The group or organization usually reaches the stretch level of performance 50 percent of the time.
Performance Level	<p>The percentages that you assign to the threshold, target, and stretch levels on the matrix. The system uses these percentages to calculate the performance score.</p> <p>The number of performance levels corresponds to the number of columns that you specified for the matrix. It is common to set up five levels that range from 80 percent to 120 percent. In such a scheme, 80 percent and 90 percent represent performance that is below expected, 100 percent represents the expected level of performance, and 110 percent and 120 percent represent higher-than-expected performance. Three levels and seven levels are also common.</p>
Performance Value	<p>A numeric representation of the value of performance to be attained at each threshold, target, or stretch performance level in the matrix. Depending upon how you measure the goal, express the performance value as a percentage or as a flat amount.</p> <p>The performance value determines the performance level percent that the system uses to calculate the performance score.</p>

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

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

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

- Payout Schedule** Schedule of performance score ranges and associated payout formulas.

- Payout Formula** The formula the system uses to calculate the plan member’s valuable compensation (VC) award. Usually the formula is some percentage of base pay.

Example of Managing a Plan Using Matrix Goals

The following example illustrates the matrix goal business process.

Sample Goal Matrix

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

Sample goal matrix with five columns

The sample matrix shows the following elements:

- Five **performance levels** ranging from 80 percent to 120 percent for the threshold, target, and stretch levels.

- Three **goals** for measuring performance.
- **Weight** percents for each goal (total goal weight is 100 percent).
- The **performance values** to be attained for each goal at each performance level.

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

You do not have to express performance values as a percent. Note that the customer satisfaction performance value is a flat amount because it is measured as a score on a survey.

- The actual goal **attainment** value expressed in the same measure (percent or flat amount) as the performance value for each goal.
- The **score** that the system calculated for each goal and the **total performance score**.

Calculating the Performance Score

The formula for calculating the performance score is:

Goal Weight x Performance Level of the Attainment Value

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

$$40 \text{ percent} \times 100 \text{ percent} = 40$$

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

$$35 \text{ percent} \times 110 \text{ percent} = 39$$

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

$$25 \text{ percent} \times 90 \text{ percent} = 23$$

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

$$40 + 39 + 23 = 102$$

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

Determining the Payout Formula

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

The following is an example of a payout schedule:

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

In this example, the total performance score of 102 falls in the range of 100 - 109, so the payout formula is 7 percent of quarterly base pay. The Calculate Awards process uses the payout formula when it calculates the award.

See Also

Common Goals Matrix Terms and Elements

Setting Up Matrix Goals

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

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

columns for the matrix on the Plan Definitions page, set up a new matrix with the correct number of columns before you run the eligibility process for the new period.

See Also

Overview of Using Matrix Goals

Pages Used to Set Up Matrix Goals

<i>Page Name</i>	<i>Object Name</i>	<i>Navigation</i>	<i>Usage</i>
Matrix Goals	VC_MTX_GOAL	Compensate Employees, Manage Variable Compensation, Setup, Plan Goals, Matrix Goals	Define the goals matrix that you'll use in administering a performance-based variable compensation (VC) plan that does not use groups.
Payout Schedule	VC_PAYOUT_SCHE D	Click the Payout Schedule link on the Matrix Goals page or Matrix Goals With Groups page.	Assign payout formulas to ranges of performance scores. Set up any number of score ranges and associated payout formulas by inserting rows.
Matrix Goals With Groups	VC_MTX_GOAL_W G	Compensate Employees, Manage Variable Compensation, Setup, Plan Goals with Groups, Matrix Goals	Define the goals matrix that you'll use in administering a performance-based variable compensation (VC) plan that uses groups.

See Also

“Setting Up Variable Compensation Plans,” Defining Goals

Defining a Goal Matrix for Plans Without Groups

Access the Matrix Goals page.

Organization Goals | Default Individual Goals | Matrix Goals

Plan ID: EEVC3 Survey Bonus with Employee Record

Matrix Definition View All First 1 of 1 Last

Period ID: 81

Payout Schedule

Threshold	Target	Stretch
10.00	100.00	120.00

Goals Matrix View All First 1 of 1 Last

*Goal ID	*Weight	Threshold	Target	Stretch
KCUSTOMER	100.00	3.00	9.00	10.00

Total Weight: 100.00

Matrix Goals page

Payout Schedule

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

Threshold

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

Target

Enter the performance level percent for the Target column of the matrix. The Target percent is generally 100 percent.

Stretch

Enter performance level percents for each Stretch column of the matrix. Stretch percents are generally greater than 100 percent.

Goal ID

Select an ID from the options.

Weight

Enter a weight for the goal ID. Express weighting percents in up to two decimal places. Consider the example of 18.25 percent. To save the page, the total of all weights for the payout period ID must equal 100 percent.

For the first goal that you select, the system enters 100.00. Change it to any percent that you want up to 100.00. Consider, for example, 25.00. When you insert a row and select a second Goal ID, the system populates the Weight field with the difference between 100.00 and the weight that you entered for the first goal, which, in this example, would result in 75.00. Change this percent and add a third goal, and so forth.

Threshold, Target, Stretch For each Goal ID, enter a performance value to be attained at each Threshold, Target, and Stretch performance level in the matrix. Depending upon how you measure the goal, express the performance value as a percentage or as a flat amount.

Total Weight The system sums the weighting percents as you enter them for each goal and displays the cumulative total in the Total Weight field. Adjust the weights for goals until the sum of all weighting percents for the payout period is 100 percent. To save the page, the Total Weight must equal 100 percent.

Assigning Payout Formulas to Performance Score Ranges

Access the Payout Schedule page.

Payout schedule panel

Plan ID: EEVC3 Survey Bonus with Employee Record
Period ID: S1
Group ID: NOGROUP

Payout Schedule			View All	First	1-2 of 2	Last
From Score	To Score	*Payout Formula				
20.00	100.00	K1KFLAT	1000 Flat			+ -
100.00		K5KFLAT	5000 Flat			+ -

Payout Schedule page

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

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

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

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

Payout Formula

Select a Payout Formula for the range of scores that you defined.

Defining a Goal Matrix for Plans With Groups

Access the Matrix Goals With Groups page.

The screenshot shows the 'Matrix Goals With Groups' page. At the top, there are four tabs: 'Organization Goals', 'Group Goals', 'Default Individual Goals', and 'Matrix Goals'. The 'Matrix Goals' tab is selected. Below the tabs, the 'Plan ID' is 'EEVC2' and the description is 'Survey Bonus with Employee Record'. The 'Payout Periods' section shows 'Period ID: S1'. The 'Matrix Definition' section includes a search for '*Group ID: KVCALL' with the description 'Variable Comp ALL'. Below this, there are input fields for 'Threshold' (70.00), 'Target' (100.00), and 'Stretch' (120.00). The 'Goals Matrix' table has one row with '*Goal ID: KCUSTOMER' and '*Weight: 100.00'. The table also shows a score of 3.00 and a 'Target' of 9.00. At the bottom, 'Total Weight: 100.00' is displayed.

Matrix Goals With Groups page

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

Group ID

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

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

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

See Also

Defining a Goal Matrix for Plans Without Groups

Entering Matrix Goal Attainments

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

Pages Used to Enter Matrix Goal Attainments

<i>Page Name</i>	<i>Object Name</i>	<i>Navigation</i>	<i>Usage</i>
Matrix Goal Attainment	VC_MTX_GOAL_ATN	Compensate Employees, Manage Variable Compensation, Use, Matrix Goal Attainments, Matrix Goal Attainment	Enter the numeric value of attainment of each goal in the matrix. The system calculates the performance score and determines the payout formula.
Matrix Attainments With Groups	VC_MTX_GOAL_WG_ATN	Compensate Employees, Manage Variable Compensation, Use, Matrix Attainments with Groups, Matrix Attainments With Groups	Enter the numeric value of attainment of each goal in the matrix. The system calculates the performance score and determines the payout formula.

Entering Matrix Goal Attainments for Plans Without Groups

Access the Matrix Goal Attainment page.

Matrix Goal Attainment

Plan ID: EEVC3 Survey Bonus with Employee Record

Matrix Definition View All First 1 of 1 Last

Period ID: S1

	Threshold	Target	Stretch
Payout Schedule	10.00	100.00	120.00

Goals Matrix View All First 1 of 1 Last

Goal ID	Weight	Attainment	Score
KCUSTOMER	100.00 3.00	9.00	106.00

Total Weight: 100.00 **Payout Formula:** K5KFLAT **Total Score:** 106.000

Matrix Goal Attainment page

Viewing the Goals Matrix

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

Entering Goal Attainments

Attainment

On each row of the matrix, enter the goal attainment value for that goal. It is expressed in the same numeric representation as the performance values that you entered into the matrix. The system uses the goal attainment value to interpolate a performance value on the matrix and uses the percent of the corresponding performance level in the performance score calculation.

Score

The system calculates the performance score by multiplying the goal **Weight** by the performance level that was calculated for the attainment.

Total Score

The system enters the sum of the performance scores for all goals. It uses the **Total Score** to determine the payout formula.

Payout Formula

The system compares the **Total Score** to the score ranges that you set up on the Payout Schedule page. It populates the **Payout Formula** field with the payout formula that you defined for the corresponding range.

See Also

Example of Managing a Plan Using Matrix Goals

Entering Matrix Goal Attainments for Plans with Groups

Access the Matrix Attainments With Groups page.

Matrix Attainments With Groups

Plan ID: EEVC2 Survey Bonus with Employee Record

Payout Periods			
Period ID:	S1		

Matrix Definition			
Group ID:	KVCALL Variable Comp ALL		
	Threshold	Target	Stretch
Payout Schedule	70.00	100.00	120.00

Goals Matrix				
Goal ID	Weight		Attainment	Score
KCUSTOMER	100.00	3.00	10.00	95.00

Total Weight: 100.00 **Payout Formula:** K1KFLAT **Total Score:** 95.000

Matrix Attainments With Groups page

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

Group ID

Find the Group ID for which you want to enter goal attainment values. Only the groups for which you have security access are available.

The system automatically applies the highest group’s attainments, performance scores, and payout formula to all child groups, unless you have set up a different matrix at a lower level. In other words, child groups take on the matrix and payout formula of the next highest group with a goal matrix.

See Also

Entering Matrix Goal Attainments for Plans Without Groups

Example of Managing a Plan Using Matrix Goals

CHAPTER 8

Funding Variable Compensation Plans and Groups

This chapter discusses how to:

- Budget awards.
- Fund variable compensation plans.
- Allocate funds to groups.

Overview of Variable Compensation Funding

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

To fund a variable compensation plan:

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

Fund the plan at any time during the life of the plan.

4. Distribute funds to groups in the plan using the Group Funding Allocation Page (for plans that use groups).

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

See Also

Allocating Funds to Groups

Understanding the Adjustment Factor

The Calculate Awards process calculates and applies an adjustment factor when the calculated awards exceed the funding for the plan. The purpose of the adjustment factor is to adjust each individual award in the same ratio to the calculated award as the ratio of group/plan funding to the total value of calculated awards for the group/plan. For example, if the funding for the group or plan is 10 percent less than the total calculated awards for the group or plan, the adjustment factor would reduce the individual's calculated award by 10 percent.

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

The system calculates the adjustment factor using the following formula:

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

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

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

Budgeting Awards

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

If you use weighted goals in the plan, specify hypothetical attainment percentages on the run control page. If you use a goals matrix, specify a hypothetical matrix score on the run control page. If you don't specify hypothetical goal attainments or a score, the system assumes 100 percent goal attainment.

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

See Also

PeopleSoft Application Fundamentals for HRMS PeopleBook, "Appendix: PeopleSoft Application Fundamentals for HRMS Reports"

Funding Variable Compensation Plans

Plan Funding is optional for all plan types except the five stock types.

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

Funding Ad Hoc Plans

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

Funding Stock Plans

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

See Also

PeopleSoft Stock Administration PeopleBook, “Administering Variable Compensation Grants,” Allocating Stock to the Variable Comp Stock Fund

Page Used to Fund Variable Compensation Plans

Page Name	Object Name	Navigation	Usage
Plan Funding	VC_PLAN_FUNDING	Compensate Employees, Manage Variable Compensation, Setup, Plan Funding, Plan Funding	Allocate funds to a variable compensation plan. The system tracks these funds and adjusts the fund's available balance as you allocate awards. Plan funding is optional. Fund the plan at any time in the life of the plan.

Allocating Funds to a Variable Compensation Plan

Access the Plan Funding page.

Plan Funding

VC Plan ID: KCORP Tree Plan - Corporate Compensation

Plan Funding: 170,000.00 USD **Funds Available:** 150,000.00 USD

*Seq. Nbr.	*Funding Date	Amount Funded	Currency	Last Updated User Name	Last Update Timestamp
1	01/01/2000	80,000.00	USD	PS	05/22/2000 5:42PM
2	06/01/2000	90,000.00	USD	PS	05/22/2000 5:42PM

Plan Funding page

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

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

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

Plan Funding (Monetary plans) The sum of all funding amounts for the plan.

The system recalculates the Plan Funding amount each time you add or change an amount in the **Amount Funded** column.

Plan Funding (Units) (Non-monetary plans) The sum of all funding units for the plan.

The system recalculates the Plan Funding (Units) amount each time that you add or change an amount in the **Funding Units** column.

Funds Available	(Monetary plans) For plans without groups: The amount of funds remaining for distribution that have not been allocated to awards, which is recalculated each time you access the page. For plans with groups: The amount of Plan Funding minus the amount of funding that has been allocated to the top group.
Shares Available to Plan	(Stock-type plans) The sum of all the shares allocated from PeopleSoft Stock Administration to Variable Compensation for the stock plan and stock ID, minus any shares funded to other plans to date.
Plan Balance	(Non-monetary and stock-type plans) For plans without groups: The total of Funding Units allocated to this plan ID minus any awards allocated from the plan. For plans with groups: The total of Funding Units allocated to this plan ID minus the number of funding units that have been allocated to the top group.
Seq. Nbr. (sequence number)	The system sequentially numbers the rows in the grid. The default for the first row is <i>1</i> . You cannot delete a saved row.
Funding Date	Enter the date of the funding that you are allocating to the plan. Today's date is the system default.
Amount Funded	(Monetary plans) Enter the amount of funding that you want to add to the plan. Enter a negative amount if you want to decrease the plan funding.
Funding Units	(Non-monetary or stock-type plans) Enter the number of units that you want to add to the plan. Enter a negative amount if you want to decrease the plan funding. Stock funding units cannot exceed the value in the Shares Available to Plan field.

Allocating Funds to Groups

This section provides an overview of allocating funds to groups and describes:

- How to determine managers and approvers.
- A summary of group funding procedures.
- An example of group funding allocations.
- How to distribute funds among groups.

- How to allocate funds to the plan for the payout period.
- The Funding Allocation Report.

Overview of Allocating Funds to Groups

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

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

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

Determining Managers and Approvers

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

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

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

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

Plans Without Approval

You must set up an approver for the root group if you fund the plan, even if the plan does not specify Approve Awards as a plan business rule. That approver allocates funds to the root group and allocates the award of the root group's manager.

See Also

PeopleSoft Application Fundamentals for HRMS PeopleBook, “Working With Groups”

“Setting Up and Managing Plan Member Eligibility,” Managing VC Tree Security

Summary of the Group Funding Allocations Process

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

These generic procedures assume the following:

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

To allocate funds and awards to groups on the tree:
--

Funding the Highest Group

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

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

Awarding the Group Manager and Funding Child Groups

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

1. The approver runs the Calculate Awards process for the group.
This process populates the Award Allocations page.
2. The approver of the group approves the award of the group's manager on the Award Allocations page.
 - a. Modify the award if desired.
 - b. Change the Award Status to *Approved*.
3. The manager of the group receives workflow notice that he can allocate awards to his direct reports and subgroups.
4. The manager of the group allocates and recommends awards for direct reports on the Award Allocations page.
5. The approver receives workflow notice that he can approve the awards for the group manager's direct reports.
6. The approver approves awards of the group manager's direct reports.
7. The manager allocates funds to child groups on the Group Funding Allocation page.

8. The approvers or managers of the child groups receive a workflow notice.
 - For each subgroup that includes the managers as group members (as indicated in this example), the approver gets a workflow message saying that he should run the Calc Awards process for that group and subsequently approve the manager’s award. Because we assumed in this example that the manager of a group is the approver of the subgroups, the person who allocated funds to the subgroups is the same as the one who gets this workflow message.
 - For each subgroup that does not include the manager as group member, the manager gets a workflow message that he should run the Calc Awards process, recommend the awards of the direct reports, and fund the subgroups.
9. Repeat steps 3 through 8 for each group moving down the tree.

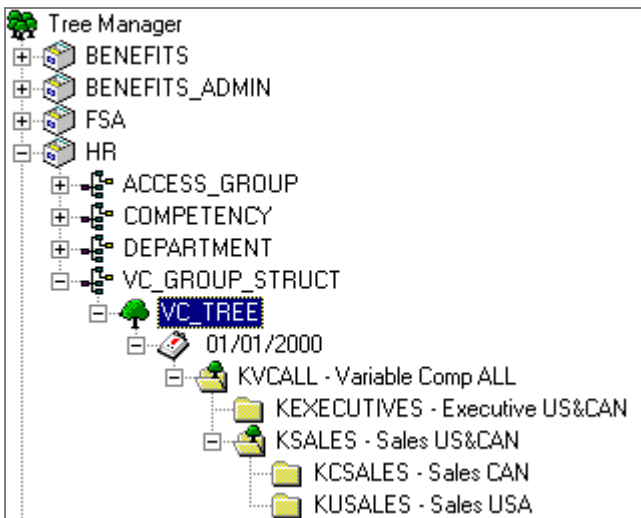
Awards are automatically submitted for payout or distribution by group when all awards in the group have a status of *Approved* (or *Cancelled*).

Example of Group Funding Allocations

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

Sample Group Tree

The following example illustrates a tree named VC Tree:



VC Tree example

Deleting Duplicate Membership

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

The following table displays all group members in the sample tree hierarchy according to the initial group definition in group build. At each level, the members listed in bold remain as members of the group; members not in bold are deleted as duplicates. The table also names the approver and manager of each group.

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

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

See Also

“Setting Up Plan Membership,” Deleting Parent-Child Duplicates for Rollup

Identifying Managers and Approvers

Because the approvers in this example are the higher level managers, they are not members of the groups they approve.

Managers generally are members of the groups they manage. In this example, the group KUSALES is an exception because it is managed by KC0008, who manages KCSALES. KC0008 is a member of KCSALES but not of KUSALES.

In this example, the user ID is identical to the employee ID.

To allocate funds to the groups in this example:

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

Funding and Awarding KVCALL Group Members

2. User KU0002 runs the Determine Allocations process using the Determine Allocation Process Page.
3. User KU0002 (approver of KVCALL) allocates funds to the top group KVCALL on the Group Funding Allocation - Fund Plan Page.

4. User KU0002 runs the Calculate Awards process for KVCALL using the Calculate Awards by Group Process Page.
5. User KU0002 modifies and approves the award for KU0003, manager of KVCALL using the Award Allocation With Groups Page.

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

6. User KU0003 (manager of KVCALL) modifies the awards for his direct reports (KU0007) and sets them to Recommended status using the Award Allocation With Groups Page.
7. User KU0002 (approver for KVCALL) approves the award for KU0007.

Manually approve the award using the Award Allocation With Groups Page or automate the approval using the Approve Awards by Group process.

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

Funding and Awarding KEXECUTIVES and KSALES Group Members

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

8. User KU0003 (manager of KVCALL) allocates funds to KEXECUTIVES and KSALES using the Group Funding Allocation Page.
9. User KU0003 runs the Calculate Awards process for KEXECUTIVES and KSALE using the Calculate Awards by Group Process Page.
10. User KU0003 modifies and approves the awards for KC0002 (manager of KEXECUTIVES) and KC0013 (manager of KSALES) using the Award Allocation With Groups Page.
11. User KC0002 (manager of KEXECUTIVES) modifies the awards for his direct reports (KU0005) and sets them to Recommended status using the Award Allocation With Groups Page.
12. User KU0003 (approver for KEXECUTIVES) approves the awards for KU0005.

Manually approve the awards using the Award Allocation With Groups Page or automate the approval using the Approve Awards by Group process.

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

13. User KC0013 (manager of KSALES) modifies the awards for his direct reports (KU0082) and sets them to Recommended status using the Award Allocation With Groups Page.
14. User KU0003 (approver for KSALES) approves the award for KU0082.

Manually approve the award using the Award Allocation With Groups page or automate

the approval using the Approve Awards by Group process.

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

Funding and Awarding KCSALES and KUSALES Group Members

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

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

Manually approve the awards using the Award Allocation With Groups Page or automate the approval using the Approve Awards by Group process.

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

20. User KC0008 (manager of KUSALES) modifies the awards for her direct reports (KU0051 and KU0064) and sets them to Recommended status using the Award Allocation With Groups Page.
21. User KC0013 (approver for KUSALES) approves the awards for KU0051 and KU0064.

Manually approve the awards using the Award Allocation With Groups Page or automate the approval using the Approve Awards by Group process.

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

See Also

“Calculating Allocations and Awards ”

Pages Used to Allocate Funds to Groups

<i>Page Name</i>	<i>Object Name</i>	<i>Navigation</i>	<i>Usage</i>
Group Funding Allocation	VC_GRP_ALLOC	Compensate Employees, Manage Variable Compensation, Use, Group Funding Allocation, Group Funding Allocation	Distribute the plan funding among the groups on the tree.
Funding Allocation - Fund Plan	VC_GRP_ALLOC_SE C	Click the Fund Plan button on the Group Funding Allocation page.	Allocate funds out of the plan's general funding to the plan for one specific payout period. This page is used by the person who is the authorized approver of the highest group in the plan.

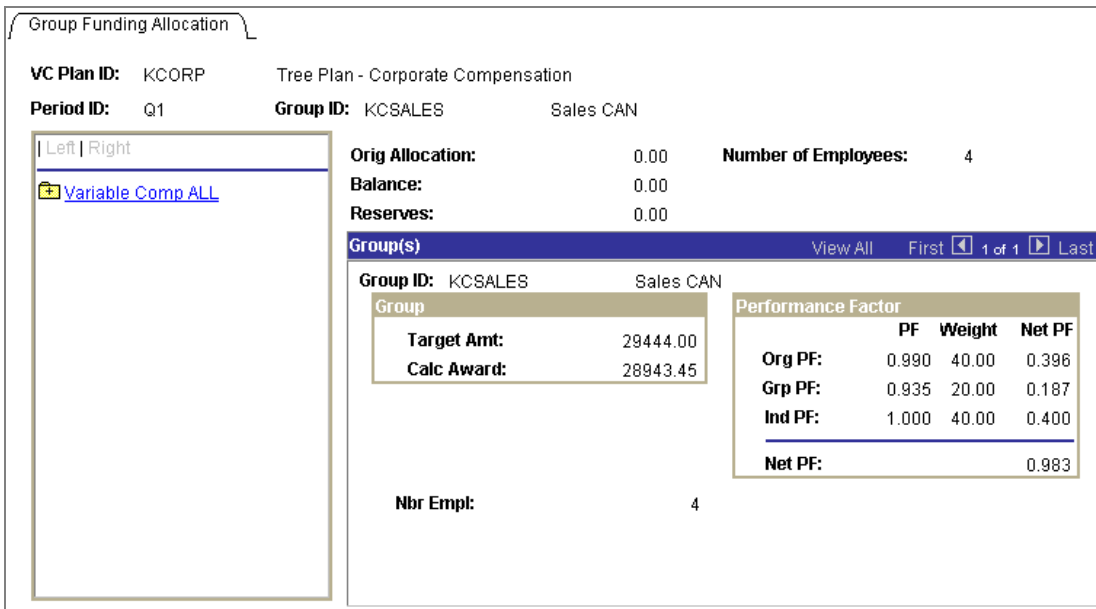
Distributing the Plan Funding Among Groups

The approver of the highest group on the tree must enter the Group Funding Allocation page first, click the Fund Plan button, and fund the plan from the Fund Plan page. Until the approver has funded the plan in this way, no one else can access the Group Funding Allocation page.

At each level of groups on the tree, the group manager's access to his or her group on this page is restricted as follows. Workflow notifies managers when they can access the page for their groups.

- If the plan requires award approval, the manager's Award Status on the Award Allocations page must be set to *Approved* or the award must have been submitted already.
- If the plan does not require award approval and the manager is a member of the group, the manager's Award Status on the Award Allocations page must be set to *Ready to Submit* or the award must have been submitted already.
- If the plan does not require award approval and the manager is not a member of the group, there is no restriction to a manager's access to his or her group.

Access the Group Funding Allocation page.



Group Funding Allocation page

Using the Tree View

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

Group ID

The system displays the ID that you entered to access the page.

Fund Plan

This button is available when the authorized approver of the highest group enters the page using the highest Group ID. The approver clicks this button to access the Fund Plan page in order to enter the funding amount for the plan payout period.

Orig Allocation (original allocation)

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

Balance

The unallocated balance of the original allocation.

The system decreases the amount in this field when the manager enters a positive funding amount for child groups in the **Amount** field. The amount is also decreased during the group funding allocations procedure when awards are allocated and approved for group members who are the direct reports to the manager.

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

Number of Employees The sum of all employees in child groups and subgroups of the (parent) group ID that you entered to access the page.

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

Group(s)

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

Group

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

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

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

Calc Award (group calculated award) The child group's target value (less the manager's target value) multiplied by the net performance factor.

For plans using matrix goals, this field contains the sum of the payouts computed for the actual goal attainments.

Manager

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

Target Amt (manager's target amount) The Target Value for the manager, as calculated by the Determine Allocations process.

Calc Award (manager's calculated award) The manager's target value multiplied by the net performance factor.

Performance Factor

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

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

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

PF (performance factor)	This column represents the goal attainment percents multiplied by the weighting percents of the goals at each level.
Weight	This column represents the plan goal weights that you assigned to each level of goals on the Plan Definition page.
Net PF (net performance factor)	This column is the performance factor calculated by multiplying the other two columns. The end result is that the net performance factor for each goal level is the sum of the (goal attainment percents x the weighting percents of each goal) x the plan goal weight for the level.
Org PF (organization performance factor)	The child group's organization performance factor calculation.
Grp PF (group performance factor)	The child group's group performance factor calculation.
Ind PF (individual performance factor)	The child group's individual performance factor. It assumes the attainment is 100 percent.
Net PF (net performance factor)	The sum of the Net PF at all three levels.
Nbr Empl: (number of employees)	The number of employees in the child group.
Orig Allocation (original allocation)	The total amount that you enter in the Amount field to fund the child group ID for the period ID. The system displays 0 until the Amount field is populated.
Balance	The unallocated balance of the original allocation. The system decreases the amount in this field after you allocate and approve the award for the manager or any other member (direct report) of the group. The system also changes the amount in this field when you adjust the allocation by entering a positive or negative funding amount for the child group in the Amount field.
Reserves	The balance of funding from previous periods that is still available for allocation to the child group.
Amount	Enter a positive or negative amount of funding for the child group, including the manager. In determining this amount, consider the following:

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

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

Enter an amount that is equal to, greater than, or less than the amount in the **Calc Award** field.

If you enter a positive amount, the system updates the following fields:

- Increases the child group's **Original Allocation** and **Balance**.
- Decreases the parent group's **Balance**.

The system does not enable you to enter an amount that is greater than the sum of the parent group's **Balance** and **Reserve**.

Use the **Amount** field to adjust an amount that you have allocated. For example, if you allocated \$5,000 to a group but now want to reduce the funding by \$500, you can enter -500 in the **Amount** field. If you enter a negative **Amount**, the system updates the following fields:

- Decreases the child group's **Original Allocation** and **Balance**.
- Increases the parent group's **Balance**.

If you enter a negative amount that exceeds the amount in the child group's **Balance**, the system updates the following fields:

- Decreases the amount in the child group's **Balance** until the balance is 0.
- Decreases the child group's **Orig Allocation** amount equally to the amount of decrease in the **Balance**.
- Decreases the remaining amount from the child group's **Reserves**.
- Increases the parent group's **Balance**.

The parent **Reserve** is not affected by entering a negative value in the **Amount** field.

Once you reduce the funds from your child group's Reserve, you cannot put them back. For example, assume that the parent balance is 0, the child's original allocation, balance, and reserve are 400, 400, and 300, respectively, before you enter an amount. Once you enter -600 in the Amount field, both the child original allocation and the balance are 0, the child reserve is 100, and the parent balance is 600. If you enter 600 in the Amount field after that, the child original allocation and balance is 600, but the child reserve is still 100.

Allocating Funds for the Payout Period

Access the Fund Plan page.

Fund Plan			
Target Value:	111526.00	Performance Factor	
Calc Award:	107734.12	Org PF:	(0.990 * 40.00 %) 0.396
Funds Available:	70000.00	Grp PF:	(0.850 * 20.00 %) 0.170
Orig Allocation:	80000.00	Ind PF:	(1.000 * 40.00 %) 0.400
Balance:	37000.00	Amount:	<input type="text"/>
Reserves:	0.00		

OK Cancel

Group Funding Allocation - Fund Plan page

Target Value

The total of the target awards for all members, including managers, of the highest group and all of its subordinate groups.

For monetary plans, this value is in the currency of the plan. For non-monetary and stock plans, the value is in units.

Calc Award (calculated award)

The total of the calculated awards for all members of the highest group. On this page, Calculated Award refers to the target value multiplied by the total (net) performance factor.

Funds Available

The funds remaining for distribution that have not been allocated to awards. This is identical to the amount in the Funds Available field on the Plan Funding page.

The funds available amount is the maximum that the approver can enter in the **Amount** field.

Orig Allocation (original allocation)	The amount that you enter in the Amount field to fund the plan for this period ID. Until you enter an amount, the original allocation is 0. The system increases the amount displayed here if you add additional funds in the Amount field.
Balance	The unallocated balance of the original funding. The system increases and decreases the amount in this field as you distribute awards to individuals or funds to child groups, or as you add funding in the Amount field.
Reserves	The balance of funding from previous periods that is still available for allocation to the plan.
Performance Factor	
Org PF (organization performance factor)	The highest group's organization performance factor.
Grp PF (group performance factor)	The highest group's group performance factor.
Ind PF (individual performance factor)	The highest group's individual performance factor.
Amount	Enter the amount that you want to fund to the plan for this payout period. If you want to change the funding amount, enter a positive amount in this field to increase the funding to the plan or a negative amount to decrease the funding.

Reporting on Group Funding Allocations

After you allocate funds to groups, use the optional Funding Allocations report to review and evaluate the distribution of funds to all of the groups in the plan. The report lists all data as summary information at the group level.

See Also

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

CHAPTER 9

Calculating Allocations and Awards

This chapter explains the calculation of allocations and awards and describes how to:

- Determine allocations.
- Calculate awards.
- View and adjust awards allocations.

Overview of Calculating Awards

The system employs the Award Allocations page and the following processes when calculating variable compensation (VC) allocations and awards:

- The Determine Allocation process calculates target awards.

It also calculates the performance factor for organization and group goals if weighted goals are a plan business rule.
- The Calculate Awards process calculates both monetary and non-monetary VC awards, including stock awards, by applying appropriate proration, performance, and adjustment factors to the target award.
- The Calculate Awards process populates the Award Allocation Page, where you can view and manually adjust awards.

On this page you also set the award status, which tells the system when to submit awards for payout.

Do not use either the Determine Allocations process or the Calculate Awards process for Ad Hoc plans. Instead, go directly to the Award Allocations page and manually enter the ad hoc award for each plan member.

See Also

Determining Allocations

Calculating Awards

Viewing and Adjusting Awards for Plans Without Groups

Using Calculation Processes Without Group Funding

To calculate awards when group funding allocation is not used:

1. Enter group and organization weighted goal attainments (if applicable).
2. Run the Determine Allocations process.
3. Enter individual weighted goal attainments (if applicable).
4. Run the Calculate Awards process.
5. Review and change the award as required on the Award Allocations page.
6. Change the award status on the Award Allocations page when the award is ready for approval or submittal.

Using Calculation Processes With Group Funding

If your plan uses groups and funding, allocate funding to groups in the hierarchy using the Group Funding Allocations page. At each level in the hierarchy, the manager's award must be allocated and approved before the group is funded. Managers and approvers of each group use the Calculate Awards process, the Award Allocations page, the Approve Awards process (if applicable), and the Group Funding Allocations page before the next lower level of managers can fund their groups.

See Also

“Funding Variable Compensation Plans and Groups,” Allocating Funds to Groups

Common Terms and Elements

Many of the following terms appear on the Award Allocations pages. Others are required to explain interim steps in the calculation process.

Payout Formula	Formulas the system uses to calculate target, minimum, and maximum payouts under the plan. Define payout formulas on the Payout Formula setup page.
Target Payout Formula	The payout formula that the Determine Allocations process uses to calculate the target award. Depending upon how you define the plan, assign target payout formulas to plan members at the individual level, the group level, or through the matrix goal payout schedule.

Minimum Payout Formula	<p>The formula the Calculate Awards process uses to determine the minimum award the plan member should receive under the plan.</p> <p>Optionally assign minimum payout formulas at the plan or group level.</p>
Maximum Payout Formula	<p>The formula the Calculate Awards process uses to determine the maximum award the plan member should receive under the plan.</p> <p>Optionally assign maximum payout formulas at the plan or group level.</p>
Proration Factor (or Prorate Factor)	<p>A factor calculated by the Calculate Eligibility/Proration process.</p> <p>This factor is based on the amount of time the employee was a member of the plan during the payout period. The Calculate Awards process multiplies the plan member's target award by the proration factor when it calculates the calculated award.</p>
Adjustment Factor	<p>A factor calculated and applied by the Calculate Awards process to adjust each individual award by the same ratio for funded plans when there is not enough funding to pay out the calculated awards.</p>
Performance Factor	<p>The factor the Calculate Awards process uses to adjust for weighted goal attainments.</p> <p>The performance factor for a given goal is the attainment percent multiplied by the weighting percent of the goal and by the weighting percent of the level.</p>
Target Award	<p>The award received upon completion of 100 percent of all applicable goals, including organization, group, and individual goals.</p> <p>The Determine Allocations process calculates the target award, which is the calculated value of the target payout formula without applying any proration factor, performance factor, or adjustment factor. The Calculate Awards process uses the target award to calculate the calculated award.</p> <p>Target award is labeled Target Value on the Award Allocations page.</p>
Minimum Award	<p>The calculated value of the minimum payout formula assigned to the plan or group, without applying any proration factor, performance factor, or adjustment factor. The Determine Allocations process calculates the minimum award.</p>

Maximum Award	<p>The calculated value of the maximum payout formula assigned to the plan or group, without applying any proration factor, performance factor, or adjustment factor.</p> <p>The Determine Allocations process calculates the maximum award.</p>
Target Value	<p>The value of the target award expressed in the currency of the variable compensation plan or in units if the plan is non-monetary.</p> <p>The Determine Allocations process calculates this value and enters it in the Target Value field on the Award Allocation page.</p>
Calculated Award	<p>The target award multiplied by the performance factor (if the plan uses weighted goals) and the proration factor (if the plan is prorated) and adjusted to the minimum or maximum if appropriate.</p> <p>The Calculate Awards process calculates the calculated award and enters it in the Calculated Award field on the Award Allocation page.</p>
Adjusted Award	<p>The calculated award multiplied by the adjustment factor.</p> <p>The Calculate Awards process calculates the adjusted award and enters it in the Adjusted Award field and in the Actual Award field on the Award Allocation page.</p>
Actual Award	<p>The adjusted award as further changed on the Award Allocations page by manual adjustment or carryover amount.</p> <p>If not changed, the actual award is equal to the adjusted award. Once approved, the actual award is the amount of currency or units approved for payout or distribution.</p>
Award Value	<p>The value of the actual award expressed in the currency of the variable compensation plan.</p> <p>The Calculate Awards process applies the valuation ID and rounding rules to calculate the monetary award value of non-monetary units.</p>

See Also

“Managing Eligibility and Proration”

“Funding Variable Compensation Plans and Groups,” Understanding the Adjustment Factor

“Managing Plans with Weighted Goals,” Understanding the Performance Factor

Determining Allocations

Run the Determine Allocations process prior to running the Calculate Awards process. The system uses the information calculated by the Determine Allocations process when it calculates awards, when it calculates group funding allocations, and when it projects target awards for Total Compensation (TC) reporting.

Determining Allocations for Variable Compensation

When you run the Determine Allocations process from the VC menu, the process calculates the following data:

- The target award for each plan member, without making any adjustments for proration, performance, or funding.
- The minimum and maximum awards for each plan member, if specified in the plan, without making any adjustments for proration, performance, or funding.
- The organization attainment factor, if the plan uses organization weighted goals.
- The group attainment factor for each group, if the plan uses groups and group weighted goals.
- The sum of target awards for each group in the plan if the plan uses groups.

If the plan uses funding, it enters these payouts on the Group Funding Allocation page.

- The sum of minimum awards (if specified in the plan) for each group in the plan, if the plan uses groups.
- The sum of maximum awards (if specified in the plan) for each group in the plan, if the plan uses groups.

See Also

“Funding VC Plans and Groups,” Allocating Funds to Groups

Common Terms and Elements

Determining Allocations for Total Compensation Reporting

The PeopleSoft Human Resources Total Compensation (TC) Extract process uses the Determine Allocations process when you extract variable compensation (VC) data to the TC data warehouse. When run from the Reporting TC Extract process, the Determine Allocations process does the following:

- Determines the applicable VC period IDs for the date range specified on the TC Extract process run control page.

- Collects all actual awards for the VC plan members covered by the TC plan ID and timeframe.
- If specified on the TC Extract run control page, calculates the target awards where no actual award exists for the VC plan members covered by the TC plan ID and timeframe.
- Applies valuation to non-stock, non-monetary awards using the valuation ID defined in the VC plan definition.

Note. The TC Extract from VC does not extract any data for stock-type plans.

See Also

PeopleSoft Human Resources PeopleBook: Report Total Compensation

Common Terms and Elements

Page Used to Determine Allocations

<i>Page Name</i>	<i>Object Name</i>	<i>Navigation</i>	<i>Usage</i>
Determine Allocation	RUNCTL_VC_DET_ALL	Compensate Employees, Manage Variable Compensation, Process, Determine Allocation	Run the Determine Allocations process, which calculates 100 percent variable compensation payouts, as well as performance factors for organization and group goals.

Running the Determine Allocations Process

Access the Determine Allocation page.

Determine Allocation page

Rate Type

Select the exchange rate type that you want the system to use when converting target awards into the currency of the plan.

Valid values are *Commercial Rate*, *Financial Rate*, *Floating Rate*, *Free Market Rate*, *Official Rate*, and *Spot Market Rate*.

See Also

PeopleTools PeopleBook: Process Scheduler

Calculating Awards

The Calculate Awards process calculates both monetary and non-monetary variable compensation (VC) awards, including stock awards. It enters the results of its calculations on the Award Allocations page. The award calculation can be simple or complex, depending on the plan business rules.

Values used by the Calculate Awards Process

- Target, minimum, and maximum values computed by the Determine Allocations process.
- Group and organization performance factors computed by the Determine Allocations process.
- Proration factor computed by the Calculate Eligibility/Proration process.
- Funding amounts entered in the Plan Funding and Group Funding Allocations pages.

Calculations Performed by the Calculate Awards Process

1. Determines the performance factor if the plan uses weighted goals.

- Calculates the individual performance factor, if appropriate.
- Sums the performance factors from all goal levels to determine the performance factor to use in calculating the award.

2. Calculates one of the following formulas:

Business Rules	Formula
No proration or goals	Target Value
Proration	Target Value x Proration Factor
Weighted goals	Target Value x Performance Factor
Weighted goals and proration	Target Value x Proration Factor x Performance Factor
Matrix goals	Value of the payout from the Payout Schedule
Matrix goals and proration	Value of the payout from the Payout Schedule x Proration Factor

3. Calculates the Calculated Award by comparing the value calculated in the previous step to the maximum award and minimum award, if specified in the plan.

- If the plan uses proration and the group member's proration factor is less than one, the system does not perform this step.
- If the award is greater than the maximum, the process sets the calculated award at the maximum.
- If the award is less than the minimum, the process sets the calculated award at the minimum.

4. Calculates the funds available for funded plans and computes the adjustment factor, if appropriate.

5. Calculates the Adjusted Award by applying the adjustment factor to the calculated award.

6. Proceeds according to the plan type:

- Monetary plans: Calculates the Award Amount and Award Value by applying the VC rounding rule to the adjusted award.
- Non-Monetary plans: The Adjusted Award is stored as the award unit. The process calculates the Award Value by applying valuation and VC rounding rules to the award unit.
- Stock-type plans: Calculates the award unit by applying stock rounding rules, then calculates the Award Value by applying valuation and VC rounding rules to the award unit.

7. Updates the Award table and sets the Award Status to Init Calc (initial calculated).

The system populates the Award Allocation Page from the Award table. Modify and

approve awards on the Award Allocation page.

Note. If the plan uses group funding, managers must calculate the awards for their direct reports, and the approver must approve them, before they can allocate funding to the child groups.

See Also

“Funding VC Plans and Groups,” Allocating Funds to Groups

Common Terms and Elements

Pages Used to Calculate Awards

<i>Page Name</i>	<i>Object Name</i>	<i>Navigation</i>	<i>Usage</i>
Calculate Awards by Plan	RUNCTL_VC_CALWRD_P	Compensate Employees, Manage Variable Compensation, Process, Calculate Awards by Plan	Run the Calculate Awards process for plans that do not use groups. This process calculates awards and enters calculation data on the Award Allocations page. Select a VC Plan ID and payout period.
Calculate Awards by Group	RUNCTL_VC_CALWRD_G	Compensate Employees, Manage Variable Compensation, Process, Calculate Awards by Group	Run the Calculate Awards process for selected groups within plans administered with groups. This process calculates awards and enters calculation data on the Award Allocations page. Select a VC Plan ID, payout period, and group ID.

Viewing and Adjusting Award Allocations

This section provides overviews of award status and the Award Allocations pages and describes how to:

- Use the Award Allocations page for Ad Hoc Awards.

- View and adjust awards for plans without groups.
- View and Adjust awards for plans with groups.

Overview of Award Status

The system uses status codes to track awards from allocation through submittal for payout and distribution. If your organization uses PeopleSoft Payroll for North America, PeopleSoft Global Payroll, or PeopleSoft Stock Administration, status codes track the awards through final payout or distribution.

The system tracks awards in the following two fields on the Award Allocation pages:

Award Status Shows the status of the individual award within a plan or group.

Group Status Shows the status of all awards within the plan or group. The system enters all Group Status codes.

Definitions of Individual and Group Award Status Codes

The following table provides definitions of award status codes and shows where there are differences at the individual and group levels of awards tracking:

Status	(Individual) Award Status	Group (Award) Status
A (approved)	If you choose Approve Awards as a plan business rule and run the Approve Awards process, the system enters the <i>Approved</i> status for each approved award. If you approve awards manually, the designated approver enters the <i>Approved</i> status to approve awards.	None
C (canceled)	Select this status to tell the system that you have no intention of granting this award. <i>Canceled</i> is a final status, meaning that it does not inhibit the approval and submittal processes.	None
D (ready to submit)	If you do not choose Approve Awards as a plan business rule, select this status to tell the system that the award is final and ready for payout/distribution.	The system enters this status when all awards in the period for the plan or group are ready to be submitted for payout or stock distribution.

Status	(Individual) Award Status	Group (Award) Status
E (errored)	The system enters this status for the award if PeopleSoft Payroll for North America, PeopleSoft Global Payroll, or PeopleSoft Stock Administration cannot proceed with payout or distribution because of an error in the individual award.	(corrections required) Same definition as for individual Award Status.
I (initial calculation)	The Calculate Awards process enters this status when it initially populates the Award Allocations page with calculated award data.	Same definition as for individual Award Status.
J (rejected)	The system enters this status if PeopleSoft Payroll for North America, PeopleSoft Global Payroll, or PeopleSoft Stock Administration rejects all of the awards for the entire plan or group due to an error at the plan or group level.	Same definition as for individual Award Status.
P (paid/granted)	The system enters this status after successful payout or distribution through PeopleSoft Payroll for North America, PeopleSoft Global Payroll, or PeopleSoft Stock Administration.	Same definition as for individual Award Status.
R (recommended)	If you choose Approve Awards as a plan business rule, give each award the <i>Recommended</i> status when it is ready for approval.	None
S (submitted)	The system enters this status when it publishes awards for payout or distribution.	Same definition as for individual Award Status.

Application of Individual and Group Award Status Codes

The following table illustrates the steps in the awards process and the status at each level for plans that use the Approve Awards process and those that do not.

Note. In this table, “payroll” refers to PeopleSoft Payroll for North America and PeopleSoft Global Payroll; “stock” refers to PeopleSoft Stock Administration.

Procedure That Modifies the Status	Individual Award Status Approval	Individual Award Status No Approval	Group Status Approval	Group Status No Approval
Calculate Awards	Initial Calculation	Initial Calculation	Initial Calculation	Initial Calculation
Award Allocation	Recommended or Canceled	Ready to Submit or Canceled	Ready to Submit	Ready to Submit
Approve Awards	Approved	NA	Ready to Submit	NA

<i>Procedure That Modifies the Status</i>	<i>Individual Award Status Approval</i>	<i>Individual Award Status No Approval</i>	<i>Group Status Approval</i>	<i>Group Status No Approval</i>
Publish to payroll, stock, or flat file.	Submitted	Submitted	Submitted	Submitted
Subscribe to payroll or stock. (Error)	Error	Error	Corrections Required	Corrections Required
Subscribe to payroll or stock. (Rejected)	Rejected	Rejected	Rejected	Rejected
Subscribe to payroll or stock. (Paid/Granted)	Paid/Granted	Paid/Granted	Paid/Granted	Paid/Granted

See Also

“Managing Awards Approval and Payout ”

Pages Used to Allocate Awards

<i>Page Name</i>	<i>Object Name</i>	<i>Navigation</i>	<i>Usage</i>
Award Allocation	VC_AWD_ALLOC	Compensate Employees, Manage Variable Compensation, Use, Award Allocation	View and change the awards calculated by the Award Allocation process or enter awards for Ad Hoc plans. Also view and change the award status of individual awards.
Award Allocations with Groups	VC_AWD_ALLOC_WG	Compensate Employees, Manage Variable Compensation, Use, Award Allocation with Groups	View and change the awards calculated by the Award Allocations process for group members. Also view and change the award status of individual awards. Use if you administer the plan using groups. If the plan does not use groups, the system enters the award data on the Award Allocations page.

Overview of the Award Allocations Pages

After you run the Calculate Awards process, use the Award Allocations page or Award Allocations with Groups page to:

- Review, change, and finalize awards before the system submits them for payout or distribution. If you funded the plan, the system updates the Funds Available or Balance of funding as you change the individual awards.
- Administer carryover balances and guarantees if these are part of the plan.
- Monitor the status of each award and the award status of the group or plan as a whole.

Some of the Changes Possible for Individual Awards

- Change the Earnings Code.
- Adjust the employee's carryover balance, if you selected Carryover Awards on the Plan Business Rules page.
- Replace the Actual Award that the system calculated with the Guarantee amount, if you entered a guarantee on the Employee Variable Compensation page.
- Modify the award by a percent that you enter in the Modifier field on this page.
- Enter an award amount of your choice in the Actual Award field.

Entering Award Status

When you are satisfied with the award amount, enter one of the following values in the Award Status field:

- If you did not select Approve Awards on the Plan Business Rules page, select the *Ready to Submit* status.
- If you selected Approve Awards on the Plan Business Rules page, select the *Recommended* status.

The approver changes the status to *Approved* either manually or by using the Approve Awards process.

The system changes the Group Status to *Ready to Submit* when all of the awards for the plan ID and payout period have either the *Canceled*, *Ready to Submit*, or *Approved* status. When the Group Status is *Ready to Submit*, the system publishes the awards for payout or distribution.

Access Restrictions

At each level of groups on the tree, the group manager's access to his or her group on this page is restricted as follows:

- If the plan requires award approval, the manager's Award Status must be set to *Approved* or the award must have been submitted already.
- If the plan does not require award approval and the manager is a member of the group, the manager's Award Status must be set to *Ready to Submit* or the award must have been submitted already.
- If the plan does not require award approval and the manager is not a member of the group, there is no restriction to a manager's access to his or her group.

Workflow notifies managers when they can access the page for their groups.

See Also

Managing Awards Approval and Payout

Using the Award Allocations Page for Ad Hoc Awards

If the plan member rule is Ad Hoc Award, do not run the Calculate Awards process prior to entering the Award Allocations page. Instead, enter the awards directly on this page.

To enter an Ad Hoc award:

1. Select the employee from the plan members listed on the Award Allocations page.
The members that you entered directly on the Plan Members page are available on the Award Allocations page.
2. Enter an award amount for the employee directly into the Actual Award field.
3. In the Award Status field, select *Recommended* if the plan requires approval or *Ready to Submit* if approval is not required.

For Ad Hoc Awards, the following fields are visible on the page; all others are hidden:

Earnings Code**GP Earnings****Award Date****Award Status**

Select *Recommended* if the plan requires approval or *Ready to Submit* if approval is not required.

Actual Award

Enter the amount of the award.

(calculation source)

After you enter an actual award amount, the word *Manual* appears above the Actual Award field to indicate that the award is manually entered.

Award Value

See Also

“Setting Up Plan Membership,” Setting Up Plan Members for Ad Hoc Awards

Viewing and Adjusting Awards for Plans Without Groups

Viewing and Adjusting Awards for Plans Without Groups

Access the Award Allocation page.

Award Allocation

VC Plan ID: HXVCT2 **VC TC Empl VC Record**

Period ID: 2000-1 **End Date:** 03/31/2000 **Sent to Payroll:** 08/13/2001

Group Status: Submitted

Name:

EmplID:

Sort by:

EmplID

Name

Employee Award View All First 1 of 1 Last

EmplID: **Empl Rcd#:** 0

Status:

Earnings Code: Award - Non Cash **Award Date:**

***GP Earnings:** ***Award Status:** Initial Calculation

Modifier (%):

Actual Award:

Award Value: 0.00 USD

Guarantee: 0.00

Award Detail







Award Allocation page (1 of 2)

Award Detail			
Target Value:	25050.00	Prorate Factor:	1.000
Calculated Award:	5000.00	Org Perf Factor:	0.990
Adjustment Factor:		Group Perf Factor:	0.850
Adjusted Award:	5000.00	Performance Factor:	1.000

Award Allocation page (2 of 2)

Note. Depending upon the business rules you defined for the plan, different fields appear in this section.

End Date	The end date that you defined on the Payout Period table for the Payout Period ID that you entered.
Sent to Payroll Date	The system populates this field when it publishes the awards to payroll or stock.
Plan Funding	<p>For funded plans, the system enters the sum of all plan funding amounts that you entered on the Plan Funding page with a date prior to the payout period End Date.</p> <p>This field does not appear on the page if the plan is not funded, or if you allocated funds to groups.</p>
Available	<p>For funded plans, the system displays the funds remaining for distribution that have not been allocated to awards. The system updates the Available field each time the Actual Award amount changes.</p> <p>This field does not appear on the page if the plan is not funded, or if you allocated funds to groups.</p>
Group Status	<p>The status that applies to awards in this payout period for the entire plan or entire group (if the plan uses groups).</p> <p>The Calculate Awards process enters the default value of Initial Calculation. If the Group Status is Submitted, all editable fields on the page are unavailable for entry.</p> <p>The system changes the Group Status according to the status of the entire group of individual awards. Available values are as follows:</p> <p><i>I - Initial Calculation</i></p> <p><i>D - Ready to Submit</i></p> <p><i>S - Submitted</i></p> <p><i>E - Corrections Required</i></p> <p><i>J - Rejected</i></p>

Name EmplID (employee ID)	P - Paid/Granted When you specify a Plan ID and Payout Period ID upon entering the page, the system loads all of the plan members for whom the user has security access. Use the Name and EmplID fields to easily find and display an individual's award record in the bottom portion of the page.
	Click the Refresh Search Fields? button to display the first chunk of members and to clear the search fields before entering new search parameters. The field to the left of this button tells you which rows are visible compared to the total number of rows that match the current search criteria. For example, <i>12 to 20 of 56</i> means that rows 12 to 20 are displayed out of a total of 56 rows.
	After entering new search parameters, click the Search button.
	Click the First Item button to display the first chunk of members.
	Click the Previous Item button to display the previous chunk of members.
	Click the Next Item button to display the next chunk of members.
	Click the Last Item button to display the last chunk of members.
Sort by	Choose to display the plan member records in the page in the order of EmplID or Name .
Earnings Code	The value that you defined for the plan on the Plan Definition page appears. Select a different value to modify the code at the employee level.
GP Earnings	
Carryover Balance, Accum Carryover, Carryover Amount	These fields are hidden if you did not select Carryover Awards on the Plan Business Rules page or if the plan is a non-monetary plan (including stock-type plans). These three fields work together to help you administer carryovers for each employee in the plan.
Carryover Balance	The Carryover Balance that you have withheld for the employee to date under this plan appears. When you approve the employee's award, the system updates the Carryover Balance with the amount in the Accum Carryover (accumulated carryover) field for this period.

Accum Carryover
(accumulated carryover)

The **Accum Carryover** field tracks the cumulative effect of the amounts that you enter in the **Carryover Amount** field for the employee in this payout period. For example, if you first enter \$300, and later enter \$100 in the **Carryover Amount** field, the **Accum Carryover** field shows \$400. If you later enter a negative amount of -\$150 in the **Carryover Amount** field, the **Accum Carryover** field shows \$250.

After making several changes in the **Carryover Amount**, if you want to know what the employee's award would be without any adjustment in the carryover balance, add the **Accum Carryover** amount to the value in the **Actual Award** field.

To see what the new carryover balance would be, add the **Accum Carryover** amount to the value in the **Carryover Balance** field. When you approve the employee's award, the system updates the **Carryover Balance** with the amount in the **Accum Carryover** field.

Carryover Amount

Use the **Carryover Amount** field to adjust the employee's **Carryover Balance**. Enter a positive amount to increase the employee's carryover balance and decrease the award. Enter a negative amount to decrease the employee's carryover balance and increase the award.

As you adjust the **Carryover Amount**, the system changes the amount in the **Actual Award** and **Accum Carryover** fields. The amount in the **Carryover Balance** field does not change until you approve the award.

Guarantee

If you entered a guarantee for the employee on the Employee Variable Compensation Page, the system displays that amount in the **Guarantee** field on this page. Manually change the **Actual Award** to the guarantee amount at your discretion. The system does not automatically enforce guarantees.

This field is not visible if the plan member rule is Ad Hoc Award or Define Tree/Group.

Award Date

The system enters the payout period end date as the default value. When you set the **Award Status** to *Approved* or *Ready to Submit* and save the page, the system sets the **Award Date** to the current date. If you approve awards using the Approve Awards process, the system sets the **Award Date** to the date that the process runs.

Manually change the **Award Date** to another date, such as the period end date.

If you try to change the *Approved* status to any other status, the system warns you that it will reset the **Award Date** to the period end date.

For Stock plans paid out through PeopleSoft Stock Administration, the system changes the **Award Date** to the Grant Date after creating stock grants.

For plans paid out through PeopleSoft Payroll for North America, the system changes the **Award Date** to the value set by the payroll system as the date of payment.

Award Status

The status of the individual employee award.

The default value is *I* (initial calculation). Select a status from the following options:

A - Approved: This value is only available if Approve Awards is selected on the Plan Business Rules page. If you use the Approve Awards batch process, the system enters this value. If you manually approve awards, only the designated approver can select this value.

C - Canceled: Select this value to cancel the award.

I - Initial Calculation: The system enters this value as the default.

R - Recommended: This value is available only if you select Approve Awards on the Plan Business Rules page.

D - Ready to Submit: This value is available only if you do not select Approve Awards on the Plan Business Rules page.

Modifier (%)

Enter a value in the modifier field to modify by the specified percentage an award that the system has calculated. Enter a value above 100 percent to increase the award; enter a value below 100 percent to decrease the award. The default is **100%**.

The system multiplies the Adjusted Award by the percent value that you enter and updates the **Actual Award** and the **Award Value** fields. It also updates funding information.

Example 1: The Adjusted Award is \$1,000 and the modifier is 75 percent. The system changes the **Actual Award** to \$750.00 (.75 x 1000).

Example 2: The Adjusted Award is \$1,000 and the modifier is 110 percent. The system changes the **Actual Award** to \$1,100 (1.10 x 1000).

After modifying an award, the system enters the *Manual* value in the Calculation Source field that is next to the **Modifier** field.

(Calculation Source)

The Calculation Source field is the unlabeled field next to the **Modifier** field. The system enters a value here to indicate the source of the **Actual Award** amount. The following are valid values:

System: The Calculate Awards process calculated the **Actual Award** based on the target formula and other factors.

Manual: You have manually entered or changed the **Actual Award**. You can enter an **Actual Award** for Ad Hoc plans, or change the **Actual Award** by directly entering an amount, or use the **Modifier** and **Carryover Amount** fields.

System – Min: The system substituted the minimum award because the calculated award is lower than the minimum award that you specified for the plan or group.

System – Max: The system substituted the maximum award because the calculated award is higher than the maximum award that you specified for the plan or group.

Actual Award

The Calculate Awards process enters the adjusted award amount as the default value in the **Actual Award** field. The system updates the **Actual Award** when you enter a **Carryover Amount** or enter a value in the **Modifier** field. You can also enter a different amount directly into the **Actual Award** field.

If the plan is an Ad Hoc plan, enter the employee's award directly into the **Actual Award** field. The system sets the Calculation Source to *Manual*.

When you or the system enters or changes the amount in the **Actual Award** field, online processing automatically updates funding information.

Award Value

The system enters the monetary value of the **Actual Award**. It updates this **Award Value** as the **Actual Award** changes.

Award Detail

Note. Depending upon the business rules you defined for the plan, different fields appear in this section.

Target Value	The value of the target award as expressed in the currency of the VC plan or in units if the plan is non-monetary. The Determine Awards process calculates this value.
Calculated Award	The target award multiplied by the performance factor (if the plan uses weighted goals) and the proration factor (if the plan is prorated). The Calculate Awards process calculates this value.
Adjustment Factor	<p>The factor calculated and applied by the Calculate Awards process to adjust each individual award by the same ratio for funded plans when there is not enough funding to pay out the calculated awards.</p> <p>This field does not appear on the page if the plan does not use funding.</p>
Adjusted Award	<p>The calculated awards multiplied by the adjustment factor. The Calculate Awards process calculates the Adjusted Award.</p> <p>Adjusted awards cannot be less than the minimum or more than the maximum payout.</p>
Original Award [Units]	This field is for Stock type plans only. It displays the number of units in the original award, before any stock splits. Splits are reflected in the Actual Award field when the award is published to Stock for distribution.
Original Award Value	This field is for Stock type plans only. It displays the value of the original award, before any stock repricing. Repricing is reflected in the Award Value field when the award is published to Stock for distribution.
Prorate Factor	<p>A factor calculated by the Calculate Eligibility/Proration process. It is based on the amount of time the employee was a member of the plan during the payout period.</p> <p>This field appears only on the page if prorate eligibility is a plan business rule.</p>
Org Perf Factor (organization performance factor)	<p>A factor determined by the organization weighted goal attainments.</p> <p>This field appears only on the page if the plan uses organization level weighted goals.</p>
Group Perf Factor (group performance factor)	<p>A factor determined by the group weighted goal attainments.</p> <p>This field appears only on the page if the plan uses group level weighted goals.</p>

Performance Factor

A factor determined by the goal attainments for weighted goals at the various levels under the plan. The Calculate Awards process applies the performance factor to the target award.

This field appears only on the page if the plan uses weighted goals.

See Also

Overview of Award Status

Common Terms and Elements



Viewing and Changing Awards for Plans With Groups






Access the Award Allocation with Groups page.

Award Allocation with Groups

VC Plan ID: KCORP Tree Plan - Corporate Compensation
Period ID: Q1 **End Date:** 03/31/2000
Group ID: KCSALES Sales CAN **Group Status:**

Orig Allocation: 0.00 **Balance:** 0.00 **Reserves:** 0.00



Name:  

EmplID:     

Sort by:

EmplID

Name

Employee Award View All First  1 of 1  Last

EmplID: **Empl Rcd#:** 0

Status:


Earnings Code: Bonus **Award Date:**

***Award Status:** Initial Calculation

Modifier (%):

Actual Award:

Award Value: 0.00 USD

 **Award Detail**

Award Allocation with Groups page (1 of 2)

Award Detail	
Target Value:	Prorate Factor:
Calculated Award:	Org Perf Factor:
Adjustment Factor:	Group Perf Factor:
Adjusted Award:	Performance Factor:

Award Allocation with Groups page (2 of 2)

All fields on this page are identical to the fields on the Award Allocations page, with the following exceptions:

- **Group ID** is an additional field on the Award Allocations with Groups page.
- The **Orig Allocation** (original allocation), **Balance**, and **Reserves** fields appear on the Award Allocations with Groups page for plans that use group funding allocations. These fields replace the Plan Funding and Available fields that appear on the Award Allocations page.

Group ID	The ID that you entered to access this page, along with a description of the group.
Orig Allocation	The total amount that you funded to this group ID for this period ID.
Balance	The unallocated balance of the original funding. The system increases and decreases the amount in this field as you change the award allocation for each group member.
Reserves	The balance of funding from previous periods that is still available for allocation to the group.

See Also

Viewing and Adjusting Awards for Plans Without Groups

Reporting Awards Calculations

The system provides the following reports to help you review the results of the Calculate Awards process:

- The Calculate Awards report
- The Variance Report

See Also

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

CHAPTER 10

Managing Awards Approval and Payout

This chapter provides an overview of awards approvals and payouts and describes:

- How to approve and submit awards.
- Integration with PeopleSoft Payroll for North America and PeopleSoft Global Payroll.
- Integration with PeopleSoft Stock Administration.
- Enterprise Integration Points related to Variable Compensation.
- How to view variable compensation history.

Overview of Approving and Submitting Awards

When you're satisfied with the awards on the Award Allocation page, finalize them for payout or distribution using an automated approval process, manual approval, or no approval. After you finalize all of the awards in a plan or group for a payout period, the system automatically submits them for payout or distribution.

When you define the variable compensation (VC) plan, decide whether to finalize awards for processing with or without approval. If you select award approval, you can run the Approve Awards batch process or approve awards individually.

Finalizing and Submitting Awards Without Approval

1. Clear the Approve Awards check box on the VC Plan - Plan Business Rules page.
2. Manually set the Award Status of each award to *Ready to Submit* on the Award Allocation page when you are satisfied with the award amount.

When all individual awards in the period for the plan or group have the *Ready to Submit* or *Canceled* Award Status, the system changes the Group Status on the Award Allocations page to *Ready to Submit*.

The system automatically submits awards for payout or distribution when the Group Status is *Ready to Submit* and changes the status to *Submitted*.

Approving Awards Manually

1. Select the Approve Awards check box on the VC Plan - Plan Business Rules page.

- If the plan member rule is Ad Hoc Awards or Empl VC Record, also identify the approver ID on this page.
 - For plans that use groups, establish the approver for each group when you set up VC Tree security.
3. The manager manually sets the Award Status of each award to *Recommended* on the Award Allocation page when satisfied with the award amount.

When all awards have the *Recommended* status, the system sends a workflow notifying the authorized approver.

4. The approver changes the Award Status to *Approved* for each award that he or she wants to approve.

Only the authorized approver can enter the *Approved* status.

- If the plan does not use groups, specify the approver ID on the Plan Definition page.
- If the plan uses groups, define the approver ID when you define the group on the Group Definition page.

When all individual awards for the period under the plan or group have the *Approved* or *Canceled* Award Status, the system changes the Group Status to *Ready to Submit*. When the Group Status is *Ready to Submit*, the system automatically submits awards for payout or distribution and changes the status to *Submitted*.

Approving Awards in a Batch Process

1. Select the Approve Awards check box on the VC Plan - Plan Business Rules page.
 - If the plan member rule is Ad Hoc Awards or Empl VC Record, also identify the approver ID on this page.
 - For plans that use groups, establish the approver for each group when you set up VC Tree security.
2. When satisfied with the award amount, the manager manually sets the Award Status of each award to *Recommended* on the Award Allocation page.

When all awards have the *Recommended* status, the system sends a workflow notifying the authorized approver to run the approval process.

3. When the Award Status on the Award Allocations page is *Recommended*, the approver runs the Approve Awards process or the Approve Awards with Groups process.

Only the authorized approver can run the process for the plan or group.

- If the plan does not use groups, specify the approver ID on the Plan Definition page.
- If the plan uses groups, define the approver ID when you define the group on the Group Definition page.

The process changes the Award Status of all approved awards from *Recommended* to *Approved*.

When all individual awards for the period under the plan or group have the *Approved* or *Canceled* Award Status, the system changes the Group Status to *Ready to Submit*.

When the Group Status is *Ready to Submit*, the system automatically submits awards for payout or distribution and changes the status to *Submitted*.

See Also

“Calculating Allocations and Awards,” Overview of Award Status and Viewing and Adjusting Award Allocations

Pages Used in Approving and Submitting Awards

Page Name	Object Name	Navigation	Usage
Approve Awards by Plan	VC_RUNCTL_APPW RD_P	Compensate Employees, Manage Variable Compensation, Process, Approve Awards by Plan, Approve Award	Run the batch approval process when the plan member rule is Ad Hoc Awards or Empl VC Record. Also use the process to remove approved status from approved awards.
Approve Awards by Group	VC_RUNCTL_APPW RD_G	Compensate Employees, Manage Variable Compensation, Process, Approve Awards by Group, Approve Award	Run the batch approval process when the plan member rule is Empl VC Record with groups or Define Tree/Group. Also use the process to remove approved status from approved awards.

Approving Awards by Plan

Access the Approve Award by Plan page.

Approve Award

Run Control ID: 10 [Report Manager](#) [Process Monitor](#)

Plan/Period Details		
VC Plan ID	Payout Period ID	Approve
1 EEVC1	S1	<input checked="" type="checkbox"/>

Approve Award by Plan page

VC Plan ID The only available values are the VC plans for which this user ID is the designated approver on the Plan Business Rules page.

Approve Select to approve all awards that have the *Recommended* status under the plan for the corresponding payout period. Clear this field to remove approval if you already ran the approval process and now want to change it. The system selects **Approve** by default.

See Also

PeopleTools PeopleBook: Process Scheduler

Approving Awards by Group

Access the Approve Award by Group page.

This page is identical to the Approve Awards by Plan page with the addition of the **Group ID** field.

VC Plan ID The only available values are the VC plans for which this user ID has security access.

Overview of Integration with Payroll Applications

When the Group Status field on the Award Allocation page is *D* (ready to submit), the Variable Compensation system submits monetary and non-stock, non-monetary awards for payout.

PeopleSoft Payroll for North America

If PeopleSoft Payroll for North America is installed on your database, the system publishes the awards directly to PeopleSoft Payroll for North America for payout.

PeopleSoft Global Payroll

If PeopleSoft Global Payroll is installed on your database, the system publishes the awards directly to PeopleSoft Global Payroll for payout.

PeopleSoft Payroll Interface

If PeopleSoft Payroll Interface is installed on your database, the system automatically generates a flat file containing the award data, which your organization can use as input into your PeopleSoft Payroll Interface system.

Multiple PeopleSoft Payroll Systems

If you have multiple PeopleSoft payroll systems installed on your database, the system refers to the pay system indicator on the employee's Job record to determine how to submit the award. If the employee is paid through PeopleSoft Payroll for North America or PeopleSoft Global Payroll, the system publishes the award through PeopleSoft Application Messaging. If the employee is paid through PeopleSoft Payroll Interface, the system submits the award through a flat file.

Integrating With PeopleSoft Payroll for North America and PeopleSoft Global Payroll

Integration between Variable Compensation and these two PeopleSoft payroll applications is automated through application messaging technology. The variable compensation administrator does not run any processes for this integration. If awards are returned due to error, the VC administrator must resolve the reason for the error. The VC administrator can also request that awards be rejected if they are submitted in error.

Summary of Integration With PeopleSoft Payroll for North America and PeopleSoft Global Payroll

The following steps summarize the award payout integration between variable compensation (VC) and the PeopleSoft Payroll for North America and Global Payroll applications.

Note. In this summary, “payroll” refers to both of these PeopleSoft payroll applications unless otherwise specified.

1. VC publishes awards.

When the status of all individual awards on the Award Allocation page is *D*, *S*, or *C*, the system changes the group status to *D* and publishes a message that inserts the awards into a publishing staging table. The Group Status and individual Award Status on the Award Allocations page are changed to *S* (submitted).

2. Payroll subscribes to the message.

Subscription inserts the awards into a subscribing staging table.

3. Payroll validates or rejects the VC data.

- Validated awards:

If VC data are valid, payroll proceeds with processing.

- Erred or rejected awards:

When payroll validates the VC data, it checks for error conditions that require correction prior to payroll processing. If errors are detected, payroll publishes an acknowledgment to VC and supplies reason codes.

4. VC subscribes to the acknowledgement of rejected or erred awards. The subscription updates the Award tables.
 - If all awards for a specified VC plan and payout period are rejected at VC request due to error in VC submission, the Group Status and Award Status are changed to *J* (rejected).
 - If awards fail validation, the Group Status and Award Status are changed to *E* (error) and payroll supplies a reason code.
 - The Award Date is updated to the current date.
 - Workflow notification of erred or rejected awards is sent to the VC administrator.

If the awards are erred or rejected by PeopleSoft Payroll for North America, the VC administrator can run the Subscription Error report to see the details of rejections, errors, and reasons. Otherwise, the VC administrator can check the message monitor to view the details.

 - VC administrator corrects the awards and sets the individual Award Status to *D* (ready to submit). When all individual awards have the status of *D*, *S*, or *C* the Group Status is changed to *D*, which triggers publishing of the awards.
5. Payroll processes validated awards and issues checks.
6. Payroll publishes a verification of payment to VC.
7. VC subscribes to the verification of payment. The subscription updates the Award tables.
 - Updates the Group Status and Award Status to *P* (paid/granted).
 - Updates the Award Value.
 - Updates the Award Date to the value set by payroll as the date of payment (PeopleSoft Payroll for North America only).

See Also

“Calculating Allocations and Awards,” Overview of Award Status

PeopleSoft Payroll for North America PeopleBook, “Administering Interfaces”

PeopleSoft Global Payroll PeopleBook, “Working With Interfaces”

Error Reason Codes

When PeopleSoft Payroll for North America or PeopleSoft Global Payroll publishes notification of erred awards (Award Status of *E*), the notification includes reason codes for the error.

PeopleSoft Payroll for North America Error Reason Codes

- Invalid Earning Code (Invalid EC).
- Invalid Employee ID & Record# (Invalid EE).
- Invalid Currency Code (Invalid CC).
- Transaction already exists (Tran exist).
- Amount Exceeds Payroll Maximum (Exceed Max).

PeopleSoft Global Payroll Error Reason Codes

- Invalid Currency Code (Invalid CC).
- Transaction already exists (Tran exist).
- Error Updating GP (GP Err).
- Error Updating ACK_PUB (Pub Err).
- Invalid Pin Number (Pin Err).

Integrating With PeopleSoft Stock Administration

When the Group Status on the Award Allocation page is *D* (ready to submit), the Variable Compensation system publishes the awards directly to PeopleSoft Stock Administration for distribution if PeopleSoft Stock Administration is installed on your database.

Summary of Integration with PeopleSoft Stock Administration

The following steps summarize the award distribution integration between the Variable Compensation business process and PeopleSoft Stock Administration:

1. The Variable Compensation (VC) business process publishes awards to PeopleSoft Stock Administration.

When the status of all individual awards on the Award Allocation page is *D*, *S*, or *C*, the system changes the group status to *D* and publishes a message that inserts the awards into a staging table. The Group Status and individual Award Status on the Award Allocations page are changed to *S* (submitted).

2. PeopleSoft Stock Administration subscribes to VC's message. Subscription performs validation and proceeds to either generate grants or to void, modify, or reject grants.

Generate Grants:

PeopleSoft Stock Administration runs the Generate Grants PeopleSoft Application Engine process to generate the grants and batch publishes the awards to VC

The batch publish of grants generated results in the following changes to the VC Award table:

- Changes the Award Date to the date granted.
- Changes the Award Status to *P* (paid/granted) when granted with no validation errors or to *E* (errored) when granted with validation errors.
- Updates the Actual Award to the number of shares granted.
- Updates the Award Value.

Void, modify, or reject grants: (This is generally done if there was a data entry error in the run control for generating the grants)

- Batch publish of voided grants to VC sets Award Status to *C* (cancelled).
 - Batch publish of modified grants to VC through staging table generates the same updates to VC data as publishing grants without modification.
 - Batch publish of rejected grants sets Award Status to *J* (rejected) if the awards were sent to PeopleSoft Stock Administration in error.
 - **Note.** Once the awards are rejected, they can't be recalculated in the same period. They must be recalculated in the following period.
3. Shares for VC plans or funding periods that have expired are returned to PeopleSoft Stock Administration.
- PeopleSoft Stock Administration decreases the VC funding table by the number of shares remaining.
4. PeopleSoft Stock Administration updates VC tables when stocks split.
- Updates the Awards table and the Plan Funding table.
 - Batch publishes effected VC awards.
5. PeopleSoft Stock Administration recalculates award value when stock is repriced and publishes revised awards updating the Award Value.

See Also

“Calculating Allocations and Awards,” Overview of Award Status

PeopleSoft Stock Administration PeopleBook, “Administering Variable Compensation Grants”

Enterprise Integration Points Between Variable Compensation and other PeopleSoft Applications

The system uses application messaging technology to transfer awards and payout data between the PeopleSoft Human Resources Variable Compensation application and PeopleSoft Payroll for North America, PeopleSoft Global Payroll, or PeopleSoft Stock Administration.

Enterprise Integration Points (EIP) Between Variable Compensation and PeopleSoft Payroll for North America

EIP Name	Message Name	Message Definition
Variable Compensation (VC) request for payment	VAR_COMP_PAYMENT_REQUEST	VC publishes award data to PeopleSoft Payroll for North America and payroll subscribes to the award data.
Acknowledgement/Verification of VC payment	VAR_COMP_PAYMENT_ACKNOWLEDGE	PeopleSoft Payroll for North America publishes payout data to VC and VC subscribes.

Enterprise Integration Points (EIP) Between Variable Compensation and PeopleSoft Global Payroll

EIP Name	Message Name	Message Definition
Variable Compensation (VC) request for payment	VAR_COMP_PAYMENT_REQUEST_GP	VC publishes award data to PeopleSoft Global Payroll and payroll subscribes to the award data.
Acknowledgement/Verification of VC payment	VAR_CMP_PAYMENT_ACKNOWLEDGE_GP	PeopleSoft Global Payroll publishes payout data to VC and VC subscribes.

Enterprise Integration Points (EIP) Between Variable Compensation and PeopleSoft Stock Administration

EIP Name	Message Name	Message Definition
Award Data	AWARD_GRANT_ISSUE	VC publishes award data to PeopleSoft Stock Administration and PeopleSoft Stock Administration subscribes to the award data.
Grant Data	GRANT_AWARD_UPDATE	PeopleSoft Stock Administration publishes grant data to VC and VC subscribes.

Activating Enterprise Integration Point Messages and Channels

All enterprise integration point (EIP) messages are delivered inactive. You must activate the messages in PeopleSoft Application Designer. Set the status of each selected message to *Active*, and set the status of the corresponding message channel to *Run*.

See Also

PeopleTools PeopleBook: Integration Tools

PeopleTools PeopleBook: Application Messaging

Reporting Related to Award Payout and Distribution

PeopleSoft provides two reports to assist in payout processing.

Reporting Actual Awards

After the system submits the awards for payout, run the Actual Awards report. This report is similar to the Calculate Awards report, but it shows any modifications that you made to the award on the Award Allocations page. You can select a detailed report or a summary report.

Reporting Subscription Errors

The variable compensation (VC) administrator can run the Subscription Error report after receiving workflow email notification that an erred or rejected award has been returned from PeopleSoft Payroll for North America or PeopleSoft Stock Administration.

See Also

“Calculating Allocations and Awards,” Overview of Award Status

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

Viewing Variable Compensation History

View historical plan information by employee or by plan. Use the Employee History inquiry page to view employee information online. Use the Employee History report or the Plan History report to print variable compensation history by employee or by plan, respectively.

Page Used to View Variable Compensation History

Page Name	Object Name	Navigation	Usage
Employee History Inquiry	VC_EE_HISTORY	Compensate Employees, Manage Variable Compensation, Inquiry, Employee History, Employee History	View the history of an employee’s target and actual awards in each plan and payout period.

Viewing Employee Target and Awards History

Access the Employee History page.

Employee History					
Locherty, Betty		Employee	ID: KU0007	Empl Rcd#: 0	
Plan Details					
VC Plan ID: KCORP			Tree Plan - Corporate Compensation		
Employee Details					
Payout Period ID	Group ID	Award Date	Award (Amt)	Award Value	Target Value
Q1	KVCALL	05/24/2000	5000.00	5000.00	15000.000000
Total Actual Award:		5000.000000	Total Target Award:		15000.000000

Employee History page

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

Award Date	The date on which the award was granted for each payout period.
Award (Amt) (award amount)	The award amount in the currency of the plan. (This column is hidden if the employee did not receive a monetary award in the plan period.)
Award (Units)	This column of the grid is hidden if the employee did not receive a non-monetary or stock award in the plan period.
Award Value	The value of the award granted in each period, expressed in the currency of the plan.
Target Value	The value of the employee's target award (expressed in the currency of the plan) as calculated by the Calculate Awards process for each payout period.
Total Actual Award	The total of awards granted to the employee under the plan ID, expressed in units or currency, depending on the plan type. Monetary value is expressed in the currency of the plan.
Total Target Award	The total of target awards calculated for the employee under the plan ID, expressed in units or currency, depending on the plan type. Monetary value is expressed in the currency of the plan.

See Also

“Calculating Allocations and Awards,” Common Terms and Elements

Reporting Employee and Plan History

- Use the Employee VC History report to print and view employee variable compensation history.
- Use the Plan History report to print and view variable compensation plan history

See Also

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

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