

PeopleSoft®

PeopleSoft Enterprise Human Resources 8.9 PeopleBook: Manage Variable Compensation

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PeopleSoft Enterprise Human Resources 8.9 PeopleBook: Manage Variable Compensation
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Contents

General Preface

- About This PeopleBook Prefacexiii**
- PeopleSoft Application Prerequisites.....xiii
- PeopleSoft Application Fundamentals.....xiii
- Documentation Updates and Printed Documentation.....xiv
 - Obtaining Documentation Updates.....xiv
 - Ordering Printed Documentation.....xiv
- Additional Resources.....xv
- Typographical Conventions and Visual Cues.....xvi
 - Typographical Conventions.....xvi
 - Visual Cues.....xvii
 - Country, Region, and Industry Identifiers.....xviii
 - Currency Codes.....xviii
- Comments and Suggestions.....xviii
- Common Elements Used in PeopleBooks.....xix

Preface

- PeopleSoft Enterprise Human Resources Manage Variable Compensation Prefacexxi**
- PeopleSoft Products.....xxi
- PeopleSoft Enterprise Application Fundamentals.....xxi
- PeopleBook Structure.....xxi

Chapter 1

- Getting Started with Variable Compensation.....1**
- Variable Compensation Business Processes.....1
- Variable Compensation Implementation.....1

Chapter 2

- Understanding Variable Compensation.....3**
- Understanding Variable Compensation.....3
- Variable Compensation Business Processes.....3
- Variable Compensation Integrations.....4
- Setting Up Variable Compensation.....4

Chapter 3

Using Variable Compensation.....5

Defining a Plan.....5

 Selecting Plan Type.....5

 Determining Plan Membership.....6

 Ad Hoc Plan Sample Process Flow.....6

 Define Tree and Groups Plan Sample Process Flow.....7

 Using Goals.....9

 Selecting Other Plan Business Rules and Options.....9

Processing Eligibility and Awards.....10

Managing Award Payout.....11

Reporting on Variable Compensation.....11

Chapter 4

Understanding Variable Compensation Plan Types.....13

Monetary Plan Types.....13

Non-Monetary Plan Types.....13

Stock-Type Variable Compensation Plans.....14

Other Plan Types.....15

Chapter 5

Setting Up Variable Compensation Control Tables.....17

Understanding of Control Table Setup.....17

Defining Payout Formulas.....17

 Page Used to Define Payout Formulas.....18

 Creating a Payout Formula.....18

 Payout Formula Example.....20

Defining Valuation.....20

 Page Used to Define Valuation.....21

 Creating a Valuation Definition.....21

Defining Goals.....22

 Page Used To Define Goals.....22

Setting Up Weighted Goals.....22

 Pages Used to Set Up Weighted Goals.....23

Defining a Variable Compensation Plan.....24

 Common Elements Used in This Section.....25

 Pages Used to Define a Variable Compensation Plan.....25

 Specifying the VC Plan Definition.....25

Specifying Plan Business Rules.....28

Selecting Termination Status Codes for Employee VC Record Plan Member Rule.....30

Defining Plan Payout Periods.....30

Assigning Payout Formulas.....31

 Pages Used to Assign Payout Formulas.....33

 Assigning Payout Formulas for Employee VC Record Plans.....33

 Assigning Payout Formulas for Plans with Groups.....34

Setting Up Proration Tables.....35

 Pages Used to Set Up Proration.....36

 Setting Up Workday Rules.....36

 Setting Up Proration Percentage Rules.....37

 Defining Proration Parameters.....38

Setting Up Variable Compensation Funding.....39

 Page Used to Fund Variable Compensation Plans.....39

 Allocating Funds to a Variable Compensation Plan.....39

Chapter 6

Setting Up Plan Membership.....43

Setting Up Plan Members for Ad Hoc Awards.....43

Setting Up Members with Employee Variable Compensation Records.....44

 Pages Used to Set Up Members with Employee Variable Compensation Record.....45

 Setting Up Members with Employee VC Record.....45

Creating Groups Using Group Build.....47

Attaching Groups to Trees.....47

 Important Points About Creating Variable Compensation Trees.....48

 Variable Compensation Settings in PeopleSoft Tree Manager.....48

 Effective-Dated Trees and Variable Compensation.....49

 Deleting Parent-Child Duplicates for Rollup.....49

Establishing Tree Security.....50

 Pages Used to Establish Tree Security.....50

 Setting Up Security Relationships.....51

 Specifying Access to Components.....52

 Updating Trees and Tree Security.....53

Reporting on Tree Membership.....54

 Pages Used to Report on Tree Membership.....54

 Reporting on Tree Membership.....54

Chapter 7

Understanding Eligibility and Proration.....57
 Understanding Calculating Eligibility and Proration.....57
 Understanding Proration Factor Calculations.....57
 General Proration Factor Calculation Process.....57
 Daily, Weekly, or Monthly Frequency Calculation Method.....58
 Workday Schedule Calculation Method.....59
 Proration Percentage Calculation Method.....60
 Calculating Proration for Plan Members Who Fall Off a Tree.....61
 Calculating Eligibility and Proration.....62
 Page Used to Calculate Eligibility and Proration.....62
 Running the Eligibility/Prorate Process.....62
 Viewing and Adjusting Plan Member Eligibility.....63
 Understanding Viewing and Adjusting Plan Member Eligibility.....64
 Understanding Eligibility Status.....64
 Pages Used to View and Adjust Plan Member Eligibility.....67
 Viewing and Adjusting Member Eligibility.....67
 Viewing or Correcting Historical Plan Member Eligibility Data.....70
 Viewing and Adjusting Eligibility for Plans with Groups.....71
 Maintaining the Employee Variable Compensation Record.....71

Chapter 8

Using Weighted and Matrix Goals to Manage Plans.....73
 Understanding Weighted Goals.....73
 Steps for Using Weighted Goals.....73
 Weighted Goal Terminology.....74
 Weighted Goal Levels.....74
 Calculating the Performance Factor.....75
 Understanding the Performance Factor.....75
 Understanding the Performance Factor Calculation.....75
 Example of a Performance Factor for Goals Established at Three Levels.....75
 Understanding the Application of the Performance Factor.....76
 Understanding Matrix Goals.....76
 Types of Matrix Goals.....77
 Matrix Goal Terminology.....77
 Steps for Using Matrix Goals.....78
 Example of Managing a Plan Using Matrix Goals.....79
 Entering Weighted Goal Attainments.....81
 Understanding Goal Attainments.....81

Pages Used to Enter Weighted Goal Attainments.....82

Entering Organization Goal Attainments.....82

Entering Group Goal Attainments.....82

Entering Individual Goal Attainments.....83

Entering Goal Attainments for Individuals with Groups.....83

Calculating the Performance Factor.....84

 Understanding the Performance Factor.....84

 Understanding the Performance Factor Calculation.....84

Running the Organization and Goals Report.....84

 Page Used to Run the Organization and Goals Report.....85

Entering Matrix Goal Attainments.....85

 Pages Used to Enter Matrix Goal Attainments.....85

 Entering Matrix Goal Attainments for Plans Without Groups.....85

 Entering Matrix Goal Attainments for Plans with Groups.....86

Chapter 9

Funding Variable Compensation Plans and Groups.....89

Understanding Variable Compensation Funding.....89

 Understanding the Adjustment Factor.....89

Budgeting Awards.....90

 Page Used to Run the Budget Report.....90

 Running the Budget Report.....90

Funding Variable Compensation Plans.....92

Allocating Funds to Groups.....92

 Understanding Allocating Funds to Groups.....92

 Pages Used to Allocate Funds to Groups.....93

 Determining Managers and Approvers.....93

 Summary of the Group Funding Allocations Process.....94

 Example of Group Funding Allocations.....95

 Understanding Distributing Plan Funding Among Groups.....99

 Distributing the Plan Funding Among Groups.....99

 Allocating Funds for the Payout Period.....103

Chapter 10

Calculating Allocations and Awards.....105

Understanding Calculating Awards.....105

 Common Elements Used in Calculating Allocations and Awards.....105

 Using Calculation Processes Without Group Funding.....107

Using Calculation Processes with Group Funding.....	107
Determining Allocations.....	107
Page Used to Determine Allocations.....	108
Determining Allocations for Variable Compensation.....	108
Determining Allocations for Total Compensation Reporting.....	108
Running the Determine Allocations Process.....	109
Calculating Awards.....	109
Pages Used to Calculate Awards.....	111
Viewing and Adjusting Award Allocations.....	111
Understanding Award Status.....	111
Pages Used to Allocate Awards.....	114
Understanding the Award Allocations Pages.....	114
Using the Award Allocations Page for Ad Hoc Awards.....	115
Viewing and Adjusting Awards for Plans Without Groups.....	116
Viewing and Changing Awards for Plans with Groups.....	121
Reporting Awards Calculations.....	122
Pages Used to Run the Awards Reports.....	123
Using the Variance Report.....	123
Using the Carryover Report.....	124
Using the Non Monetary Report.....	124

Chapter 11

Managing Awards Approval and Payout.....	125
Understanding Approving and Submitting Awards.....	125
Pages Used in Approving and Submitting Awards.....	127
Approving Awards by Plan.....	127
Approving Awards by Group.....	127
Understanding Integration with Payroll Applications.....	127
Integrating with Payroll for North America and Global Payroll.....	128
Summary of Integration with Payroll for North America and Global Payroll.....	128
Error Reason Codes.....	129
Integrating with Stock Administration.....	130
Summary of Integration with Stock Administration.....	130
Integration Points Between Variable Compensation and other Applications.....	131
Reporting Related to Award Payout and Distribution.....	132
Pages Used to Run Award Payout and Distribution Reports.....	133
Viewing and Reporting on Variable Compensation History.....	133
Page Used to View and Report on Variable Compensation History.....	134
Viewing Employee Target and Awards History.....	134

Glossary of PeopleSoft Terms.....137

Index159

About This PeopleBook Preface

PeopleBooks provide you with the information that you need to implement and use PeopleSoft applications.

This preface discusses:

- PeopleSoft application prerequisites.
- PeopleSoft application fundamentals.
- Documentation updates and printed documentation.
- Additional resources.
- Typographical conventions and visual cues.
- Comments and suggestions.
- Common elements in PeopleBooks.

Note. PeopleBooks document only page elements, such as fields and check boxes, that require additional explanation. If a page element is not documented with the process or task in which it is used, then either it requires no additional explanation or it is documented with common elements for the section, chapter, PeopleBook, or product line. Elements that are common to all PeopleSoft applications are defined in this preface.

PeopleSoft Application Prerequisites

To benefit fully from the information that is covered in these books, you should have a basic understanding of how to use PeopleSoft applications.

You might also want to complete at least one PeopleSoft introductory training course, if applicable.

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

These books do not review navigation and other basics. They present the information that you need to use the system and implement your PeopleSoft applications most effectively.

PeopleSoft Application Fundamentals

Each application PeopleBook provides implementation and processing information for your PeopleSoft applications.

Note. Application fundamentals PeopleBooks are not applicable to the PeopleTools product.

For some applications, additional, essential information describing the setup and design of your system appears in a companion volume of documentation called the application fundamentals PeopleBook. Most PeopleSoft product lines have a version of the application fundamentals PeopleBook. The preface of each PeopleBook identifies the application fundamentals PeopleBooks that are associated with that PeopleBook.

The application fundamentals PeopleBook consists of important topics that apply to many or all PeopleSoft applications across one or more product lines. Whether you are implementing a single application, some combination of applications within the product line, or the entire product line, you should be familiar with the contents of the appropriate application fundamentals PeopleBooks. They provide the starting points for fundamental implementation tasks.

Documentation Updates and Printed Documentation

This section discusses how to:

- Obtain documentation updates.
- Order printed documentation.

Obtaining Documentation Updates

You can find updates and additional documentation for this release, as well as previous releases, on the PeopleSoft Customer Connection website. Through the Documentation section of PeopleSoft 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 that is delivered on your PeopleBooks CD-ROM.

Important! Before you upgrade, you must check PeopleSoft Customer Connection for updates to the upgrade instructions. PeopleSoft continually posts updates as the upgrade process is refined.

See Also

PeopleSoft Customer Connection, <https://www.peoplesoft.com/corp/en/login.jsp>

Ordering Printed Documentation

You can order printed, bound volumes of the complete PeopleSoft documentation that is delivered on your PeopleBooks CD-ROM. PeopleSoft makes printed documentation available for each major release shortly after the software is shipped. Customers and partners can order printed PeopleSoft documentation by using any of these methods:

- Web
- Telephone
- Email

Web

From the Documentation section of the PeopleSoft Customer Connection website, access the PeopleBooks Press website under the Ordering PeopleBooks topic. The PeopleBooks Press website is a joint venture between PeopleSoft and MMA Partners, the book print vendor. Use a credit card, money order, cashier's check, or purchase order to place your order.

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Send email to MMA Partners at peoplebookspres@mmapartner.com.

See Also

PeopleSoft Customer Connection, <https://www.peoplesoft.com/corp/en/login.jsp>

Additional Resources

The following resources are located on the PeopleSoft Customer Connection website:

Resource	Navigation
Application maintenance information	Updates + Fixes
Business process diagrams	Support, Documentation, Business Process Maps
Interactive Services Repository	Interactive Services Repository
Hardware and software requirements	Implement, Optimize + Upgrade, Implementation Guide, Implementation Documentation & Software, Hardware and Software Requirements
Installation guides	Implement, Optimize + Upgrade, Implementation Guide, Implementation Documentation & Software, Installation Guides and Notes
Integration information	Implement, Optimize + Upgrade, Implementation Guide, Implementation Documentation and Software, Pre-built Integrations for PeopleSoft Enterprise and PeopleSoft EnterpriseOne Applications
Minimum technical requirements (MTRs) (EnterpriseOne only)	Implement, Optimize + Upgrade, Implementation Guide, Supported Platforms
PeopleBook documentation updates	Support, Documentation, Documentation Updates
PeopleSoft support policy	Support, Support Policy
Prerelease notes	Support, Documentation, Documentation Updates, Category, Prerelease Notes
Product release roadmap	Support, Roadmaps + Schedules
Release notes	Support, Documentation, Documentation Updates, Category, Release Notes

Resource	Navigation
Release value proposition	Support, Documentation, Documentation Updates, Category, Release Value Proposition
Statement of direction	Support, Documentation, Documentation Updates, Category, Statement of Direction
Troubleshooting information	Support, Troubleshooting
Upgrade documentation	Support, Documentation, Upgrade Documentation and Scripts

Typographical Conventions and Visual Cues

This section discusses:

- Typographical conventions.
- Visual cues.
- Country, region, and industry identifiers.
- Currency codes.

Typographical Conventions

This table contains the typographical conventions that are used in PeopleBooks:

Typographical Convention or Visual Cue	Description
Bold	Indicates PeopleCode function names, business function names, event names, system function names, method names, language constructs, and PeopleCode reserved words that must be included literally in the function call.
<i>Italics</i>	Indicates field values, emphasis, and PeopleSoft or other book-length publication titles. In PeopleCode syntax, italic items are placeholders for arguments that your program must supply. We also use italics when we refer to words as words or letters as letters, as in the following: Enter the letter <i>O</i> .
KEY+KEY	Indicates a key combination action. For example, a plus sign (+) between keys means that you must hold down the first key while you press the second key. For ALT+W, hold down the ALT key while you press the W key.
Monospace font	Indicates a PeopleCode program or other code example.

Typographical Convention or Visual Cue	Description
“ ” (quotation marks)	Indicate chapter titles in cross-references and words that are used differently from their intended meanings.
... (ellipses)	Indicate that the preceding item or series can be repeated any number of times in PeopleCode syntax.
{ } (curly braces)	Indicate a choice between two options in PeopleCode syntax. Options are separated by a pipe ().
[] (square brackets)	Indicate optional items in PeopleCode syntax.
& (ampersand)	When placed before a parameter in PeopleCode syntax, an ampersand indicates that the parameter is an already instantiated object. Ampersands also precede all PeopleCode variables.

Visual Cues

PeopleBooks contain the following visual cues.

Notes

Notes indicate information that you should pay particular attention to as you work with the PeopleSoft system.

Note. Example of a note.

If the note is preceded by *Important!*, the note is crucial and includes information that concerns what you must do for the system to function properly.

Important! Example of an important note.

Warnings

Warnings indicate crucial configuration considerations. Pay close attention to warning messages.

Warning! Example of a warning.

Cross-References

PeopleBooks provide cross-references either under the heading “See Also” or on a separate line preceded by the word *See*. Cross-references lead to other documentation that is pertinent to the immediately preceding documentation.

Country, Region, and Industry Identifiers

Information that applies only to a specific country, region, or industry is preceded by a standard identifier in parentheses. This identifier typically appears at the beginning of a section heading, but it may also appear at the beginning of a note or other text.

Example of a country-specific heading: “(FRA) Hiring an Employee”

Example of a region-specific heading: “(Latin America) Setting Up Depreciation”

Country Identifiers

Countries are identified with the International Organization for Standardization (ISO) country code.

Region Identifiers

Regions are identified by the region name. The following region identifiers may appear in PeopleBooks:

- Asia Pacific
- Europe
- Latin America
- North America

Industry Identifiers

Industries are identified by the industry name or by an abbreviation for that industry. The following industry identifiers may appear in PeopleBooks:

- USF (U.S. Federal)
- E&G (Education and Government)

Currency Codes

Monetary amounts are identified by the ISO currency code.

Comments and Suggestions

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

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

Or send email comments to doc@peoplesoft.com.

While we cannot guarantee to answer every email message, we will pay careful attention to your comments and suggestions.

Common Elements Used in PeopleBooks

As of Date	The last date for which a report or process includes data.
Business Unit	An ID 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.
Description	Enter up to 30 characters of text.
Effective Date	The date on which a table row becomes effective; the date that an action begins. For example, 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.
Once, Always, and Don't Run	Select Once to run the request the next time the batch process runs. After the batch process runs, the process frequency is automatically set to Don't Run. Select Always to run the request every time the batch process runs. Select Don't Run to ignore the request when the batch process runs.
Process Monitor	Click to access the Process List page, where you can view the status of submitted process requests.
Report Manager	Click to access 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	An ID that represents a set of selection criteria for a report or process.
Run	Click to access the Process Scheduler request page, where you can specify the location where a process or job runs and the process output format.
SetID	An ID that represents a set of control table information, or TableSets. TableSets enable you to share control table information and processing options among business units. The goal is to minimize redundant data and system maintenance tasks. When you assign a setID to a record group in a business unit, you indicate that all of the tables in the record group are shared between that business unit and any other business unit that also assigns that setID to that record group. For example, you can define a group of common job codes that are shared between several business units. Each business unit that shares the job codes is assigned the same setID for that record group.
Short Description	Enter up to 15 characters of text.
User ID	An ID that represents the person who generates a transaction.

PeopleSoft Enterprise Human Resources Manage Variable Compensation Preface

This preface discusses:

- PeopleSoft Products.
- PeopleSoft Enterprise application fundamentals.
- PeopleBook structure.

Note. This PeopleBook documents only page elements that require additional explanation. If a page element is not documented with the process or task in which it is used, then either it requires no additional explanation or it is documented with common elements for the section, chapter, PeopleBook, or product line.

PeopleSoft Products

This PeopleBook refers to the following PeopleSoft product: PeopleSoft Enterprise Human Resources Manage Variable Compensation.

PeopleSoft Enterprise Application Fundamentals

The *PeopleSoft Enterprise Human Resources 8.9 PeopleBook: Manage Variable Compensation* provides you with implementation and processing information for your PeopleSoft Enterprise Human Resources Manage Variable Compensation system. Additional, essential information describing the setup and design of your system appears in a companion volume of documentation called *PeopleSoft Enterprise HRMS 8.9 Application Fundamentals PeopleBook*. Each PeopleSoft product line has its own version of this documentation.

PeopleSoft Enterprise HRMS 8.9 Application Fundamentals PeopleBook consists of important topics that apply to many or all PeopleSoft Enterprise applications across the PeopleSoft Enterprise HRMS product line. No matter which PeopleSoft Enterprise HRMS products you are implementing, 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.

See Also

PeopleSoft Enterprise HRMS 8.9 Application Fundamentals PeopleBook, “PeopleSoft Enterprise HRMS 8.9 Application Fundamentals Preface”

PeopleBook Structure

PeopleSoft PeopleBooks follow a common structure. By understanding this structure, you can use this PeopleBook more efficiently.

The PeopleBooks structure conveys a task-based hierarchy of information. Each chapter describes a process that is required to set up or use the application. Chapter sections describe each task in the process. Subsections within a section describe a single step in the process task.

Some PeopleBooks may also be divided into parts. PeopleBook parts can group together similar implementation or business process chapters within an application or group together two or more applications that integrate into one overall business solution. When a book is divided into parts, each part is divided into chapters.

The following table provides the order and descriptions of chapters in a PeopleBook.

Chapters	Description
Preface	<p>This is the chapter you’re reading now. It explains:</p> <ul style="list-style-type: none"> • How to use the Application Fundamentals book. • How PeopleBooks are structured. • Common elements used in the PeopleBook, if necessary.
Getting Started With...	<p>This chapter discusses product implementation guidelines. It explains:</p> <ul style="list-style-type: none"> • The business processes documented within the book. • Integrations between the product and other products. • A high-level documentation to how our documentation maps to the overall implementation process; it doesn’t offer step-by-step guidance on how to perform an actual implementation.
Navigation	<p>(Optional) Some PeopleSoft applications provide custom navigation pages that contain groupings of folders that support a specific business process, task, or user role. When an application contains custom navigation pages, this chapter provides basic navigation information for these pages.</p> <p>Note. Not all applications have delivered custom navigation pages.</p>
Understanding...	<p>(Optional) This is an introductory chapter that broadly explains the product and the functionality within the product.</p>

Chapters	Description
Setup and Implementation	<p>This can be one or more chapters. These chapters contain documentation to assist you in setting up and implementing the product. For example, if functionality X is part of a product, this chapter would be devoted to explaining how to set up functionality X, not necessarily how to use functionality X. You would look to the corresponding business process chapter to learn how to use the functionality.</p> <p>Note. There may be times when a small amount of business process information is included in a setup chapter if the amount of business process documentation was insufficient to create a separate section in the book.</p>
Business Process	<p>This can be one or more chapters. These chapters contain documentation that addresses specific business processes with each chapter generally devoted to a specific functional area. For example, if functionality X is part of a product, this chapter would be devoted to explain how the functionality works, not necessarily how to set up functionality X. You would look to the corresponding setup and implementation chapter to learn how to set up the functionality.</p> <p>Note. There may be times when a small amount of setup and implementation information is included in a business process chapter if the amount of setup and implementation documentation was insufficient to create a separate chapter in the book.</p>
Appendixes	<p>(Optional) If the book requires it, one or more appendixes might be included in the book. Appendixes contain information considered supplemental to the primary documentation.</p>
Delivered Workflow Appendix	<p>(Optional) The delivered workflow appendix describes all of the workflows that are delivered for the application.</p> <p>Note. Not all applications have delivered workflows.</p>
Reports Appendix	<p>(Optional) This appendix contains an abbreviated list of all of the product's reports. The detailed documentation on the use of these reports is usually included in the related business process chapter.</p>

CHAPTER 1

Getting Started with Variable Compensation

This chapter provides an overview of Variable Compensation business processes and discusses Variable Compensation implementation tasks.

Variable Compensation Business Processes

Variable Compensation manages these business processes:

- Manage eligibility and proration.
- Manage plans with weighted goals.
- Manage plans with matrix goals.
- Calculate allocations and awards.
- Fund variable compensation plans and groups.
- Manage awards approval and payouts.

We cover these business processes in the business process chapters in this PeopleBook.

Variable Compensation Implementation

PeopleSoft Setup Manager enables you to generate a list of setup tasks for your organization based on the features that you are implementing. The setup tasks include the components that you must set up, listed in the order in which you must enter data into the component tables, and links to the corresponding PeopleBook documentation.

Other Sources of Information

In the planning phase of your implementation, take advantage of all PeopleSoft sources of information, including the installation guides, data models, business process maps, and troubleshooting guidelines. A complete list of these resources appears in the preface in the *PeopleSoft Enterprise HRMS 8.9 Application Fundamentals PeopleBook*, with information about where to find the most current version of each.

See Also

PeopleSoft Enterprise HRMS 8.9 Application Fundamentals PeopleBook,

PeopleSoft Setup Manager for PeopleSoft Enterprise HRMS and Campus Solutions 8.9 PeopleBook

CHAPTER 2

Understanding Variable Compensation

Use the manage variable compensation plan functionality to create flexible compensation plans.

Understanding Variable Compensation

With the flexible Variable Compensation business process in PeopleSoft Enterprise Human Resources, you can create and manage multiple variable compensation plans that encompass everything from one-time ad hoc awards to stock options, bonus plans, non-cash incentives, and holiday gifts or bonuses, to list just a few possibilities.

You can create anything from a simple, direct payout plan to a complex plan with prorated eligibility, three possible goal levels, funding allocation, smoothing mechanisms, and approval processing. You define any number of payout formulas that you can assign to workers individually or through groups.

Variable Compensation Business Processes

Variable Compensation supports these business processes:

- Manage eligibility and proration.

Determine the factors that will calculate a worker's eligibility for a plan and the proration factors that will apply considering the payout period start and finish dates.

See [Chapter 7, "Understanding Eligibility and Proration," page 57](#).

- Manage plans with weighted goals.

Determine the plan goal weight, indicating the relative value of each goal level.

See [Chapter 8, "Using Weighted and Matrix Goals to Manage Plans," page 73](#).

- Manage plans with matrix goals.

Determine a goal matrix that will calculate goal attainment based on goals, performance levels, and payout schedules at the organization or group level.

See [Chapter 8, "Using Weighted and Matrix Goals to Manage Plans," page 73](#).

- Calculate allocations and awards.

Determine monetary and non-monetary variable compensation awards and the rules governing how they should be allocated.

See [Chapter 10, "Calculating Allocations and Awards," page 105](#).

- Fund variable compensation plans and groups.
Set up caps on payouts under variable compensation plans.
See [Chapter 9, “Funding Variable Compensation Plans and Groups,” page 89](#).
- Manage awards approval and payouts.
Approve awards for final payout.
See [Chapter 9, “Funding Variable Compensation Plans and Groups,” page 89](#).

Variable Compensation Integrations

Human Resources integrates with all the HRMS applications, with other PeopleSoft Enterprise applications, and with third-party applications.

Human Resources shared tables are available to many HRMS applications. In addition, data in many HR tables is available to any PeopleSoft application that is set up to subscribe to the published messages.

The Variable Compensation business process integrates with these HRMS applications: PeopleSoft Enterprise eCompensation.

We cover integration considerations in this PeopleBook.

See Also

PeopleSoft Enterprise HRMS 8.9 Application Fundamentals PeopleBook, “Working with Enterprise Integration Points in PeopleSoft HRMS,” *Understanding Enterprise Integration in PeopleSoft HRMS*

Setting Up Variable Compensation

To set up Variable Compensation:

1. Set up variable compensation control tables.
See [Chapter 5, “Setting Up Variable Compensation Control Tables,” page 17](#).
2. Set up plan memberships and security.
See [Chapter 6, “Setting Up Plan Membership,” page 43](#).

See Also

[Chapter 1, “Getting Started with Variable Compensation,” page 1](#)

CHAPTER 3

Using 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 Variable Compensation business process in 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:

1. Monetary
Plan types are Discretionary Bonus, Profit Sharing, and Goal Sharing.
2. Non-Monetary
 - Calculate awards in units.
 - Define a valuation amount per unit to report the monetary value of the award.
3. Stock
 - Plan types include ISO, NQ, NSAR, RSA, and ISAR.
 - Integrates with Stock Administration.

See Also

[Chapter 4, “Understanding Variable Compensation Plan Types.” Monetary Plan Types, page 13](#)

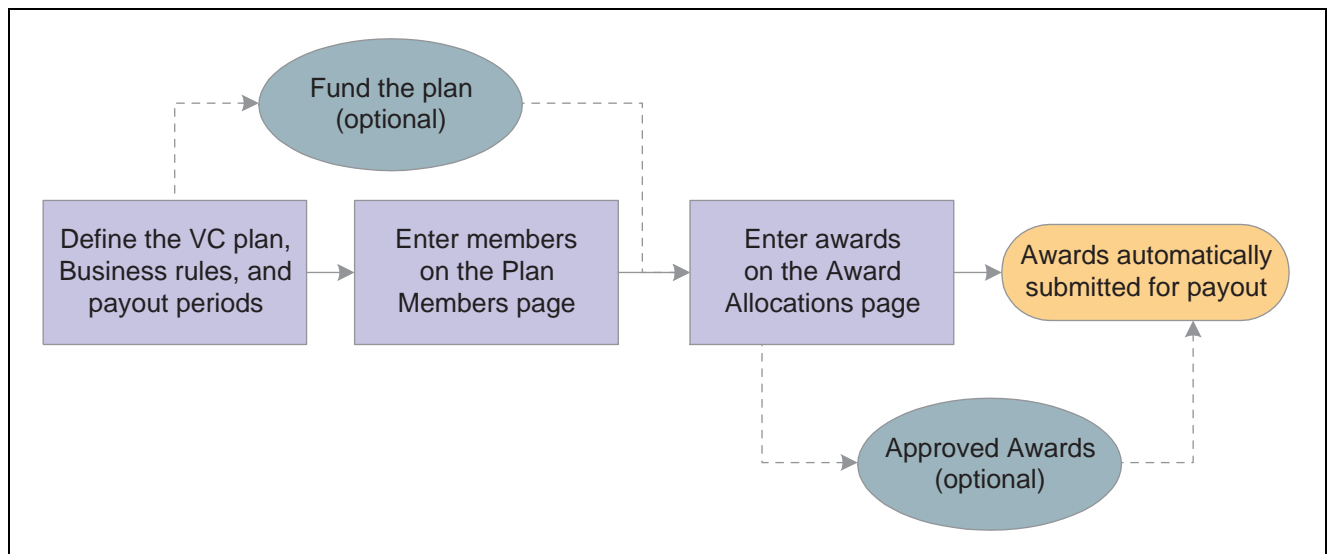
Determining Plan Membership

Select from four methods of administering plan membership:

- Ad Hoc Awards:
 - Enter workers 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 worker level.
 - Maintain membership and payout continuously when a worker's job changes.
 - Associate each worker 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.

Ad Hoc Plan Sample Process Flow

This diagram illustrates an ad hoc plan.



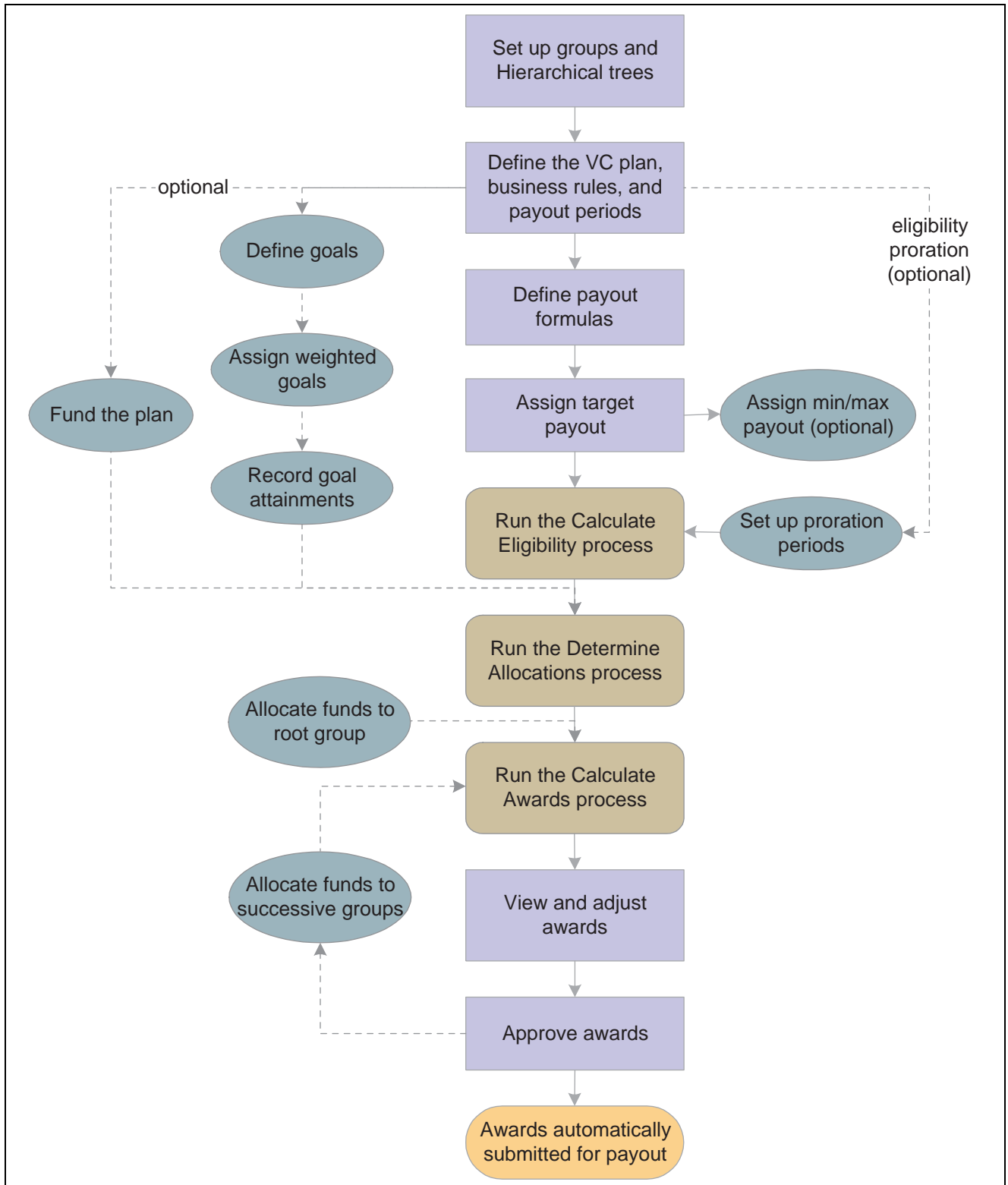
Ad Hoc Awards business process with optional funding and approval

Plan Definition

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

Define Tree and Groups Plan Sample Process Flow

This section illustrates a sample Define Tree and Groups plan.



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

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

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 worker'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 workers' awards.

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. Choose from these options:

- **Plan Payouts:**

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

- **(Optional) Eligibility Proration:**

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

- **(Optional) Calculate a Budget:**

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

- (Optional) Funding:
 - 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 worker's award that is above the minimum payout.
- (Optional) Reserves:

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.
- (Optional) Carryover Balances:
 - Use carry over balances at the individual worker 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.
- 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.

Processing Eligibility and Awards

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

1. Calculate Eligibility/Proration process.

Calculates eligibility status and proration factors.
2. Determine Allocations process.
 - Calculates target awards.
 - Calculates organization and group level performance factors for weighted goal plans.
3. 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 worker 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.

Managing Award Payout

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

Reporting on Variable Compensation

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

Most of the reports use the same run control page. The fields available on RUNCTL_VC_REP vary slightly depending upon the report you're generating. In some cases you can select to run either a summary or detail report.

See Also

PeopleSoft Enterprise HRMS 8.9 Application Fundamentals PeopleBook, "PeopleSoft Application Fundamentals for HRMS Reports," Manage Variable Compensation Reports

CHAPTER 4

Understanding 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. <u>See Chapter 5, “Setting Up Variable Compensation Control Tables,” Defining Goals, page 22.</u>
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

Chapter 5, “Setting Up Variable Compensation Control Tables,” Defining a Variable Compensation Plan, page 24

Chapter 10, “Calculating Allocations and Awards,” page 105

Chapter 7, “Understanding Eligibility and Proration,” page 57

Non-Monetary Plan Types

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 workers. The plan is administered in terms of units. Setup of valuation of units for reporting purposes.

To set 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 a worker 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 a worker, group, or plan.

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

See [Chapter 5, “Setting Up Variable Compensation Control Tables.” page 17.](#)

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 Variable Compensation business process, the system treats them all the same. Select one of these 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 Stock Administration with the 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 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

To set 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 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 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 [Chapter 5, “Setting Up Variable Compensation Control Tables,” page 17.](#)

See Also

PeopleSoft Enterprise Stock Administration 8.9 PeopleBook, “Defining Stock Administration Business Rules,” Creating a Stock ID

PeopleSoft Enterprise Stock Administration 8.9 PeopleBook, “Setting Up Stock Purchase Plans,” Defining Stock Purchase Plan Rules

Other Plan Types

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 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.

CHAPTER 5

Setting Up Variable Compensation Control Tables

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.

Understanding 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.

Defining Payout Formulas

To define payout formulas, use the Payout Formula component (VC_PAYOUT_FORMULA).

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 workers, 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 worker’s Job record.

Page Used to Define Payout Formulas

Page Name	Object Name	Navigation	Usage
Payout Formula	VC_PAYFORM_TBL	Set Up HRMS, Product Related, Compensation, Variable Compensation, Payout Formulas	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: EN2000PO

Payout Formula Criteria Find | View All First 1 of 1 Last

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

*Description: Payout formula for 2000 Plan

Short Description: 2000 Plan

Pay Formula SQL: 2000.45

Rounding Rule: Up Decimal Places: 0

Payout Formula Details Find | View All First 1 of 1 Last

Sequence	Operand	Value/Rec/Rate Code	Field Name
0	Constant	2000.45	

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. This 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
*	Multiply	None
/	Divide	None
+	Add	None
<i>Constant</i>	Fixed value	Value/Rec/Rate Code

Operand	Definition	Additional Fields That Display
<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. This is a summary of the relationships between the Operand and the Value/Rec/Rate Code:

Operand Selected	Value/Rec/Rate Code
<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 these options: <i>EMPLOYMENT</i> , <i>JOB</i> , <i>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

[Chapter 10, "Calculating Allocations and Awards," Reporting Awards Calculations, page 122](#)

Payout Formula Example

To define a payout formula of 1 percent of the worker'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

To define valuation, use the Valuations component (VC_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 worker’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 Variable Compensation and Total Compensation business processes.

Page Used to Define Valuation

Page Name	Object Name	Navigation	Usage
Valuation	VC_VALUATION	Set Up HRMS, Product Related, Compensation, Variable Compensation, Valuations	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 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

To define goals, use the Goals component (VC_GOAL_TBL).

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

Page Name	Object Name	Navigation	Usage
Vc Goal Tbl (variable compensation goal table)	VC_GOAL_TBL	Set Up HRMS, Product Related, Compensation, Variable Compensation, Goals	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.

Setting Up Weighted Goals

To create weighted goals, use the Plan Goals (VC_PLAN_GOAL) and Plan Goals with Groups (VC_PLAN_GOAL_WG) components.

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

<i>Goal</i>	ROI (return on investment)
<i>Weighting Percent</i>	100 percent
<i>Comments</i>	ROI goal of 18 percent

Example of Three Goals at One Level

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

See Also

[Chapter 1, “Getting Started with Variable Compensation,” page 1](#)

Pages Used to Set Up Weighted Goals

Page Name	Object Name	Navigation	Usage
Plan Goals - Organization Goals	VC_ORG_GOAL	<ul style="list-style-type: none"> Set Up HRMS, Product Related, Compensation, Variable Compensation, Plan Goals, Organization Goals Set Up HRMS, Product Related, Compensation, Variable Compensation, Plan Goals with Groups, Organization Goals Compensation, Variable Compensation, Maintain Plan, Plan Goals, Organization Goals Compensation, Variable Compensation, Maintain Plan, Plan Goals w/ 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.

Page Name	Object Name	Navigation	Usage
Group Goals	VC_GRP_GOAL	<ul style="list-style-type: none"> Set Up HRMS, Product Related, Compensation, Variable Compensation, Plan Goals, Group Goals Compensation, Variable Compensation, Maintain Plan, Plan Goals w/ Groups, Group Goals 	<p>Assign goals to the plan at the group level and indicate their relative weighting. The sum of all group goals must be 100 percent.</p> <p>The search dialog for the component lists only plans that use groups.</p>
Default Individual Goals	VC_IND_GOAL	<ul style="list-style-type: none"> Set Up HRMS, Product Related, Compensation, Variable Compensation, Plan Goals, Default Individual Goals Compensation, Variable Compensation, Maintain Plan, Plan Goals, Default Individual Goals 	<p>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.</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 workers.</p>
Default Individual Goals	VC_IND_GOAL_WG	<ul style="list-style-type: none"> Set Up HRMS, Product Related, Compensation, Variable Compensation, Plan Goals with Groups, Default Individual Goals Compensation, Variable Compensation, Maintain Plan, Plan Goals w/ 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 workers.</p>

Defining a Variable Compensation Plan

To define variable compensation plans, use the Define Variable Comp Plan (VC_PLAN) component.

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.

Common Elements Used in This Section

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

Page Name	Object Name	Navigation	Usage
VC Plan - Plan Definition	VC_PLAN_TBL	<ul style="list-style-type: none"> Set Up HRMS, Product Related, Compensation, Variable Compensation, Define Variable Comp Plan, Plan Definition Compensation, Variable Compensation, Maintain Plan, Define Variable Comp 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	<ul style="list-style-type: none"> Set Up HRMS, Product Related, Compensation, Variable Compensation, Define Variable Comp Plan, Plan Business Rules Compensation, Variable Compensation, Maintain Plan, Define Variable Comp 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 workers from payment under a plan that has Empl VC Record as the plan member rule.
Plan Payout Periods	VC_PAYPRD_TBL	<ul style="list-style-type: none"> Set Up HRMS, Product Related, Compensation, Variable Compensation, Define Variable Comp Plan, Plan Payout Periods Compensation, Variable Compensation, Maintain Plan, Define Variable Comp 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

Plan ID: HXVC01
 *Description: VC ISO Weighted Goals
 Short Desc: VC ISO Wei
 *Plan Start Date: 01/01/1999 | *Plan End Date: 01/31/2002 | *Currency: USD
 *Plan Type: Stock - ISO | Stock ID: HXVCSTK | HX VC Stock Integration
 Plan Goals: Weighted Goals | Stock Plan: HXVCPLN | VC Stock Plan

Plan Details | Find | View All | First | 1 of 1 | Last

*Effective Date: 01/01/1999 | *Status: Active
 Earnings Code: B14 | Regular Earnings
 GP Earnings:
 Valuation ID: HXVCVL01 | VC ISO Sto

Goal Weights	
Org Weight:	100.00
Group Weight:	0.00
Ind Weight:	0.00
Total Weight:	100.00

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 worker.
 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 these 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. Values are:

- *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. Values prompt from the Stock table. This field does not appear if you do not use Stock Administration.

Stock Plan

Enter the ID that applies to this VC plan. This field does not appear if you do not use 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 Payroll for North America.

GP Earnings

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

Valuation ID

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

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

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.

Matrix Columns

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

Goal Weights

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

Enter the relative percentage of group goals compared to other goals used in administering the plan.

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

Ind Weight (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.

Specifying Plan Business Rules

Access the Plan Business Rules page.

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 workers 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 worker 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 worker's normal paycheck.

If you are processing awards through 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 these 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 ID of the person authorized to approve awards for the entire plan. The system displays the worker'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

[Chapter 7, “Understanding Eligibility and Proration,” Calculating Eligibility and Proration, page 62](#)

Selecting Termination Status Codes for Employee VC Record Plan Member Rule

Access the VC Termination Status page.

VC Termination Status

Variable Compensation: HXVC01 VC ISO Weighted Goals

Plan ID:

Payroll Status	
1	R Retired

OK Cancel

VC Termination Status page

Payroll Status

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

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.*

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

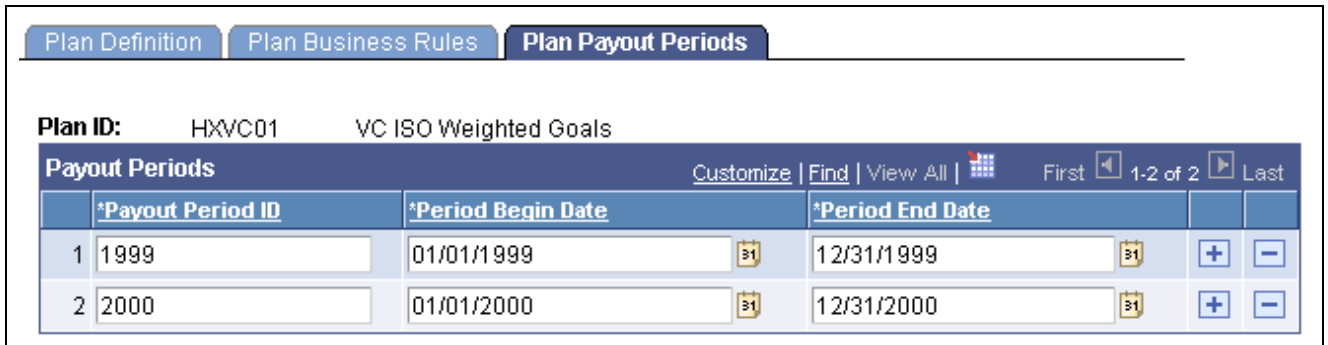
You may add and delete values to reflect the rules for each plan that you set up with Empl VC Record plan member rule. These selections are not effective-dated.

See Also

[Chapter 7, “Understanding Eligibility and Proration,” page 57](#)

Defining Plan Payout Periods

Access the Plan Payout Periods page.



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.

Payout Periods

Payout Period ID Enter an identifier for the payout period, such as *Q1* for the first quarter.

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

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

To create and payout formulas, use the Plan Payouts (VC_PAYOUT) and the Plan Payouts With Groups (VC_PAYOUT_WG) components.

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 worker 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 this table to determine which of the Plan Payouts pages to use:

Plan Rule	Plan Payouts Page
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 worker level on the Individual's Payout 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 worker level on the Individual's Payout 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

[Chapter 10, "Calculating Allocations and Awards," Viewing and Adjusting Award Allocations, page 111](#)

Pages Used to Assign Payout Formulas

Page Name	Object Name	Navigation	Usage
Plan Payouts	VC_PAYOUT	<ul style="list-style-type: none"> Set Up HRMS, Product Related, Compensation, Variable Compensation, Plan Payouts Compensation, Variable Compensation, Maintain Plan, Plan Payouts 	<p>Assign payout formulas at the minimum and maximum levels under the plan. Plans that use matrix goals or ad hoc membership are not available.</p> <p>Use this page if the Plan Member Rule is Empl VC Record.</p>
Plan Payouts with Groups	VC_PAYOUT_WG	<ul style="list-style-type: none"> Set Up HRMS, Product Related, Compensation, Variable Compensation, Plan Payouts With Groups Compensation, Variable Compensation, Maintain Plan, Plan Payouts w/ Groups 	<p>Assign payout formulas at the target, minimum, and maximum levels under the plan. Plans that use matrix goals are not available.</p>

Assigning Payout Formulas for Employee VC Record Plans

Access the Plan Payouts page.

Plan Payouts

Plan ID: HXVC01 VC ISO Weighted Goals

Payout Values [Find](#) | [View All](#)

Effective Date:	01/01/1999	Status: Active
Minimum Payout:	<input type="text"/>	
Target Payout:	<input type="text"/>	
Maximum Payout:	<input type="text"/>	

Plan Payouts page

Payout Values

To establish a payout, select a payout formula from the available options. 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 this 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 worker level on the Individual's Payout page.	Field unavailable for entry. Enter the award at the worker level directly on the Award Allocation page.
Maximum Payout	Optional field.	Field unavailable for entry.

See Also

Chapter 10, "Calculating Allocations and Awards," Viewing and Adjusting Award Allocations, page 111

Assigning Payout Formulas for Plans with Groups

Access the Plan Payouts With Groups page.

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. 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 this table:

Field	Empl VC Record with Groups	Define Tree/Group
Minimum Payout	Optional field.	Optional field.
Target Payout	Field unavailable for entry. Set the Target Payout at the worker level on the Individual's Payout page.	Required field except when the plan uses matrix goals.
Maximum Payout	Optional field.	Optional field.

Setting Up Proration Tables

To set up proration tables, Workday Schedules (VC_WORK_DY_SCHED), Percentage Proration Rules (VC_PRORATE_RULE), and Prorate Periods (VC_PRORATE_PRD) components.

This section describes how to:

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

Pages Used to Set Up Proration

Page Name	Object Name	Navigation	Usage
Workday Schedules	VC_WRK_DY_SCHED	Set Up HRMS, Product Related, Compensation, Variable Compensation, 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	Set Up HRMS, Product Related, Compensation, Variable Compensation, Percentage Proration Rules	Define ranges of eligible days and associate a percentage with each range.
Prorate Periods	VC_PRORATE_PRD	<ul style="list-style-type: none"> Set Up HRMS, Product Related, Compensation, Variable Compensation, Prorate Periods Compensation, Variable Compensation, Maintain Plan, 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

Workday Schedule Details
Find | View All First ◀ 1 of 1 ▶ Last

Effective Date:

Workday Factors		Factor
	Day of the Week	
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.

Setting Up Proration Percentage Rules

Access the Prorate Percent page.

Prorate Percent

Prorate % ID: HXVC02

Proration Rule Details View All First 1 of 1 Last

Effective Date: 01/01/1999 Status: Active

*Description: VC Percent

Short Description: VC Percent

Employee Status Rules Find | View All First 1 of 2 Last

*Eligible Status: Active

Proration Rates Customize | Find | View All | First 1-2 of 2 Last

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

Prorate Percent page

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

Eligible Status

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

Terminated status includes these worker 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 workers with these termination worker status values in their Job record.

All other worker 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 worker'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 workers who are not eligible in the first portion of the period. For example, you can exclude workers 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.

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: HXVC01 VC ISO Weighted Goals

Prorate Period Details Find | View All First 1 of 2 Last

Period ID: 2000 Period Begin Date: 01/01/2000 Period End Date: 12/31/2000

Proration Freq: Monthly Date Ind: Month End

Prorate Dates Customize | Find | View All First 1-5 of 12 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. 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)

Select a proration frequency from these values:

- *By Workdays* (daily frequency): The Workday Rule ID field appears.
- *Calendar Days* (daily frequency): The Prorate % ID field appears.
- *Monthly*: The Date Ind field appears.
- *Weekly*: The Day field appears.

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

This field appears if you select *Calendar Days*.

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.

	If you use daily calculation method without proration percentages, leave this field blank.
Day	If you select <i>Weekly</i> as the proration frequency, you must select the day of the week as of which you want the system to calculate the proration. Values are the 7 days of the week (Sunday through Saturday).
Date Ind (date indicator)	If you select <i>Monthly</i> proration frequency, select a date indicator in this field. Values include: <i>End of Month</i> : The system calculates eligibility as of the end of each month. <i>Day of Month</i> : The Day of Mon field appears.
Day of Mon (day of the month)	Enter the number of the day of the month as of which you want the system to calculate eligibility. Select any number from 1 - 28. Set the Date Ind to <i>End of Month</i> 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.

Setting Up Variable Compensation Funding

To set up funding for variable compensation plans, use the Plan Funding (VC_PLAN_FUNDING) component.

This section describes how to allocate funds to a variable compensation plan.

Page Used to Fund Variable Compensation Plans

Page Name	Object Name	Navigation	Usage
Plan Funding	VC_PLAN_FUNDING	<ul style="list-style-type: none"> Set Up HRMS, Product Related, Compensation, Variable Compensation, Plan Funding Compensation, Variable Compensation, Maintain Plan, 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

Plan ID: HXVC01 VC ISO Weighted Goals

Shares Available to Plan: 49999000.000000 **Plan Balance:** 1000.000000

Funding Details						
Seq. Nbr.	*Funding Date	Funding Units	Last Updated User Name	Last Update Timestamp		
1	1	01/01/1999	1000.000000	SAMPLE	07/26/2001 2:47PM	+

Plan Funding page

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

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

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 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.

CHAPTER 6

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.
- Check for membership in overlapping groups.
- Manage VC tree security.

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 worker is eligible for the ad hoc award. The date must be between the current date and the payout period end date.

See Also

[Chapter 7, "Understanding Eligibility and Proration," Understanding Proration Factor Calculations, page 57](#)

Setting Up Members with Employee Variable Compensation Records

To set up members with employee variable compensation records, use the Individual's Payout (VC_EE_VCOMP) component.

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

For example, a worker 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 worker level, you can still choose whether to assign workers to a plan individually or through groups.

Plans Without Groups

If you set the worker's target payout and guarantee for a VC plan that specifies *Employee Variable Compensation Record* as the plan member rule, enter the worker's Eligibility Date for the plan on the Individual's Payout page. The system calculates the worker'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 a worker is hired, rehired, promoted, or has a change in job code. The VC administrator can then establish or modify the worker'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 Individual's Payout page to calculate eligibility. Instead, it bases plan eligibility on group eligibility.

Pages Used to Set Up Members with Employee Variable Compensation Record

Page Name	Object Name	Navigation	Usage
Individual's Payout	VC_EE_VCOMP	Compensation, Variable Compensation, Identify Eligible Recipients, Individual's Payout	<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 Individual's Payout page.	View the worker's compensation data as of the current date, which might be helpful in deciding the target payout and guarantee for the worker.

Setting Up Members with Employee VC Record

Access the Individual's Payout page.

Individual's Payout

Gerard Miller Employee ID: K0G013 Empl Rcd #: 0

Employee Data

Find | View All First 1 of 1 Last

***Effective Date:**

Compensation Data

Business Unit: GBIBU Global Business Institute BU [Current Comp Data](#)

DeptID: 20000 Sales Administration

Location: KUNY00 US HQ **Comp Rate:** 2900.00 USD

Sal Plan: K0G3 **Grade:** **Comp Freq:** Monthly

Employee Details

Find | View All First 1 of 1 Last

***Plan ID:**

Target Payout:

Eligibility Date Value: **Guarantee:** **Currency:**

Long Descr:

Individual's Payout 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 worker'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 worker'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 worker. 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 worker 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 worker 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 Individual's Payout page, select the Plan ID, leave the Target Payout field blank, and enter the worker's Guarantee amount. When you run the Calculate Awards process, the system enters only the worker'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.

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.

Note. Historical data is automatically included if you are using Group Build with proration.

Important Information About Using Group Build Pages to Create VC Groups

When you use group build pages to create VC groups:

- Designate the manager 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.

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 these 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.

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

Tree Definition and Properties

On the Tree Definition and Properties page, these 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.

Use of Levels Select *Not Used*.

See Also

Enterprise PeopleTools PeopleBook: PeopleSoft 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. Workers 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 workers or groups, the system does not calculate an award for the deleted workers 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 workers or groups to “fall off” a tree during the payout period, the effected workers might still be eligible for an award if the plan is prorated. For prorated plans, the Consistency Report provides a list of workers who have fallen off a tree and the groups to which they belonged. The VC administrator or the workers' managers can use this information to ensure that these individuals get the appropriate awards.

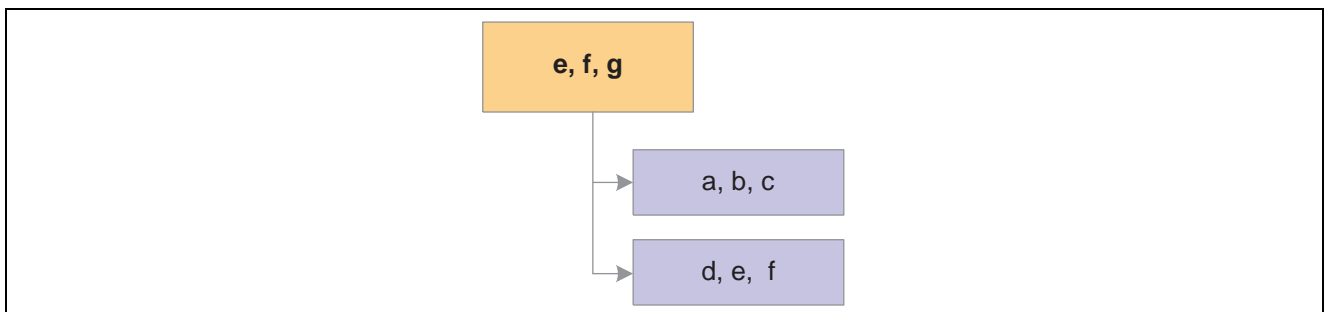
Deleting Parent-Child Duplicates for Rollup

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

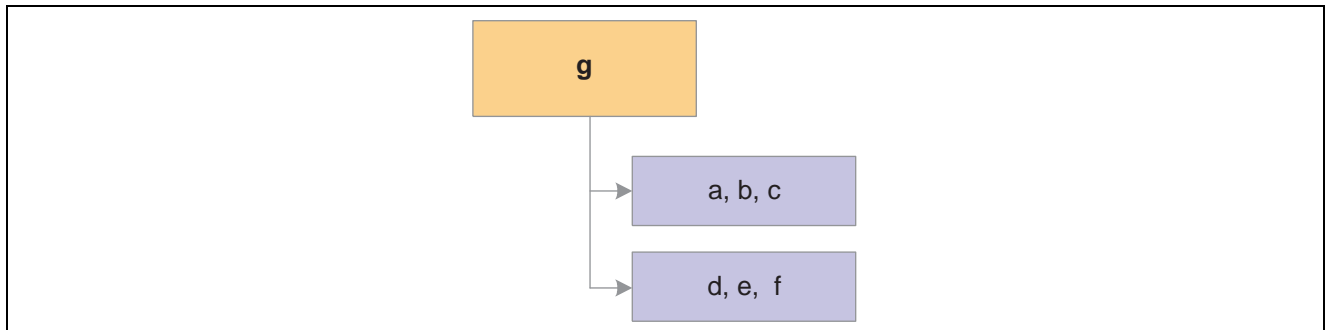
Three groups containing workers *a* through *f* are created separately in Group Build and arranged in a tree that looks like this:



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

Notice that workers *e* and *f* are members of both the parent group and a child group. The allocation amounts for these two workers 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 workers (*e* and *f*) from the parent group, as shown in this 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 workers (*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*).

Establishing Tree Security

To establish tree security, use the Group Tree Security (VC_TREE_SEC_TABLE) component.

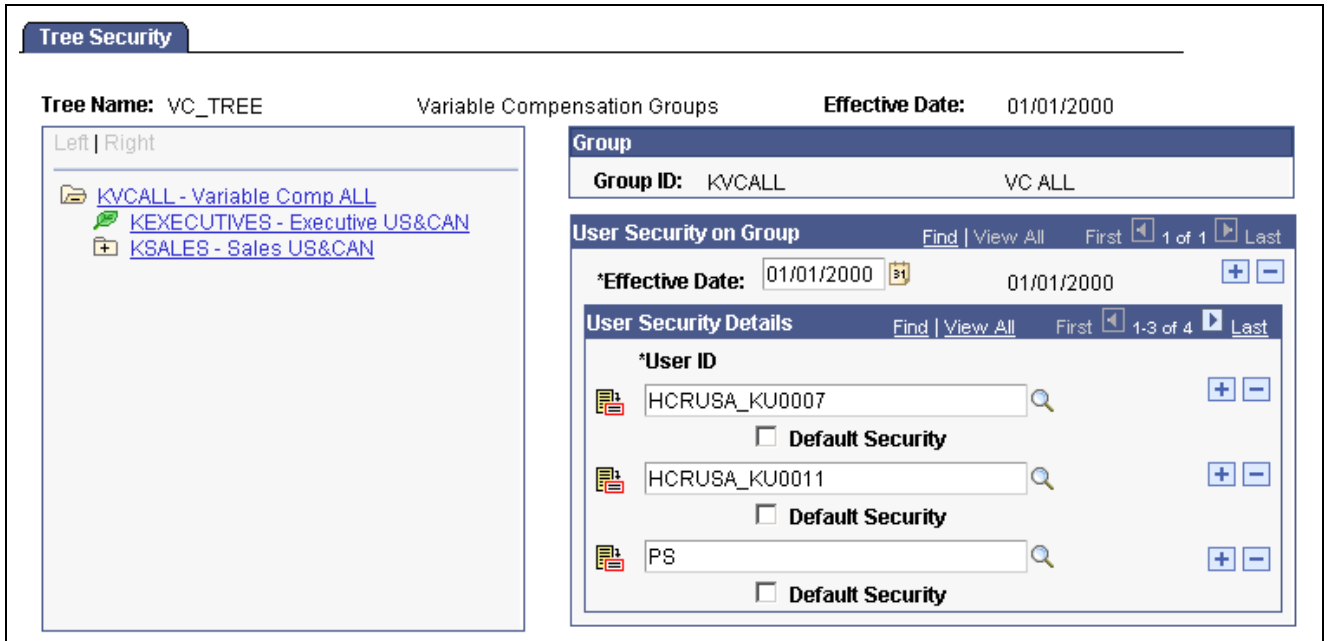
This section describes how to set up security relationships between Variable Compensation groups, users, and variable compensation components.

Pages Used to Establish Tree Security

Page Name	Object Name	Navigation	Usage
Group Tree Security	VC_TREE_SEC_TABLE	Set Up HRMS, Product Related, Compensation, Variable Compensation, Group 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.



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

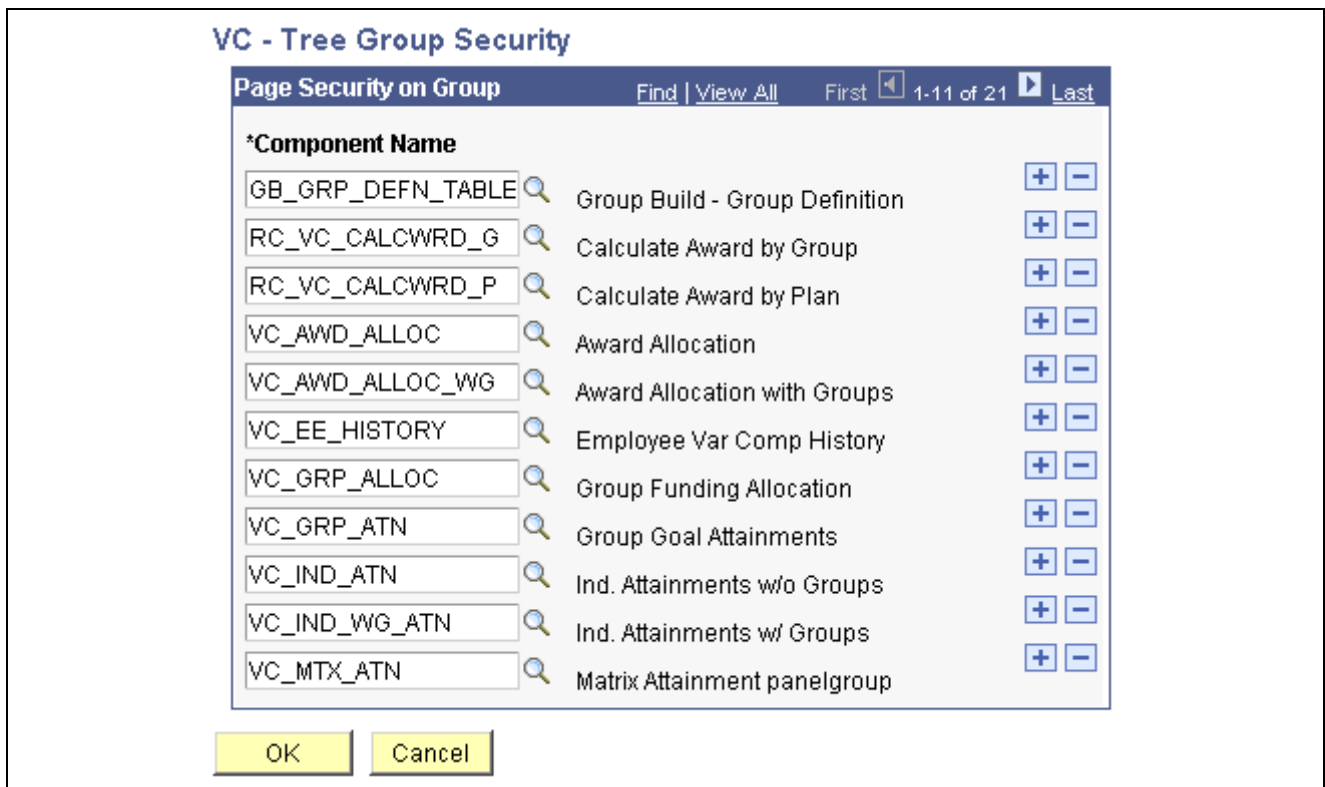
Select this check box if you want the automatic VC tree security update process to grant the user access to VC pages for all groups that you might place as a child under the selected group in future tree modifications.

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 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 these 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 these 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 these 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.

Reporting on Tree Membership

To report on tree membership, use the Tree Member Overlap (RUNCTL_VCP001) component.

This section covers the tree membership reporting.

Pages Used to Report on Tree Membership

Page Name	Object Name	Navigation	Usage
Grp Member Overlap	RUNCTL_VCP001	Compensation, Variable Compensation, Variable Comp Reports, Tree Member Overlap	Identifies workers who exist multiple times on a tree. This enables you to validate or correct the group membership, as appropriate. Select the VC Tree Group Member Overlap (VCVCP001) process.
Tree Consistency Report	RUNCTL_VC_REP	Compensation, Variable Compensation, Variable Comp Reports, Tree Consistency Report	Provides a list of workers who have fallen off a tree and the groups to which they belonged. The variable compensation administrator or the workers' managers can use this information to ensure that these individuals get the appropriate awards.

Reporting on Tree Membership

Access the Grp Member Overlap page.

The screenshot shows the 'Grp Member Overlap' page. At the top, there is a header with the page name. Below the header, there are fields for 'Run Control ID' (GN2002M01-101) and 'Language' (English). To the right of these fields are links for 'Report Manager' and 'Process Monitor', and a yellow 'Run' button. Below this is a table with two columns: 'Tree Name' and 'As Of Date'. The 'Tree Name' column has a search icon and a plus sign. The 'As Of Date' column has a date field with '31' and a plus sign. The table is currently empty.

Grp Member Overlap page

Select the tree you want whose membership you want to report on.

Process List						
Select	Description	Process Name	Process Type	*Type	*Format	Distribution
<input type="checkbox"/>	VC Group Member Overlap	VCP001	SQR Report	Web	PDF	Distribution
<input type="checkbox"/>	VC Tree Group Member Overlap	VCVCP001	PSJob	(None)	(None)	Distribution
<input type="checkbox"/>	VC Group Member Overlap	VC_VCP001	Application Engine	Web	TXT	Distribution

Process Scheduler Request page

Note. You may select VC Tree Group Member Overlap (PSJob) process to run both the AE and the SQR. Or you may run the AE first, followed by the SQR.

CHAPTER 7

Understanding Eligibility and Proration

This section provides overviews of eligibility and proration factor calculation.

Understanding 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 workers 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.

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

These 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 a worker'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

To calculate factor proration:

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 worker 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.

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.

$\left(\frac{\text{Total Group}}{\text{Plan Available Funds}} \right) - \left(\frac{\text{Total Group}}{\text{Plan Minimum Payout Value}} \right)$ $\left(\frac{\text{Total Group}}{\text{Plan Calculated Awards}} \right) - \left(\frac{\text{Total Group}}{\text{Plan Minimum Payout Value}} \right)$

Frequency calculation method

Setting Up

Set up the prorate periods on the Prorate Periods page.

1. 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.
2. The system defines the end dates of proration periods for the payout period based on the daily, weekly, or monthly frequency parameters.

Example of Monthly Calculation

These are three proration periods:

- Evaluation Period Begin Date:
04/01/2000
- Evaluation Period End Date:
06/30/2000
- Proration period end dates (monthly frequency with end of month as the period end date):
April 30, May 31, June 30

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

The process credits qualifying members with a proration factor of 1/3 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 worker's proration factors for eligible days. The calculation is as follows:

Goal Weight x Performance Level of the Attainment Value

Setting Up

To set up workday schedule calculation:

1. Set up Workday Rules on the Workday Schedule page.
2. Create schedules assigning a factor to each day of the week (Sunday through Saturday).
3. Each day in the period has a proration factor equal to that day's factor over the total of the factors for the period.
4. 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.

Example

Workday Schedule Definition:

Day	Factor
Sunday	0
Monday	1
Tuesday	1
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 $0.5/23.5$; the proration factor for a Tuesday is $1/23.5$.

The worker'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 a worker 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 worker is eligible in the period.

The calculation formula is the percentage assigned to the range into which the worker's number of eligible days falls for the period.

Setting Up

To set up proration percentage calculation:

1. Set up proration percentage rules on the Prorate Percent page.
2. For each Prorate % ID, create separate proration rate schedules for workers who are active and those terminated at the end of the payout period.
3. For each proration rate schedule, define ranges of eligible days and associate a percentage with each range.
4. 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.

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 a worker 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 worker 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 workers 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 workers who have fallen off a tree, along with the group ID to which they belonged. The VC administrator or the workers' managers can use this information to manually add the workers back into the tree in a special group for this purpose.

To recalculate eligibility for workers who fall off a tree:

1. Create a group with all of the workers 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

[Chapter 6, "Setting Up Plan Membership," Reporting on Tree Membership, page 54](#)

Calculating Eligibility and Proration

To calculate eligibility and proration, use the Determine Eligibility (RC_VC_ELIG_PRO) component.

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	Compensation, Variable Compensation, Identify Eligible Recipients, Determine Eligibility, Eligibility/Prorate Process	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

Access the Eligibility/Prorate Process page.

Eligibility/Prorate Process page

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.

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)

This field is available only for prorated plans. Select the date from which the process should begin the eligibility proration calculation.

If you are running the process for the first time in the payout period, the payout period start date is the only option and is always available.

If you have already run the process during the payout period, the other available option is the start date of the proration period that follows the last proration period calculated.

For example, if you last ran the process for the period 01/01/2000 (payout period start date) through 03/31/2000 (proration period end date), the two available options would be 01/01/2000 (payout period start date) and 04/01/2000 (the next proration period start date).

Eval End Date (evaluation end date)

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.

Viewing and Adjusting Plan Member Eligibility

To view and adjust plan member eligibility, use the Eligible Employees by Plan (VC_PLAN_MEM_TBL) and Eligible Employees by Group (VC_PLAN_MEM_WG_TBL) component.

This section provides overviews of the Plan Members pages and eligibility status codes and discusses 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.

Understanding 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.

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

Plan Member Rule	Page Populated by the Calculate Eligibility/Proration Process
Ad Hoc Awards	The eligibility calculation process does not apply. 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 worker, 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 Individual's Payout page.

See Also

[Chapter 6, "Setting Up Plan Membership," Setting Up Plan Members for Ad Hoc Awards, page 43](#)

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 Individual’s Payout 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

This 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 Individual’s Payout page.	Entered on the Plan Members page. Overrides automatic status.
Employee VC Record with Groups Or Define Tree/Group	The member meets the Group Build criteria for the group on the date as of which the process calculates eligibility.	Entered on the Plan Members with Groups page. Overrides automatic status.

Definitions of the Five Eligibility Status Codes

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

- *Auto Elig (Automatic Eligible)*

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

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

Plan Member Rule	Nonprorated Plan	Prorated Plan
Employee VC Record (without groups)	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.
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_TBL	Compensation, Variable Compensation, Identify Eligible Recipients, Eligible Employees by Plan	View and adjust member eligibility or add workers to a plan for Ad Hoc Awards.
Member History	VC_PLAN_MEM_SEC	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_WG_TBL	Compensation, Variable Compensation, Identify Eligible Recipients, Eligible Employees by Group	View and adjust member eligibility if the plan uses groups.

Viewing and Adjusting Member Eligibility

Access the Plan Members page.

The Plan Members page is similar to the Plan Members with Groups page.

See [Chapter 7, “Understanding Eligibility and Proration,” Viewing and Adjusting Eligibility for Plans with Groups, page 71.](#)

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 these VC Plan conditions:

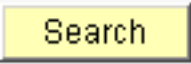





VC Plan Conditions	Default Value
Ad Hoc Awards	The current date. This date is not available for change.
Non-prorated plan	The Eval As of Date. Enter this date on the Calculate Eligibility/Proration Process run control page.
Prorated plan	The Eval End Date. Enter this date on the Calculate Eligibility/Proration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

Name	Enter one or more letters to filter by workers' 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 this button to retrieve and display the first chunk of members and to display the results of a new search. The field to the left of this link 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, out of a total of 56 rows, are displayed.
 (Refresh Search Fields?)	Click this button to clear all the previously entered search criteria from the filter fields.
 (First Item button)	Click to display the first chunk of members.
 (Previous Item button)	Click to display the previous chunk of members.
 (Next Item button)	Click to display the next chunk of members.
 (Last Item button)	Click to display the last chunk of members.
Sort Members by	Select whether you want the members to appear in the list in order by <i>EmplID</i> or <i>Name</i> . <i>EmplID</i> is the default.

Plan Member Details

When you click Search, 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 these 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 when adding a worker 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 members employment record number 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. Values are:

- *Auto Elig* (automatic eligibility): The eligibility process calculates this status.
- *Auto Inelig* (automatic ineligibility): The eligibility process calculates this status.
- *Elig Pro* (eligible prorated): The eligibility process calculates this status.
- *Man Elig* (manual eligibility): The default when you add a new row.
- *Man Inelig* (manual ineligible).

Enter or changing the Eligibility Status on the Plan Members page or Plan Members with Groups page is subject to these 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. <i>Man Elig</i> is the default when adding a new row.	Authorized in Correct History mode only. Change <i>Man Elig</i> to <i>Man Inelig</i> or <i>Man Inelig</i> to <i>Man Elig</i> .

Plan Member Rule	Add Eligibility Status	Change Eligibility Status
Employee Variable Compensation (without groups)	Not authorized.	Authorized in Correct History mode only. Change <i>Man Elig</i> to <i>Man Inelig</i> or <i>Man Inelig</i> to <i>Man Elig</i> , 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. <i>Man Elig</i> is the default when adding a new row.	Authorized in Correct History mode only. Change <i>Man Elig</i> to <i>Man Inelig</i> or <i>Man Inelig</i> to <i>Man Elig</i> , 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.

 (Member History Data button)

Click 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.

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: HXVCT3 VC TC Empl VC Record w Groups

Period ID: 2000-1 **Period Begin/End:** 01/01/2000 03/31/2000

Groups Find | View All First 1 of 2 Last

Group ID: HXECOMP1 e-Comp Group 1 **As of Date:** 03/31/2000

Name: [Text Field] [Previous] [Next] [Previous] [Next]

EmpID: [Text Field] **Eligibility Status:** [Dropdown] **Sort Members by**

[Search] EmpID Name

Plan Member Details Customize | Find First 1 of 1 Last

*EmpID	Name	Empl Rcd#	*Eligibility Status	*As of Date		
[Text Field]	[Text Field]	0	Manual Eligible	[Text Field]	[+]	[-]

Plan Members with Groups page

The fields on this page are identical to the fields on the Plan Members page with this 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

Chapter 7, “Understanding Eligibility and Proration,” Viewing and Adjusting Plan Member Eligibility, page 63

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 Individual’s Payout page or the Plan Members page.

Individual’s Payout Page

Use the Individual’s Payout 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 Individual’s Payout 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 worker is still active in the plans.

2. To make a worker 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 worker ineligible.

3. To make a worker 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

[Chapter 7, "Understanding Eligibility and Proration," Viewing and Adjusting Plan Member Eligibility, page 63](#)

CHAPTER 8

Using Weighted and Matrix Goals to Manage Plans

This chapter provides overviews of weighted goals, the performance factor calculation, and matrix goals and discusses how to:

- Enter weighted goal attainments.
- Run the Organization and Group Goals report.
- Enter matrix goal attainments.

Understanding Weighted Goals

This section discusses:

- Steps for using weighted goals.
- Weighted goal terminology.
- Weighted goal levels.

Steps for Using Weighted Goals

Here are the high-level steps for using weighted goals to manage a plan:

1. Define goal IDs on the Vc Goal Table (variable compensation goal table) page.
2. Define weighted goals as a plan option on the VC Plan - Plan Definition (variable compensation plan - plan definition) page.
 - a. Select *Weighted Goals* as the plan goals type.
 - b. Specify the plan goal weights for each of the three goal levels (the total must be 100 percent).
3. Set up weighted goals in the Plan Goals component (VC_PLAN_GOAL) or the Plan Goals w/ Group (plan goals with groups) component (VC_PLAN_GOAL_WG).
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 by running the Determine Allocation Application Engine process (VC_DET_ALLOC).
6. Calculate a performance factor for individual goals by running the Calculate Awards Application Engine process (VC_CALWRD or VC_CALWRD_WG).
7. Apply the performance factor to the target payout by running the Calculate Awards process.
8. Run the optional Organization and Group Goals report before or after the measurement period.

Weighted Goal Terminology

This section discusses terminology related to weighted goals.

Goal	A performance measure that you define on the VC Goals Tbl page.
Attainment Percentage	The percentage of accomplishment of performance goals at each goal level.

Weighted Goal Levels

You can manage a variable compensation plan by using weighted goals at up to 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.

To calculate the performance of an individual, the system multiplies the goal attainment at each level by the goal weight percentage to produce a weighted attainment. It then calculates the total weighted attainments of all three levels.

Organization Goals

Organization goals are performance goals that you set for the entire organization. Assign a weighted goal percentage to each organization goal to determine its importance relative to other goals at the same level. The attainment percentage of the organization goals affects the variable compensation calculation of all plan members equally. An organization goal might be financial (for example, revenues), or it could be operational (for example, headcount).

Group Goals

You can use group goals if you administer the plan by 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. When you specify goals 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 percentage to each group goal to determine its importance relative to other goals at the same level. The attainment percentage of group goals affects the variable compensation 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 percentage to an individual goal to determine its importance relative to other goals at the same level. The attainment percentage of individual goals affects only the variable compensation calculation of the individual plan member.

See Also

[Chapter 8, "Using Weighted and Matrix Goals to Manage Plans," Running the Organization and Goals Report, page 84](#)

[Chapter 5, "Setting Up Variable Compensation Control Tables," page 17](#)

Calculating the Performance Factor

This section provides an overview of the performance factor, the performance factor calculation, an example of a performance factor for goals established at three levels, the application of the performance factor, and lists the pages used to calculate performance factors.

Understanding the Performance Factor

The Determine Allocations process calculates the performance factor for organization and group 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.

Understanding the Performance Factor Calculation

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

- The weighting percentage that you assign to the goal level when you define the plan.
- The weighting percentage that you assign to the performance goal.
- The percentage of accomplishment of the performance goal.

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

Plan Goal Weight Percentage × Weighted Goal Percentage × Attainment Percentage

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 of a Performance Factor for Goals Established at Three Levels

This section provides an example of the performance factor calculation for established goals.

Scenario Background Information

Here are the plan goal weight percentages:

- Organization: 50%.
- Group: 35%.
- Individual: 15%.

Note. The total of the plan goal weight percentages is 100%.

The weighted goal percentages for two goals are:

- Goal 1 at organization level: 35%.
- Goal 2 at organization level: 65%.
- Goal 1 at group level: 50%.
- Goal 2 at group level: 50%.
- Goal 1 at individual level: 100%.

- Goal 2 at individual level: not applicable.

Note. The total of the weighted goal percentages is 100% at each level.

The attainment percentages are:

- Goal 1 at organization level: 100%.
- Goal 2 at organization level: 125%.
- Goal 1 at group level: 75%.
- Goal 2 at group level: 50%.
- Goal 1 at individual level: 100%.
- Goal 2 at individual level: not applicable.

Calculation of Performance Factors

This example illustrates the calculation of performance factors.

The formula used for these calculation is:

Plan Goal Weighted Percentage × Weighted Goal Percentage × Attainment Percentage = Performance Factor

Understanding the Application of the Performance Factor

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

Scenario Background Information

Here is the background for the example:

- Employee salary: \$50,000 (annual rate).
- Plan payout formula: 15% of base pay (quarterly).
- Proration factor: 0.75.
- Performance factor: 0.95.

Award Calculation

Here is the calculation of the award:

$(\$50,000 \times 15\%) \div (4 \times 0.75 \times 0.95) = \$1,335.94$

See Also

PeopleSoft Enterprise HRMS 8.9 Application Fundamentals PeopleBook, “PeopleSoft Application Fundamentals for HRMS Reports,” Manage Variable Compensation Reports

Understanding Matrix Goals

This section discusses:

- Types of matrix goals.
- Steps for using matrix goals.
- Matrix goal terminology.
- Example of managing a plan by using matrix goals.

Types of Matrix Goals

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

Because a goals matrix determines the payout formula at the organization or group level, consider your options carefully before using a goals matrix for plans administered with one of these plan member rules:

- Employee VC Record
- Employee VC Record with Groups

With these plan member rules, you can set the target payout at the individual plan member level. You override this feature when you use a goals matrix.

You can manage a variable compensation plan with a goals matrix at the organization level or the group level. The level depends on the plan member rule that you established for the plan, as follows:

- Use an organization goal matrix if the plan member rule is Empl VC Record (without groups).
- Set up the matrix at the group level for group goals if the plan member rule is Empl VC Record with Groups or Define Tree/Group.

The system does not support matrix goals at the individual level.

Organization Goals Matrix

With this type of matrix, you set performance goals for the entire organization. The performance score for organization goals determines the payout formula for all plan members.

Group Goals Matrix

With this type of matrix, you 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.

Matrix Goal Terminology

This section discusses terminology related to matrix goals.

Weight	The weighting percentages assigned to the performance goals that you set up in the matrix.
Threshold	Minimal performance conditions that must be met before a payout occurs. Thresholds cancel payouts when a minimally acceptable performance level is not achieved for the goals that you set.
Target	Performance conditions that must be met before an optimal payout occurs. A target involves the average level of performance in achieving the goals.

	in the matrix. A group or organization typically meets the target level of performance 80 percent of the time.
Stretch	Performance conditions that must be met before the highest payout occurs. Stretch involves the maximum level of performance in achieving the goals in the matrix. A group or organization typically 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 in 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 specify 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-level and seven-level matrices are also common.</p>
Attainment	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 percentage used in the performance score calculation.
Score	The system calculates the score for each goal by multiplying the goal weight by the percentage of the performance level at 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	Formula that the system uses to calculate the plan member's variable compensation award. Typically, the formula is a percentage of base pay.

Steps for Using Matrix Goals

Here are the high-level steps for using a goals matrix to manage a variable compensation plan:

1. Define goal IDs on the VC Goal Table page.
2. Define the goals matrix option on the VC Plan - Plan Definition page.

To define the goals matrix:

 - a. Select *Goals Matrix* as the plan goals type.
 - b. 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 the Plan Goals with Groups - Matrix Goals page.
 - a. Enter the goal IDs that you use to evaluate performance.
 - b. Establish a weighting percentage for each goal ID (the cumulative total of the weights for all goals must equal 100 percent).

- c. Enter the threshold, target, and stretch performance level percentages for the number of matrix columns that you define for the plan.
 - d. Identify the measurable performance level values for each goal at each performance percentage 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 these 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 by running the Calculate Awards process.

See Also

Chapter 5, “Setting Up Variable Compensation Control Tables,” Defining Goals, page 22

Example of Managing a Plan Using Matrix Goals

This example illustrates a sample goal matrix with five columns:

Goals	Weight	Performance Levels			Performance Values			Attainment	Score
		Threshold	Target	Stretch	80%	90%	100%		
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

The sample matrix shows these elements:

- Five performance levels ranging from 80 percent to 120 percent (for the threshold, target, and stretch levels).
- Three goals for measuring performance.
- Weight percentages for each goal (the total goal weight is 100 percent).
- The performance values to be attained for each goal at each performance level.

Note. The contribution margin is usually expressed as a percentage. The plan administrator has indicated that a contribution margin of 12 percent is the lowest value that the organization needs to reach to qualify for a reward. However, 16 percent is the ideal target.

You do not have to express performance values as percentages. Note that the customer satisfaction performance value is a flat amount because it is measured by scores 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 has calculated for each goal and the total performance score.

Calculation of the Performance Score

The formula for calculating the performance score is:

Goal Weight × 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 at the 100 percent performance level. So the performance score calculation for on-time service accuracy is:

$$40\% \times 100\% = 40$$

The attainment value for the contribution margin is 18 percent. The 18 percent performance value falls at the 110 percent performance level. So the performance score calculation for the contribution margin is:

$$35\% \times 110\% = 39$$

The attainment value for customer satisfaction is 85. The performance value of 85 falls at the 90 percent performance level. So the performance score calculation for customer satisfaction is:

$$25\% \times 90\% = 23$$

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 is 91 percent, the system interpolates the performance level to be 95 percent. The 95 percent value is the midpoint between the performance levels at 90 percent and 100 percent, which correspond to the performance values of 90 percent and 92 percent, respectively).

Determination of the Payout Formula

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

Here is an example of a payout schedule:

Range	Payout Formula
80–90	3% of quarterly base pay
90–100	5% of quarterly base pay
100–110	7% of quarterly base pay

Range	Payout Formula
110–120	10% of quarterly base pay
120	15% of quarterly base pay

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

Entering Weighted Goal Attainments

To enter weighted goal attainments, use the Organization's Goals (VC_ORG_ATN), Group Goals (VC_GRP_ATN), Individual's Goals (VC_IND_GOAL_ATN), and Individual w/in Group (VC_IND_WG_ATN) components.

This section provides an overview of goal attainments and discusses how to:

- Enter organization goal attainments.
- Enter group goal attainments.
- Enter individual goal attainments.
- Enter goal attainments for individuals with groups.

Understanding Goal Attainments

A goal attainment is a percentage that expresses the degree to which the organization, group, or individual meets the stated goal during the performance period. Enter an attainment percentage greater than 100 percent if performance of the goal exceeds expected performance. If you do not enter an attainment percentage for a goal that you have set up, the system uses 0 percent as the attainment percentage for that goal.

Enter goal attainments at each level for which you set up weighted goals in the plan. When you access 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.

Enter goal attainments whenever the information is available in the organization's business process, subject to these 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 after you've run the Eligibility process but before you run the Calculate Awards process for the plan or group.

Pages Used to Enter Weighted Goal Attainments

Page Name	Object Name	Navigation	Usage
Organization Goal Attainment	VC_ORG_GOAL_ATN	Compensation, Variable Compensation, Define Goal Attainments, Organization's Goals	Enter the goal attainments for the organization goals that you set up for the plan.
Group Goal Attainments	VC_GRP_GOAL_ATN	Compensation, Variable Compensation, Define Goal Attainments, Groups Goals	Enter the goal attainments for the group goals that you set up for the plan.
Individual Attainments	VC_IND_GOAL_ATN	Compensation, Variable Compensation, Define Goal Attainments, Individual's Goals	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.
Ind. Attainments With Groups (individual attainments with groups)	VC_IND_GOAL_WG_ATN	Compensation, Variable Compensation, Define Goal Attainments, Individual w/in Group	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 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 enter on the Organization Goals setup page. You must enter a goal attainment for each goal that you set up. The system use 0 percent as the attainment percentage if you leave this field blank.
Weight	The system displays the weighting percentage that you assign to the goal ID.
Attainment	Enter the percentage attained value for the goal.
Comments	Enter any information pertinent to the goal attainment.

Entering Group Goal Attainments

Access the Group Goal Attainments page.

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 without defined goals takes on the performance factor of the next highest group with defined goals on the tree.

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

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

Chapter 8, “Using Weighted and Matrix Goals to Manage Plans,” Entering Weighted Goal Attainments, page 81

Entering Individual Goal Attainments

Access the Individual Attainments page.

The Individual Attainments page is similar to the Group Goal Attainments page and the Organization Goal Attainments page. The Eligibility/Proration process loads the default individual goals onto this page for all eligible plan members. Use the defaults as a starting point for updating the individual’s goals before entering goal attainments.

Period ID	Displays the ID for the plan payout period for which you want to enter goal attainments.
No Goals	Select 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. This renders the fields unavailable for entry. The system then uses 100 percent as the attainment percentage at the individual level. That way, a lack of goals does not cause a reduction of the award.
Total Weight	The system sums the weighting percentages as you change or enter them for each goal, and it 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. Before you can save the page, the total weight must equal 100 percent.
Goal ID	Displays a row for each default goal ID that you enter 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 percentage 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 percentage attained value for each goal.

Entering Goal Attainments for Individuals with Groups

Access the Ind. Attainments With Groups page.

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

The Eligibility/Proration process loads the default individual goals into this page for members of groups with default individual goals defined. 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 the cursor 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 percentages.

See Also

[Chapter 8, “Using Weighted and Matrix Goals to Manage Plans,” Entering Organization Goal Attainments, page 82](#)

Calculating the Performance Factor

This section provides an overview of the performance factor, the performance factor calculation, an example of a performance factor for goals established at three levels, the application of the performance factor, and lists the pages used to calculate performance factors.

Understanding the Performance Factor

The Determine Allocations process calculates the performance factor for organization and group 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.

Understanding the Performance Factor Calculation

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

- The weighting percentage that you assign to the goal level when you define the plan.
- The weighting percentage that you assign to the performance goal.
- The percentage of accomplishment of the performance goal.

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

Plan Goal Weight Percentage × Weighted Goal Percentage × Attainment Percentage

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.

Running the Organization and Goals Report

To run the Organization and Goals report, use the Organization and Group Goals (RC_VC_GOALS) component.

This section lists the page used to run the Organization and Goals report.

Page Used to Run the Organization and Goals Report

Page Name	Object Name	Navigation	Usage
Organization and Group Goals	RUNCTL_VC_REP	Compensation, Variable Compensation, Variable Comp Report, Organization and Group Goals	Run the Organization and Group Goals report (VC011). This report provides the plan goal weights for the variable compensation plan ID and period ID. It also lists all organization and group weighted goals in the plan with their weighting percentages and attainment percentages.

Entering Matrix Goal Attainments

To enter matrix goal attainments, use the Matrix Goals (VC_MTX_ATN) and Matrix Goals with Group (VC_MTX_WG_ATN) components.

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

This section discusses how to:

- Enter matrix goal attainments for plans without groups.
- Enter matrix goal attainments for plans with groups.

Pages Used to Enter Matrix Goal Attainments

Page Name	Object Name	Navigation	Usage
Matrix Goal Attainment	VC_MTX_GOAL_ATN	Compensation, Variable Compensation, Define Goal Attainments, Matrix Goals	Enter the numeric value for the 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	Compensation, Variable Compensation, Define Goal Attainments, Matrix Goals w/in Group	Enter the numeric value for the 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:		HXVC04		VC Discr Cash Org Matrix Goals		
Matrix Definition Find View All First 1 of 2 Last						
Period ID:		1999				
	Threshold	Target	Stretch			
	Step 1	Step 2	Step 3			
Payout Schedule	75.00	90.00	105.00			
Goals Matrix Find View All First 1-2 of 2 Last						
Goal ID	Weight			Attainment	Score	
HXVCGOAL01	75.00	1.50	3.00	5.00	<input type="text"/>	0.00
HXVCGOAL05	25.00	90.00	95.00	100.00	<input type="text"/>	0.00
Total Weight:		100.00		Payout Formula:		Total Score: 0.000

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 in the matrix, and it uses the percentage 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 displays 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.

Entering Matrix Goal Attainments for Plans with Groups

Access the Matrix Attainments With Groups page.

This page and its fields are identical to the Matrix Goal Attainments page, with the addition of this 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. By default, child groups take on the matrix and payout formula of the next highest group with a goal matrix.

CHAPTER 9

Funding Variable Compensation Plans and Groups

This chapter discusses how to:

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

Understanding 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

[Chapter 9, “Funding Variable Compensation Plans and Groups,” Allocating Funds to Groups, page 92](#)

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 these formulas:

$$\left(\frac{\text{Total Group}}{\text{Plan Available Funds}} \right) - \left(\frac{\text{Total Group}}{\text{Plan Minimum Payout Value}} \right)$$

$$\left(\frac{\text{Total Group}}{\text{Plan Calculated Awards}} \right) - \left(\frac{\text{Total Group}}{\text{Plan Minimum Payout Value}} \right)$$

Adjustment factor formulas

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

To run a budget report, use the Budget (RC_VC_BUDGET) component.

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.

Page Used to Run the Budget Report

Page Name	Object Name	Navigation	Usage
Budget Report	RUNCTL_VC_REP	Compensation, Variable Compensation, Variable Comp Reports, Budget, Budget Report	Run the Budget Report (VC002). This report helps you calculate how much funding to allocate to a plan.

Running the Budget Report

Access the Budget Report page.

Budget Report

Run Control ID: 123 [Report Manager](#) [Process Monitor](#) **Run**

Report Request Parameter(s)

VC Plan ID:

Payout Period ID:

Report Type

- Summary
- Detail

Budget Report page

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

Org Percent Attained (organization percent attained) (Weighted goals) Enter the organization goal attainment percent that you want the system to use in calculating the budget amount.

Group Percent Attained (Weighted goals) Enter the group goal attainment percent that you want the system to use in calculating the budget amount.

Ind Goal Weight (individual percent attained) (Weighted goals) Enter the individual goal attainment percent that you want the system to use in calculating the budget amount.

Score (Matrix goals) Enter the goal matrix score that you want the system to use in calculating the budget amount.

Report Type Select a detailed report or a summary report:

- The detailed report lists all workers in a plan by group, the worker'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.

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 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 Enterprise Stock Administration 8.9 PeopleBook, “Administering Variable Compensation Grants,” Allocating Stock to the Variable Comp Stock Fund

Allocating Funds to Groups

To allocate funds to groups, use the Group Funding Allocation (VC_GRP_ALLOC) component.

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.

Understanding 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.

Pages Used to Allocate Funds to Groups

Page Name	Object Name	Navigation	Usage
Group Funding Allocation	VC_GRP_ALLOC	Compensation, Variable Compensation, Calculate Awards, Allocate Group Funding, Group Funding Allocation	Distribute the plan funding among the groups on the tree.
Funding Allocation - Fund Plan	VC_GRP_ALLOC_SEC	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.
Funding Allocations Report	RUNCTL_VC_REP	Compensation, Variable Compensation, Variable Comp Reports, Funds Allocations, Funding Allocation Report	Run the Funding Allocations report (VC006). 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.

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 worker who is a manager or approver in PeopleSoft Security. 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.

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. These 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

These 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

These 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.

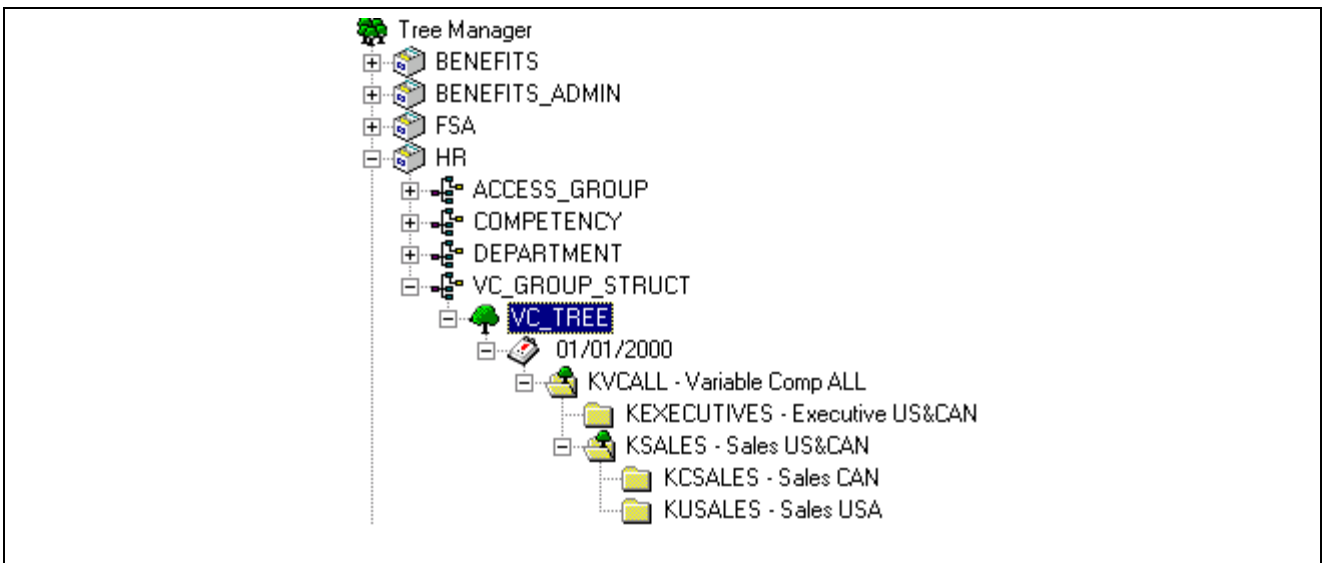
Awards are automatically submitted for payout or distribution by group when all awards in the group have a status of *Approved* (or *Cancelled*).

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

This example illustrates a tree named VC Tree.



VC Tree example

Deleting Duplicate Membership

Because of the way hierarchical groups are set up, most workers 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 workers 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.

This 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 italics remain as members of the group; members not in italics are deleted as duplicates. The table also names the approver and manager of each group.

Top Group Level 0	Group Members and Subgroups on Level 1	Group Members and Subgroups on Level 2	Group Members
KVCALL Approver KU0002 Manager KU0003			
	<i>KU0003</i>		
	<i>KU0007</i>		
	KC0002		
	KC0005		
	KC0013		
	KC0008		
	KC0022		
	KC0027		
	KU0051		
	KU0064		
	KU0082		
	KEXECUTIVES Approver KU0003 Manager KC0002		
		<i>KC0002</i>	
		<i>KC0005</i>	

Top Group Level 0	Group Members and Subgroups on Level 1	Group Members and Subgroups on Level 2	Group Members
	KSALES Approver KU0003 Manager KC0013		
		<i>KC0013</i>	
		<i>KU0082</i>	
		KC0008	
		KC0022	
		KC0027	
		KU0051	
		KU0064	
		KCSALES Approver KC0013 Manager KC0008	
			<i>KC0008</i>
			<i>KC0022</i>
			<i>KC0027</i>
		KUSALES Approver KC0013 Manager KC0008 (not a group member)	
			<i>KU0051</i>
			<i>KU0064</i>

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.

Steps for Allocating Funds

The VC administrator first allocates funds to the overall plan using the Plan Funding page. After that, the process proceeds as follows:

1. Fund and award KVCALL group members:

- a. User KU0002 runs the Determine Allocations process using the Determine Allocation Process page.
- b. User KU0002 (approver of KVCALL) allocates funds to the top group KVCALL on the Group Funding Allocation - Fund Plan page.
- c. User KU0002 runs the Calculate Awards process for KVCALL using the Calculate Awards by Group Process page.
- d. 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.

- e. 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.
- f. 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.

2. Fund and award KEXECUTIVES and KSALES group members:

(KSALES steps f. and g. can be done in parallel to KEXECUTIVES steps d. and e.)

- a. User KU0003 (manager of KVCALL) allocates funds to KEXECUTIVES and KSALES using the Group Funding Allocation page.
- b. User KU0003 runs the Calculate Awards process for KEXECUTIVES and KSALES using the Calculate Awards by Group Process page.
- c. User KU0003 modifies and approves the awards for KC0002 (manager of KEXECUTIVES) and KC0013 (manager of KSALES) using the Award Allocation With Groups page.
- d. 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.
- e. 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.

- f. 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.
- g. 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.

3. Fund and award KCSALES and KUSALES group members:

(KUSALES steps f and g can be done in parallel to KCSALES steps d. and e.)

- a. User KC0013 (manager of KSALES and approver for both KCSALES and KUSALES) allocates funds to KCSALES and KUSALES using the Group Funding Allocation page.
- b. User KC0013 runs the Calculate Awards process for KCSALES and KUSALES using the Calculate Awards by Group Process page.
- c. User KC0013 modifies and approves the awards for KC0008 (manager of both KCSALES and KUSALES) using the Award Allocation With Groups page.
- d. 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.
- e. 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.

- f. 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.
- g. 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

[Chapter 10, “Calculating Allocations and Awards,” page 105](#)

Understanding Distributing 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.

Distributing the Plan Funding Among Groups

Access the Group Funding Allocation page.

Group Funding Allocation

Variable Compensation: KU1ISO2000 2000 plan using ISO Options [Fund Plan](#)

Plan ID: MONTH10 Group ID: KVCALL Variable Comp ALL

Left | Right

- Variable Comp ALL

Orig Allocation: 209420.000000 **Number of Employees:** 13
Balance: 140950.000000 **Currency:** USD
Reserves: 0.000000

Group(s) Find | View All First 1 of 3 Last

Group ID: KEXECUTIVES Executive US&CAN

Group

Target Amt: 17576.000000
Calc Award: 17576.000000

Manager

Target Amt: 10500.000000
Calc Award: 10500.000000
Nbr Empl: 3
Orig Allocation: 17576.000000
Balance: 2576.000000 **Amount:**
Reserves: 0.000000

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 workers 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 ID

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

Group

The 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 workers 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 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 workers in the child group.
Orig Allocation (original allocation)	<p>The total amount that you enter in the Amount field to fund the child group ID for the period ID.</p> <p>The system displays 0 until the Amount field is populated.</p>
Balance	<p>The unallocated balance of the original allocation.</p> <p>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.</p>
Reserves	The balance of funding from previous periods that is still available for allocation to the child group.
Amount	<p>Enter a positive or negative amount of funding for the child group, including the manager. In determining this amount, consider the following:</p> <ul style="list-style-type: none"> • 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. <p>The amount that you enter should be the sum of these two considerations.</p> <p>Enter an amount that is equal to, greater than, or less than the amount in the Calc Award field.</p> <p>If you enter a positive amount, the system updates these fields:</p> <ul style="list-style-type: none"> • Increases the child group's Original Allocation and Balance. • Decreases the parent group's Balance. <p>The system does not enable you to enter an amount that is greater than the sum of the parent group's Balance. and Reserve.</p> <p>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 these fields:</p> <ul style="list-style-type: none"> • Decreases the child group's Original Allocation and Balance. • Increases the parent group's Balance. <p>If you enter a negative amount that exceeds the amount in the child group's Balance, the system updates these fields:</p>

- 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.

The screenshot shows a 'Fund Plan' window with the following data:

Fund Plan	
Target Value:	107210.000000
Calc Award:	107210.000000
Funds Available:	685580.000000
Orig Allocation:	214420.000000
Balance:	140950.000000
Reserves:	0.000000
Amount:	<input type="text"/>

At the bottom of the window are 'OK' and 'Cancel' buttons.

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.

CHAPTER 10

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.

Understanding Calculating Awards

The system employs the Award Allocations page and these 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.

Common Elements Used in Calculating Allocations and Awards

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	The formula the Calculate Awards process uses to determine the minimum award the plan member should receive under the plan.

	Optionally assign minimum payout formulas at the plan or group level.
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 worker 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	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.
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	The calculated value of the minimum payout formula assigned to the plan or group, without applying any proration factor, performance factor, or adjustment factor. The Determine Allocations process calculates the minimum award.
Maximum Award	<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	The calculated award multiplied by the adjustment factor.

The Calculate Awards process calculates the adjusted award and enters it in the Adjusted Award field and in the Actual Award field on the Award Allocation page.

Actual Award

The adjusted award as further changed on the Award Allocations page by manual adjustment or carryover amount.

If not changed, the actual award is equal to the adjusted award. Once approved, the actual award is the amount of currency or units approved for payout or distribution.

Award Value

The value of the actual award expressed in the currency of the variable compensation plan.

The Calculate Awards process applies the valuation ID and rounding rules to calculate the monetary award value of non-monetary units.

See Also

[Chapter 5, “Setting Up Variable Compensation Control Tables,” page 17](#)

[Chapter 9, “Funding Variable Compensation Plans and Groups,” Understanding the Adjustment Factor, page 89](#)

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

[Chapter 9, “Funding Variable Compensation Plans and Groups,” Allocating Funds to Groups, page 92](#)

Determining Allocations

To determine allocations, use the Determine Allocation (RUNCTL_VC_DET_ALL) component.

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.

Page Used to Determine Allocations

Page Name	Object Name	Navigation	Usage
Determine Allocation	RUNCTL_VC_DET_ALL	Compensation, Variable Compensation, Calculate Awards, Determine Allocation	Run the Determine Allocations process, which calculates 100 percent variable compensation payouts, as well as performance factors for organization and group goals.

Determining Allocations for Variable Compensation

When you run the Determine Allocations process from the VC menu, the process calculates this 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

[Chapter 9, “Funding Variable Compensation Plans and Groups,” Allocating Funds to Groups, page 92](#)

Determining Allocations for Total Compensation Reporting

The 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 Enterprise Human Resources PeopleBook: Report Total Compensation

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.

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

Calculating Awards

To calculate variable compensation awards, use the Calculate Awards by Plan (RC_VC_CALCWRD_P) and Calculate Awards by Group (RC_VC_CALCWRD_G) components.

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

The Calculate Awards process uses these values:

- Target, minimum, and maximum values computed by the Determine Allocations process.
- Group and organization performance factors computed by the Determine Allocations process.
- Proration factor computed by the Calculate Eligibility/Proration process.

- Funding amounts entered in the Plan Funding and Group Funding Allocations pages.

Calculations Performed by the Calculate Awards Process

The Calculate Awards process:

- 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.

The Calculate Awards process then:

1. Calculates one of these 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

2. 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.
3. Calculates the funds available for funded plans and computes the adjustment factor, if appropriate.
4. Calculates the Adjusted Award by applying the adjustment factor to the calculated award.
5. 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.

6. 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

Chapter 9, “Funding Variable Compensation Plans and Groups,” Allocating Funds to Groups, page 92

Pages Used to Calculate Awards

Page Name	Object Name	Navigation	Usage
Calculate Awards by Plan	RUNCTL_VC_CALWRD_P	Compensation, Variable Compensation, Calculate Awards, Calculate by Plan, 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	Compensation, Variable Compensation, Calculate Awards, Calculate by Group, 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

To view and adjust award allocations, use the Allocate Awards by Plan (VC_AWD_ALLOC) and Allocate Awards by Group (VC_AWD_ALLOC_WG) components.

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.

Understanding Award Status

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

The system tracks awards in these 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

This 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)	<p>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.</p> <p>If you approve awards manually, the designated approver enters the <i>Approved</i> status to approve awards.</p>	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.
E (errored)	The system enters this status for the award if Payroll for North America, Global Payroll, or 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.

Status	(Individual) Award Status	Group (Award) Status
J (rejected)	The system enters this status if Payroll for North America, Global Payroll, or 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 Payroll for North America, Global Payroll, or 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

This 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 Payroll for North America and Global Payroll; “stock” refers to 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
Publish to payroll, stock, or flat file.	Submitted	Submitted	Submitted	Submitted

Procedure That Modifies the Status	Individual Award Status Approval	Individual Award Status No Approval	Group Status Approval	Group Status No Approval
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

Pages Used to Allocate Awards

Page Name	Object Name	Navigation	Usage
Award Allocation	VC_AWD_ALLOC	Compensation, Variable Compensation, Finalize Awards, Allocate Awards by Plan, 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	Compensation, Variable Compensation, Finalize Awards, Allocate Awards by Group, 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.

Understanding 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

Here are some of the changes you can make to individual awards on this page:

- Change the earnings code.
- Adjust the worker'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 Individual's Payout 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 these 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.

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 worker 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 worker 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, these 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

Viewing and Adjusting Awards for Plans Without Groups

Access the Award Allocation page.

Award Allocation

Plan ID: HXBONUS Self Service Bonus Plan

Period ID: 2000 **End Date:** 12/31/2000 **Sent to Payroll:** 07/06/2001

Group Status: Submitted

Name:

EmpID:

Search **Sort by**

EmpID
 Name

Employee Award Find | View All First 1 of 1 Last

EmpID: **Emp Rcd#:** 0

Status:

Earnings Code:

Award Date: 12/31/2000

***Award Status:** Initial Calculation






Actual Award:

Award Value: 0.00 USD

Award Allocation page

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 <i>Initial Calculation</i>. If the Group Status is <i>Submitted</i>, 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:</p> <ul style="list-style-type: none"> • <i>I - Initial Calculation</i> • <i>D - Ready to Submit</i> • <i>S - Submitted</i> • <i>E - Corrections Required</i> • <i>J - Rejected</i> • <i>P - Paid/Granted</i>
Name EmplID (employee ID)	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.
Search	After entering new search parameters, click this 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 <i>EmplID</i> or <i>Name</i> .
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 worker level.
GP Earnings	The value that you defined for the plan on the Plan Definition page appears. Select a different value to modify the code at the worker level.
Carryover Balance, Accum Carryover, Carryover Amount	<p>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).</p> <p>These three fields work together to help you administer carryovers for each worker in the plan.</p>
Carryover Balance	The Carryover Balance that you have withheld for the worker to date under this plan appears. When you approve the worker'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)	<p>The Accum Carryover field tracks the cumulative effect of the amounts that you enter in the Carryover Amount field for the worker 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.</p> <p>After making several changes in the Carryover Amount, if you want to know what the worker's award would be without any adjustment in the carryover balance, add the Accum Carryover amount to the value in the Actual Award field.</p> <p>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 worker's award, the system updates the Carryover Balance with the amount in the Accum Carryover field.</p>
Carryover Amount	<p>Use the Carryover Amount field to adjust the worker's Carryover Balance. Enter a positive amount to increase the worker's carryover balance and decrease the award. Enter a negative amount to decrease the worker's carryover balance and increase the award.</p> <p>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.</p>
Guarantee	<p>If you entered a guarantee for the worker on the Individual's Payout 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.</p> <p>This field is not visible if the plan member rule is Ad Hoc Award or Define Tree/Group.</p>
Award Date	The system enters the payout period end date as the default value. When you set the Award Status to <i>Approved</i> or <i>Ready to Submit</i> 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 Stock Administration, the system changes the Award Date to the Grant Date after creating stock grants.

For plans paid out through 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 worker award.

The default value is *I* (initial calculation). Select a status from these 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.

Calc Source (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. Values are:

- *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 worker'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

Depending upon the business rules you defined for the plan, different fields appear in this section.

Target Value

The value of the target award as expressed in the currency of the VC plan or in units if the plan is non-monetary. The Determine Awards process calculates this value.

Calculated Award

The target award multiplied by the performance factor (if the plan uses weighted goals) and the proration factor (if the plan is prorated). The Calculate Awards process calculates this value.

Adjustment Factor

The factor calculated and applied by the Calculate Awards process to adjust each individual award by the same ratio for funded plans when there is not enough funding to pay out the calculated awards.

This field does not appear on the page if the plan does not use funding.

Adjusted Award

The calculated awards multiplied by the adjustment factor. The Calculate Awards process calculates the Adjusted Award.

Adjusted awards cannot be less than the minimum or more than the maximum payout.

Original Award [Units]

This field is for Stock type plans only. It displays the number of units in the original award, before any stock splits. Splits are reflected in the Actual Award field when the award is published to Stock for distribution.

Original Award Value

This field is for Stock type plans only. It displays the value of the original award, before any stock repricing. Repricing is reflected in the Award Value field when the award is published to Stock for distribution.

Prorate Factor

A factor calculated by the Calculate Eligibility/Proration process. It is based on the amount of time the worker was a member of the plan during the payout period.

This field appears only on the page if prorate eligibility is a plan business rule.

Org Perf Factor
(organization performance factor)

A factor determined by the organization weighted goal attainments.
This field appears only on the page if the plan uses organization level weighted goals.

Group Perf Factor (group performance factor)

A factor determined by the group weighted goal attainments.
This field appears only on the page if the plan uses group level weighted goals.

Performance Factor

A factor determined by the goal attainments for weighted goals at the various levels under the plan. The Calculate Awards process applies the performance factor to the target award.

This field appears only on the page if the plan uses weighted goals.

Viewing and Changing Awards for Plans with Groups

Access the Award Allocation with Groups page.

Award Allocation with Groups

Plan ID:	KCORP	Tree Plan - Corporate Compensation	
Period ID:	Q1	End Date:	03/31/2000
Group ID:	KVCALL	Variable Comp ALL	Group Status: Ready to Submit
Orig Allocation:	75000.00	Balance:	37000.00
		Reserves:	0.00

Name: <input style="width: 90%;" type="text"/>						
EmplID: <input style="width: 90%;" type="text"/>					<input type="button" value="Search"/>	Sort by <input checked="" type="radio"/> EmplID <input type="radio"/> Name

Employee Award

Find | View All | First 1 of 1 | Last

EmplID:	Empl Rcd#: 0
Status:	
Earnings Code: <input style="width: 40px;" type="text" value="BNS"/> Bonus	Award Date: <input style="width: 80px;" type="text" value="03/31/2000"/>
	*Award Status: <input style="width: 20px;" type="text" value="I"/> Initial Calculation
	Modifier (%): <input style="width: 60px;" type="text" value="100.00"/>
	Actual Award: <input style="width: 140px;" type="text"/>
	Award Value: 0.00 USD

▼ Award Detail

Target Value:	Prorate Factor:
Calculated Award:	Org Perf Factor:
Adjustment Factor:	Group Perf Factor:
Adjusted Award:	Ind Perf Factor:

Award Allocation with Groups page

All fields on this page are identical to the fields on the Award Allocations page, with these 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.

Reporting Awards Calculations

To generate award reports, use these components:

- Calculate Awards (RC_VC_CALC_AWARD)
- Actual Awards (RC_VC_ACT_AWARD)
- Variance (RC_VC_VARIANCE)
- Carryover (RC_VC_CARRYOVER)
- Employee History (RC_VC_EMP_HIST)
- Non-Monetary (RC_VC_NON_MONETARY)
- Plan History (RC_VC_PLAN_HIST)

The system provides these reports to help you review the results of the Calculate Awards process and review carryover balances:

- Calculate Awards Report
- Variance Report
- Carryover Report

Pages Used to Run the Awards Reports

Page Name	Object Name	Navigation	Usage
Report name Varies	RUNCTL_VC_REP	<ul style="list-style-type: none"> • Compensation, Variable Compensation, Award Reports, Calculate Awards • Compensation, Variable Compensation, Award Reports, Actual Awards • Compensation, Variable Compensation, Award Reports, Variance • Compensation, Variable Compensation, Award Reports, Carryovers • Compensation, Variable Compensation, Award Reports, Employee History • Compensation, Variable Compensation, Award Reports, Non Monetary Report • Compensation, Variable Compensation, Award Reports, Plan History 	<p>Use this page to run these reports:</p> <ul style="list-style-type: none"> • Calculate Awards Report (VC003). Use this report to view the results of the Award Calculation process. • Variance Report (VC010). Use this report to view the variance between the target award and the actual award that appears on the Award Allocations page. • Actual Awards Report (VC001). Use this report to view the actual variable compensation awards that were received. • Carryover Report (VC004). Use this report to view the carryover balances. • Employee History Report (VC005). Use this report to view variable compensation data for workers. • Non Monetary Report (VC008). Use this report to view non-monetary information associated with variable compensation plans. • Plan History Report (VC009). Use this report to view information about the history of a variable compensation plan.

Using the Variance Report

The detailed report lists all workers in a plan by group, the worker's target award value, actual award value, and variance between the target and actual award. It also indicates whether the award is either the minimum or maximum payout under the plan. In addition, this report shows the total target award value, actual award value, and variance for each group and the grand total for the plan.

The summary report lists the total target award value, actual award value, and variance for each group, as well as the grand totals for the plan.

Using the Carryover Report

The detailed report lists all workers in a plan by group and their carryover balances. The summary report lists the total carryover balance for each group, as well as the totals for the plan.

Using the Non Monetary Report

The detailed report tracks the number of units awarded under a plan and the value to workers. The report lists only awards that are beyond the status of Initial Calculation. The detailed report lists all workers in a plan by group, their target values, their calculated awards, their actual award in non-monetary units, and their actual awards as a monetary value. The summary report lists the total non-monetary units for each group, as well as the totals for the plan

CHAPTER 11

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 Payroll for North America and Global Payroll.
- Integration with Stock Administration.
- Integration points related to variable compensation.
- How to view and report on variable compensation history.

Understanding 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

To finalize and submit 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

To approve 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.

2. The manager manually sets the Award Status of each award to *Recommended* on the Award Allocation page when satisfied with the award amount.

When all awards have the *Recommended* status, the system sends a workflow notifying the authorized approver.

3. The approver changes the Award Status to *Approved* for each award that he or she wants to approve.

Only the authorized approver can enter the *Approved* status.

- If the plan does not use groups, 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

To approve 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 *Submitted* and then 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

[Chapter 10, “Calculating Allocations and Awards,” Viewing and Adjusting Award Allocations, page 111](#)

Pages Used in Approving and Submitting Awards

Page Name	Object Name	Navigation	Usage
Approve Awards by Plan	VC_RUNCTL_APPWRD_P	Compensation, Variable Compensation, Finalize Awards, 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_APPWRD_G	Compensation, Variable Compensation, Finalize Awards, 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.

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.

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.

Understanding 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.

Payroll for North America

If Payroll for North America is installed on your database, the system publishes the awards directly to Payroll for North America for payout.

Global Payroll

If Global Payroll is installed on your database, the system publishes the awards directly to Global Payroll for payout.

Payroll Interface

If 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 Payroll Interface system.

Multiple Payroll Systems

If you have multiple payroll systems installed on your database, the system refers to the pay system indicator on the worker's Job record to determine how to submit the award. If the worker is paid through Payroll for North America or Global Payroll, the system publishes the award through Application Messaging. If the worker is paid through Payroll Interface, the system submits the award through a flat file.

Integrating with Payroll for North America and Global Payroll

Integration between Variable Compensation and these two 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 Payroll for North America and Global Payroll

These steps summarize the award payout integration between variable compensation (VC) and the Payroll for North America and Global Payroll applications.

Note. In this summary, payroll refers to both of these 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 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 Date to the value set by payroll as the date of payment (Payroll for North America only).

See Also

PeopleSoft Enterprise Payroll for North America 8.9 PeopleBook, “Administering the Interface with PeopleSoft Payables”

PeopleSoft Enterprise Payroll for North America 8.9 PeopleBook, “Administering the Integration with EnterpriseOne General Ledger”

Error Reason Codes

When Payroll for North America or Global Payroll publishes notification of erred awards (Award Status of *E*), the notification includes reason codes for the error.

- 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).
- Global Payroll Error Reason Codes:
 - Invalid Currency Code (Invalid CC).
 - Transaction already exists (Tran exist).
 - Error Updating Gen PI (PI Err).
 - Error Updating ACK_PUB (Pub Err).
 - Invalid Pin Number (Pin Err).

Integrating with 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 Stock Administration for distribution if Stock Administration is installed on your database.

Summary of Integration with Stock Administration

These steps summarize the award distribution integration between the Variable Compensation business process and Stock Administration:

1. The Variable Compensation (VC) business process publishes awards to 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. 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:

Stock Administration runs the Generate Grants Application Engine process to generate the grants and batch publishes the awards to VC.

The batch publish of grants generated results in these 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 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 Stock Administration. Stock Administration decreases the VC funding table by the number of shares remaining.
4. Stock Administration updates VC tables when stocks split.
 - Updates the Awards table and the Plan Funding table.
 - Batch publishes effected VC awards.

5. Stock Administration recalculates award value when stock is repriced and publishes revised awards updating the Award Value.

See Also

PeopleSoft Enterprise Stock Administration 8.9 PeopleBook, “Administering Variable Compensation Grants”

Integration Points Between Variable Compensation and other Applications

The system uses application messaging technology to transfer awards and payout data between the Variable Compensation application and Payroll for North America, Global Payroll, or Stock Administration.

Integration Points Between Variable Compensation and Payroll for North America

Integration Point Name	Message Name	Message Definition
Variable Compensation (VC) request for payment	VAR_COMP_PAYMENT_REQUEST	VC publishes award data to Payroll for North America and payroll subscribes to the award data.
Acknowledgement/Verification of VC payment	VAR_COMP_PAYMENT_ACKNOWLEDGE	Payroll for North America publishes payout data to VC and VC subscribes.

Integration Points Between Variable Compensation and Global Payroll

Integration Point Name	Message Name	Message Definition
Variable Compensation (VC) request for payment	VAR_COMP_PAYMENT_REQUEST_GP	VC publishes award data to Global Payroll and payroll subscribes to the award data.
Acknowledgement/Verification of VC payment	VAR_CMP_PAYMENT_ACKNOWLEDGE_GP	Global Payroll publishes payout data to VC and VC subscribes.

Integration Points Between Variable Compensation and Stock Administration

Integration Point Name	Message Name	Message Definition
Award Data	AWARD_GRANT_ISSUE	VC publishes award data to Stock Administration and Stock Administration subscribes to the award data.
Grant Data	GRANT_AWARD_UPDATE	Stock Administration publishes grant data to VC and VC subscribes.

Activating Integration Point Messages and Channels

All integration point messages are delivered inactive. You must activate the messages in 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 Enterprise provides these reports to assist in payout processing:

- Actual Awards report.

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.

- Subscription Errors report.

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 Payroll for North America or Stock Administration.

Pages Used to Run Award Payout and Distribution Reports

Page Name	Object Name	Navigation	Usage
Varies	RUNCTL_VC_REP	<ul style="list-style-type: none"> • Compensation, Variable Compensation, Award Reports, Actual Awards • Compensation, Variable Compensation, Award Reports, Subscription Errors 	<p>Use this page to run both reports:</p> <ul style="list-style-type: none"> • Actual Award Report (VC001). You can select a detailed report or a summary report. <p>The detailed report lists all workers in a plan by group, the worker's target award value, annual rate, job code, actual award, and value. It also indicates whether the award is either the minimum or maximum payout under the plan, the total award value for each group, and the grand total for the plan.</p> <p>The summary report lists the total award value for each group and the grand total for the plan.</p> <ul style="list-style-type: none"> • Subscription Error Report (VC013).

Viewing and Reporting on Variable Compensation History

View historical plan information by worker or by plan. Use the Employee History inquiry page to view worker information online. Use the Employee History report or the Plan History report to print variable compensation history by worker or by plan, respectively.

Page Used to View and Report on Variable Compensation History

Page Name	Object Name	Navigation	Usage
Employee History Inquiry	VC_EE_HISTORY	Compensation, Variable Compensation, Finalize Awards, Review Employee Award History, Employee History Inquiry	View the history of a worker's target and actual awards in each plan and payout period.
Employee History Report	RUNCTL_VC_EEHIS_RP	Compensation, Variable Compensation, Award Reports, Employee History, Employee History Report	Run the Employee History Report (VC005). For each worker, the report lists target values, award values, and units by plan and payout period. It also prints the total values and units for each plan. In addition, select to print each worker's grand total values for all plans.
Plan History Report	RUNCTL_VC_REP	Compensation, Variable Compensation, Award Reports, Plan History, Plan History Report	Run the Plan History Report (VC009). The report provides information about the plan definition and lists award values, proration, and approver information by payout period for the plan ID that you specify.

Viewing Employee Target and Awards History

Access the Employee History page.

Employee History

Betty Locherty EMP ID: KU0007 Empl Rcd #: 0

Plan Details Find | View All | First 1 of 3 Last

Plan ID: KCORP Tree Plan - Corporate Compensation

Employee Details Customize | Find | View All | First 1 of 1 Last

Payout Period ID	Group ID	Award Date	Award (Amt)	Award Value	Target Value	Award Status
Q1	KVCALL	05/24/2000	5000.00	5000.00	15000.000000	Approved
Total Actual Award:		5000.000000	Total Target Award:		15000.000000	Currency: USD

Employee History page

- 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 worker did not receive a monetary award in the plan period.)
- Award (Units)** This column of the grid is hidden if the worker 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 worker'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 worker 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 worker under the plan ID, expressed in units or currency, depending on the plan type. Monetary value is expressed in the currency of the plan.

Glossary of PeopleSoft Terms

absence entitlement	This element defines rules for granting paid time off for valid absences, such as sick time, vacation, and maternity leave. An absence entitlement element defines the entitlement amount, frequency, and entitlement period.
absence take	This element defines the conditions that must be met before a payee is entitled to take paid time off.
academic career	In PeopleSoft Enterprise Campus Solutions, all course work that a student undertakes at an academic institution and that is grouped in a single student record. For example, a university that has an undergraduate school, a graduate school, and various professional schools might define several academic careers—an undergraduate career, a graduate career, and separate careers for each professional school (law school, medical school, dental school, and so on).
academic institution	In PeopleSoft Enterprise Campus Solutions, an entity (such as a university or college) that is independent of other similar entities and that has its own set of rules and business processes.
academic organization	In PeopleSoft Enterprise Campus Solutions, an entity that is part of the administrative structure within an academic institution. At the lowest level, an academic organization might be an academic department. At the highest level, an academic organization can represent a division.
academic plan	In PeopleSoft Enterprise Campus Solutions, an area of study—such as a major, minor, or specialization—that exists within an academic program or academic career.
academic program	In PeopleSoft Enterprise Campus Solutions, the entity to which a student applies and is admitted and from which the student graduates.
accounting class	In PeopleSoft Enterprise Performance Management, the accounting class defines how a resource is treated for generally accepted accounting practices. The Inventory class indicates whether a resource becomes part of a balance sheet account, such as inventory or fixed assets, while the Non-inventory class indicates that the resource is treated as an expense of the period during which it occurs.
accounting date	The accounting date indicates when a transaction is recognized, as opposed to the date the transaction actually occurred. The accounting date and transaction date can be the same. The accounting date determines the period in the general ledger to which the transaction is to be posted. You can only select an accounting date that falls within an open period in the ledger to which you are posting. The accounting date for an item is normally the invoice date.
accounting split	The accounting split method indicates how expenses are allocated or divided among one or more sets of accounting ChartFields.
accumulator	You use an accumulator to store cumulative values of defined items as they are processed. You can accumulate a single value over time or multiple values over time. For example, an accumulator could consist of all voluntary deductions, or all company deductions, enabling you to accumulate amounts. It allows total flexibility for time periods and values accumulated.
action reason	The reason an employee's job or employment information is updated. The action reason is entered in two parts: a personnel action, such as a promotion, termination, or change from one pay group to another—and a reason for that action. Action reasons are used by PeopleSoft Human Resources, PeopleSoft Benefits Administration,

	PeopleSoft Stock Administration, and the COBRA Administration feature of the Base Benefits business process.
action template	In PeopleSoft Receivables, outlines a set of escalating actions that the system or user performs based on the period of time that a customer or item has been in an action plan for a specific condition.
activity	<p>In PeopleSoft Enterprise Learning Management, an instance of a catalog item (sometimes called a class) that is available for enrollment. The activity defines such things as the costs that are associated with the offering, enrollment limits and deadlines, and waitlisting capacities.</p> <p>In PeopleSoft Enterprise Performance Management, the work of an organization and the aggregation of actions that are used for activity-based costing.</p> <p>In PeopleSoft Project Costing, the unit of work that provides a further breakdown of projects—usually into specific tasks.</p> <p>In PeopleSoft Workflow, a specific transaction that you might need to perform in a business process. Because it consists of the steps that are used to perform a transaction, it is also known as a step map.</p>
address usage	In PeopleSoft Enterprise Campus Solutions, a grouping of address types defining the order in which the address types are used. For example, you might define an address usage code to process addresses in the following order: billing address, dormitory address, home address, and then work address.
adjustment calendar	In PeopleSoft Enterprise Campus Solutions, the adjustment calendar controls how a particular charge is adjusted on a student's account when the student drops classes or withdraws from a term. The charge adjustment is based on how much time has elapsed from a predetermined date, and it is determined as a percentage of the original charge amount.
administrative function	In PeopleSoft Enterprise Campus Solutions, a particular functional area that processes checklists, communication, and comments. The administrative function identifies which variable data is added to a person's checklist or communication record when a specific checklist code, communication category, or comment is assigned to the student. This key data enables you to trace that checklist, communication, or comment back to a specific processing event in a functional area.
admit type	In PeopleSoft Enterprise Campus Solutions, a designation used to distinguish first-year applications from transfer applications.
agreement	In PeopleSoft eSettlements, provides a way to group and specify processing options, such as payment terms, pay from a bank, and notifications by a buyer and supplier location combination.
allocation rule	In PeopleSoft Enterprise Incentive Management, an expression within compensation plans that enables the system to assign transactions to nodes and participants. During transaction allocation, the allocation engine traverses the compensation structure from the current node to the root node, checking each node for plans that contain allocation rules.
alternate account	A feature in PeopleSoft General Ledger that enables you to create a statutory chart of accounts and enter statutory account transactions at the detail transaction level, as required for recording and reporting by some national governments.
analysis database	In PeopleSoft Enterprise Campus Solutions, database tables that store large amounts of student information that may not appear in standard report formats. The analysis database tables contain keys for all objects in a report that an application program can use to reference other student-record objects that are not contained in the printed report. For instance, the analysis database contains data on courses that are considered for satisfying a requirement but that are rejected. It also contains information on

	courses captured by global limits. An analysis database is used in PeopleSoft Enterprise Academic Advisement.
Application Messaging	PeopleSoft Application Messaging enables applications within the PeopleSoft Enterprise product family to communicate synchronously or asynchronously with other PeopleSoft and third-party applications. An application message defines the records and fields to be published or subscribed to.
AR specialist	Abbreviation for <i>receivables specialist</i> . In PeopleSoft Receivables, an individual in who tracks and resolves deductions and disputed items.
arbitration plan	In PeopleSoft Enterprise Pricer, defines how price rules are to be applied to the base price when the transaction is priced.
assessment rule	In PeopleSoft Receivables, a user-defined rule that the system uses to evaluate the condition of a customer's account or of individual items to determine whether to generate a follow-up action.
asset class	An asset group used for reporting purposes. It can be used in conjunction with the asset category to refine asset classification.
attribute/value pair	In PeopleSoft Directory Interface, relates the data that makes up an entry in the directory information tree.
audience	In PeopleSoft Enterprise Campus Solutions, a segment of the database that relates to an initiative, or a membership organization that is based on constituent attributes rather than a dues-paying structure. Examples of audiences include the Class of '65 and Undergraduate Arts & Sciences.
authentication server	A server that is set up to verify users of the system.
base time period	In PeopleSoft Business Planning, the lowest level time period in a calendar.
benchmark job	In PeopleSoft Workforce Analytics, a benchmark job is a job code for which there is corresponding salary survey data from published, third-party sources.
billing career	In PeopleSoft Enterprise Campus Solutions, the one career under which other careers are grouped for billing purposes if a student is active simultaneously in multiple careers.
bio bit or bio brief	In PeopleSoft Enterprise Campus Solutions, a report that summarizes information stored in the system about a particular constituent. You can generate standard or specialized reports.
book	In PeopleSoft Asset Management, used for storing financial and tax information, such as costs, depreciation attributes, and retirement information on assets.
branch	A tree node that rolls up to nodes above it in the hierarchy, as defined in PeopleSoft Tree Manager.
budgetary account only	An account used by the system only and not by users; this type of account does not accept transactions. You can only budget with this account. Formerly called "system-maintained account."
budget check	In commitment control, the processing of source transactions against control budget ledgers, to see if they pass, fail, or pass with a warning.
budget control	In commitment control, budget control ensures that commitments and expenditures don't exceed budgets. It enables you to track transactions against corresponding budgets and terminate a document's cycle if the defined budget conditions are not met. For example, you can prevent a purchase order from being dispatched to a vendor if there are insufficient funds in the related budget to support it.

budget period	The interval of time (such as 12 months or 4 quarters) into which a period is divided for budgetary and reporting purposes. The ChartField allows maximum flexibility to define operational accounting time periods without restriction to only one calendar.
business activity	The name of a subset of a detailed business process. This might be a specific transaction, task, or action that you perform in a business process.
business event	In PeopleSoft Receivables, defines the processing characteristics for the Receivable Update process for a draft activity. In PeopleSoft Sales Incentive Management, an original business transaction or activity that may justify the creation of a PeopleSoft Enterprise Incentive Management event (a sale, for example).
business process	A standard set of 17 business processes are defined and maintained by the PeopleSoft product families and are supported by Business Process Engineering group at PeopleSoft. An example of a business process is Order Fulfillment, which is a business process that manages sales orders and contracts, inventory, billing, and so forth. See also <i>detailed business process</i> .
business task	The name of the specific function depicted in one of the business processes.
business unit	A corporation or a subset of a corporation that is independent with regard to one or more operational or accounting functions.
buyer	In PeopleSoft eSettlements, an organization (or business unit, as opposed to an individual) that transacts with suppliers (vendors) within the system. A buyer creates payments for purchases that are made in the system.
campus	In PeopleSoft Enterprise Campus Solutions, an entity that is usually associated with a distinct physical administrative unit, that belongs to a single academic institution, that uses a unique course catalog, and that produces a common transcript for students within the same academic career.
catalog item	In PeopleSoft Enterprise Learning Management, a specific topic that a learner can study and have tracked. For example, "Introduction to Microsoft Word." A catalog item contains general information about the topic and includes a course code, description, categorization, keywords, and delivery methods. A catalog item can have one or more learning activities.
catalog map	In PeopleSoft Catalog Management, translates values from the catalog source data to the format of the company's catalog.
catalog partner	In PeopleSoft Catalog Management, shares responsibility with the enterprise catalog manager for maintaining catalog content.
categorization	Associates partner offerings with catalog offerings and groups them into enterprise catalog categories.
category	In PeopleSoft Enterprise Campus Solutions, a broad grouping to which specific comments or communications (contexts) are assigned. Category codes are also linked to 3C access groups so that you can assign data-entry or view-only privileges across functions.
channel	In PeopleSoft MultiChannel Framework, email, chat, voice (computer telephone integration [CTI]), or a generic event.
ChartField	A field that stores a chart of accounts, resources, and so on, depending on the PeopleSoft application. ChartField values represent individual account numbers, department codes, and so forth.
ChartField balancing	You can require specific ChartFields to match up (balance) on the debit and the credit side of a transaction.

ChartField combination edit	The process of editing journal lines for valid ChartField combinations based on user-defined rules.
ChartKey	One or more fields that uniquely identify each row in a table. Some tables contain only one field as the key, while others require a combination.
checkbook	In PeopleSoft Promotions Management, enables you to view financial data (such as planned, incurred, and actual amounts) that is related to funds and trade promotions.
checklist code	In PeopleSoft Enterprise Campus Solutions, a code that represents a list of planned or completed action items that can be assigned to a staff member, volunteer, or unit. Checklists enable you to view all action assignments on one page.
class	In PeopleSoft Enterprise Campus Solutions, a specific offering of a course component within an academic term. See also <i>course</i> .
Class ChartField	A ChartField value that identifies a unique appropriation budget key when you combine it with a fund, department ID, and program code, as well as a budget period. Formerly called <i>sub-classification</i> .
clearance	In PeopleSoft Enterprise Campus Solutions, the period of time during which a constituent in PeopleSoft Contributor Relations is approved for involvement in an initiative or an action. Clearances are used to prevent development officers from making multiple requests to a constituent during the same time period.
clone	In PeopleCode, to make a unique copy. In contrast, to <i>copy</i> may mean making a new reference to an object, so if the underlying object is changed, both the copy and the original change.
cohort	In PeopleSoft Enterprise Campus Solutions, the highest level of the three-level classification structure that you define for enrollment management. You can define a cohort level, link it to other levels, and set enrollment target numbers for it. See also <i>population</i> and <i>division</i> .
collection	To make a set of documents available for searching in Verity, you must first create at least one collection. A collection is set of directories and files that allow search application users to use the Verity search engine to quickly find and display source documents that match search criteria. A collection is a set of statistics and pointers to the source documents, stored in a proprietary format on a file server. Because a collection can only store information for a single location, PeopleSoft maintains a set of collections (one per language code) for each search index object.
collection rule	In PeopleSoft Receivables, a user-defined rule that defines actions to take for a customer based on both the amount and the number of days past due for outstanding balances.
comm key	See <i>communication key</i> .
communication key	In PeopleSoft Enterprise Campus Solutions, a single code for entering a combination of communication category, communication context, communication method, communication direction, and standard letter code. Communication keys (also called <i>comm keys</i> or <i>speed keys</i>) can be created for background processes as well as for specific users.
compensation object	In PeopleSoft Enterprise Incentive Management, a node within a compensation structure. Compensation objects are the building blocks that make up a compensation structure's hierarchical representation.

compensation structure	In PeopleSoft Enterprise Incentive Management, a hierarchical relationship of compensation objects that represents the compensation-related relationship between the objects.
component interface	A component interface is a set of application programming interfaces (APIs) that you can use to access and modify PeopleSoft database information using a program instead of the PeopleSoft client.
condition	In PeopleSoft Receivables, occurs when there is a change of status for a customer's account, such as reaching a credit limit or exceeding a user-defined balance due.
configuration parameter catalog	Used to configure an external system with PeopleSoft. For example, a configuration parameter catalog might set up configuration and communication parameters for an external server.
configuration plan	In PeopleSoft Enterprise Incentive Management, configuration plans hold allocation information for common variables (not incentive rules) and are attached to a node without a participant. Configuration plans are not processed by transactions.
constituents	In PeopleSoft Enterprise Campus Solutions, friends, alumni, organizations, foundations, or other entities affiliated with the institution, and about which the institution maintains information. The constituent types delivered with PeopleSoft Enterprise Contributor Relations Solutions are based on those defined by the Council for the Advancement and Support of Education (CASE).
content reference	Content references are pointers to content registered in the portal registry. These are typically either URLs or iScripts. Content references fall into three categories: target content, templates, and template pagelets.
context	<p>In PeopleCode, determines which buffer fields can be contextually referenced and which is the current row of data on each scroll level when a PeopleCode program is running.</p> <p>In PeopleSoft Enterprise Campus Solutions, a specific instance of a comment or communication. One or more contexts are assigned to a category, which you link to 3C access groups so that you can assign data-entry or view-only privileges across functions.</p> <p>In PeopleSoft Enterprise Incentive Management, a mechanism that is used to determine the scope of a processing run. PeopleSoft Enterprise Incentive Management uses three types of context: plan, period, and run-level.</p>
control table	Stores information that controls the processing of an application. This type of processing might be consistent throughout an organization, or it might be used only by portions of the organization for more limited sharing of data.
cost profile	A combination of a receipt cost method, a cost flow, and a deplete cost method. A profile is associated with a cost book and determines how items in that book are valued, as well as how the material movement of the item is valued for the book.
cost row	A cost transaction and amount for a set of ChartFields.
course	<p>In PeopleSoft Enterprise Campus Solutions, a course that is offered by a school and that is typically described in a course catalog. A course has a standard syllabus and credit level; however, these may be modified at the class level. Courses can contain multiple components such as lecture, discussion, and lab.</p> <p>See also <i>class</i>.</p>
course share set	In PeopleSoft Enterprise Campus Solutions, a tag that defines a set of requirement groups that can share courses. Course share sets are used in PeopleSoft Enterprise Academic Advisement.

current learning	In PeopleSoft Enterprise Learning Management, a self-service repository for all of a learner's in-progress learning activities and programs.
data acquisition	In PeopleSoft Enterprise Incentive Management, the process during which raw business transactions are acquired from external source systems and fed into the operational data store (ODS).
data cube	In PeopleSoft Analytic Calculation Engine, a data cube is a container for one kind of data (such as Sales data) and works with in tandem with one or more dimensions. Dimensions and data cubes in PeopleSoft Analytic Calculation Engine are unrelated to dimensions and online analytical processing (OLAP) cubes in PeopleSoft Cube Manager.
data elements	Data elements, at their simplest level, define a subset of data and the rules by which to group them. For Workforce Analytics, data elements are rules that tell the system what measures to retrieve about your workforce groups.
dataset	A data grouping that enables role-based filtering and distribution of data. You can limit the range and quantity of data that is displayed for a user by associating dataset rules with user roles. The result of dataset rules is a set of data that is appropriate for the user's roles.
delivery method	In PeopleSoft Enterprise Learning Management, identifies the primary type of delivery method in which a particular learning activity is offered. Also provides default values for the learning activity, such as cost and language. This is primarily used to help learners search the catalog for the type of delivery from which they learn best. Because PeopleSoft Enterprise Learning Management is a blended learning system, it does not enforce the delivery method. In PeopleSoft Supply Chain Management, identifies the method by which goods are shipped to their destinations (such as truck, air, rail, and so on). The delivery method is specified when creating shipment schedules.
delivery method type	In PeopleSoft Enterprise Learning Management, identifies how learning activities can be delivered—for example, through online learning, classroom instruction, seminars, books, and so forth—in an organization. The type determines whether the delivery method includes scheduled components.
detailed business process	A subset of the business process. For example, the detailed business process named Determine Cash Position is a subset of the business process called Cash Management.
dimension	In PeopleSoft Analytic Calculation Engine, a dimension contains a list of one kind of data that can span various contexts, and it is a basic component of an analytic model. Within the analytic model, a dimension is attached to one or more data cubes. In PeopleSoft Cube Manager, a dimension is the most basic component of an OLAP cube and specifies the PeopleSoft metadata to be used to create the dimension's rollup structure. Dimensions and data cubes in PeopleSoft Analytic Calculation Engine are unrelated to dimensions and OLAP cubes in PeopleSoft Cube Manager.
directory information tree	In PeopleSoft Directory Interface, the representation of a directory's hierarchical structure.
division	In PeopleSoft Enterprise Campus Solutions, the lowest level of the three-level classification structure that you define in PeopleSoft Enterprise Recruiting and Admissions for enrollment management. You can define a division level, link it to other levels, and set enrollment target numbers for it. See also <i>population</i> and <i>cohort</i> .

document sequencing	A flexible method that sequentially numbers the financial transactions (for example, bills, purchase orders, invoices, and payments) in the system for statutory reporting and for tracking commercial transaction activity.
dynamic detail tree	A tree that takes its detail values—dynamic details—directly from a table in the database, rather than from a range of values that are entered by the user.
edit table	A table in the database that has its own record definition, such as the Department table. As fields are entered into a PeopleSoft application, they can be validated against an edit table to ensure data integrity throughout the system.
effective date	A method of dating information in PeopleSoft applications. You can predate information to add historical data to your system, or postdate information in order to enter it before it actually goes into effect. By using effective dates, you don't delete values; you enter a new value with a current effective date.
EIM ledger	Abbreviation for <i>Enterprise Incentive Management ledger</i> . In PeopleSoft Enterprise Incentive Management, an object to handle incremental result gathering within the scope of a participant. The ledger captures a result set with all of the appropriate traces to the data origin and to the processing steps of which it is a result.
elimination set	In PeopleSoft General Ledger, a related group of intercompany accounts that is processed during consolidations.
entry event	In PeopleSoft General Ledger, Receivables, Payables, Purchasing, and Billing, a business process that generates multiple debits and credits resulting from single transactions to produce standard, supplemental accounting entries.
equitization	In PeopleSoft General Ledger, a business process that enables parent companies to calculate the net income of subsidiaries on a monthly basis and adjust that amount to increase the investment amount and equity income amount before performing consolidations.
equity item limit	In PeopleSoft Enterprise Campus Solutions, the amounts of funds set by the institution to be awarded with discretionary or gift funds. The limit could be reduced by amounts equal to such things as expected family contribution (EFC) or parent contribution. Students are packaged by Equity Item Type Groups and Related Equity Item Types. This limit can be used to assure that similar student populations are packaged equally.
event	A predefined point either in the Component Processor flow or in the program flow. As each point is encountered, the event activates each component, triggering any PeopleCode program that is associated with that component and that event. Examples of events are FieldChange, SavePreChange, and RowDelete. In PeopleSoft Human Resources, also refers to an incident that affects benefits eligibility.
event propagation process	In PeopleSoft Sales Incentive Management, a process that determines, through logic, the propagation of an original PeopleSoft Enterprise Incentive Management event and creates a derivative (duplicate) of the original event to be processed by other objects. Sales Incentive Management uses this mechanism to implement splits, roll-ups, and so on. Event propagation determines who receives the credit.
exception	In PeopleSoft Receivables, an item that either is a deduction or is in dispute.
exclusive pricing	In PeopleSoft Order Management, a type of arbitration plan that is associated with a price rule. Exclusive pricing is used to price sales order transactions.
fact	In PeopleSoft applications, facts are numeric data values from fields from a source database as well as an analytic application. A fact can be anything you want to measure your business by, for example, revenue, actual, budget data, or sales numbers. A fact is stored on a fact table.

financial aid term	In PeopleSoft Enterprise Campus Solutions, a combination of a period of time that the school determines as an instructional accounting period and an academic career. It is created and defined during the setup process. Only terms eligible for financial aid are set up for each financial aid career.
forecast item	A logical entity with a unique set of descriptive demand and forecast data that is used as the basis to forecast demand. You create forecast items for a wide range of uses, but they ultimately represent things that you buy, sell, or use in your organization and for which you require a predictable usage.
fund	In PeopleSoft Promotions Management, a budget that can be used to fund promotional activity. There are four funding methods: top down, fixed accrual, rolling accrual, and zero-based accrual.
gap	In PeopleSoft Enterprise Campus Solutions, an artificial figure that sets aside an amount of unmet financial aid need that is not funded with Title IV funds. A gap can be used to prevent fully funding any student to conserve funds, or it can be used to preserve unmet financial aid need so that institutional funds can be awarded.
generic process type	In PeopleSoft Process Scheduler, process types are identified by a generic process type. For example, the generic process type SQR includes all SQR process types, such as SQR process and SQR report.
gift table	In PeopleSoft Enterprise Campus Solutions, a table or so-called <i>donor pyramid</i> describing the number and size of gifts that you expect will be needed to successfully complete the campaign in PeopleSoft Contributor Relations. The gift table enables you to estimate the number of donors and prospects that you need at each gift level to reach the campaign goal.
GL business unit	Abbreviation for <i>general ledger business unit</i> . A unit in an organization that is an independent entity for accounting purposes. It maintains its own set of accounting books. See also <i>business unit</i> .
GL entry template	Abbreviation for <i>general ledger entry template</i> . In PeopleSoft Enterprise Campus Solutions, a template that defines how a particular item is sent to the general ledger. An item-type maps to the general ledger, and the GL entry template can involve multiple general ledger accounts. The entry to the general ledger is further controlled by high-level flags that control the summarization and the type of accounting—that is, accrual or cash.
GL Interface process	Abbreviation for <i>General Ledger Interface process</i> . In PeopleSoft Enterprise Campus Solutions, a process that is used to send transactions from PeopleSoft Enterprise Student Financials to the general ledger. Item types are mapped to specific general ledger accounts, enabling transactions to move to the general ledger when the GL Interface process is run.
group	In PeopleSoft Billing and Receivables, a posting entity that comprises one or more transactions (items, deposits, payments, transfers, matches, or write-offs). In PeopleSoft Human Resources Management and Supply Chain Management, any set of records that are associated under a single name or variable to run calculations in PeopleSoft business processes. In PeopleSoft Time and Labor, for example, employees are placed in groups for time reporting purposes.
incentive object	In PeopleSoft Enterprise Incentive Management, the incentive-related objects that define and support the PeopleSoft Enterprise Incentive Management calculation process and results, such as plan templates, plans, results data, user interaction objects, and so on.

incentive rule	In PeopleSoft Sales Incentive Management, the commands that act on transactions and turn them into compensation. A rule is one part in the process of turning a transaction into compensation.
incur	In PeopleSoft Promotions Management, to become liable for a promotional payment. In other words, you owe that amount to a customer for promotional activities.
initiative	In PeopleSoft Enterprise Campus Solutions, the basis from which all advancement plans are executed. It is an organized effort targeting a specific constituency, and it can occur over a specified period of time with specific purposes and goals. An initiative can be a campaign, an event, an organized volunteer effort, a membership drive, or any other type of effort defined by the institution. Initiatives can be multipart, and they can be related to other initiatives. This enables you to track individual parts of an initiative, as well as entire initiatives.
inquiry access	In PeopleSoft Enterprise Campus Solutions, a type of security access that permits the user only to view data. See also <i>update access</i> .
institution	In PeopleSoft Enterprise Campus Solutions, an entity (such as a university or college) that is independent of other similar entities and that has its own set of rules and business processes.
integration	A relationship between two compatible integration points that enables communication to take place between systems. Integrations enable PeopleSoft applications to work seamlessly with other PeopleSoft applications or with third-party systems or software.
integration point	An interface that a system uses to communicate with another PeopleSoft application or an external application.
integration set	A logical grouping of integrations that applications use for the same business purpose. For example, the integration set <code>ADVANCED_SHIPPING_ORDER</code> contains all of the integrations that notify a customer that an order has shipped.
item	In PeopleSoft Inventory, a tangible commodity that is stored in a business unit (shipped from a warehouse). In PeopleSoft Demand Planning, Inventory Policy Planning, and Supply Planning, a noninventory item that is designated as being used for planning purposes only. It can represent a family or group of inventory items. It can have a planning bill of material (BOM) or planning routing, and it can exist as a component on a planning BOM. A planning item cannot be specified on a production or engineering BOM or routing, and it cannot be used as a component in a production. The quantity on hand will never be maintained. In PeopleSoft Receivables, an individual receivable. An item can be an invoice, a credit memo, a debit memo, a write-off, or an adjustment.
item shuffle	In PeopleSoft Enterprise Campus Solutions, a process that enables you to change a payment allocation without having to reverse the payment.
joint communication	In PeopleSoft Enterprise Campus Solutions, one letter that is addressed jointly to two people. For example, a letter might be addressed to both Mr. Sudhir Awat and Ms. Samantha Mortelli. A relationship must be established between the two individuals in the database, and at least one of the individuals must have an ID in the database.
keyword	In PeopleSoft Enterprise Campus Solutions, a term that you link to particular elements within PeopleSoft Student Financials, Financial Aid, and Contributor Relations. You can use keywords as search criteria that enable you to locate specific records in a search dialog box.

KPI	An abbreviation for <i>key performance indicator</i> . A high-level measurement of how well an organization is doing in achieving critical success factors. This defines the data value or calculation upon which an assessment is determined.
LDIF file	Abbreviation for <i>Lightweight Directory Access Protocol (LDAP) Data Interchange Format file</i> . Contains discrepancies between PeopleSoft data and directory data.
learner group	In PeopleSoft Enterprise Learning Management, a group of learners who are linked to the same learning environment. Members of the learner group can share the same attributes, such as the same department or job code. Learner groups are used to control access to and enrollment in learning activities and programs. They are also used to perform group enrollments and mass enrollments in the back office.
learning components	In PeopleSoft Enterprise Learning Management, the foundational building blocks of learning activities. PeopleSoft Enterprise Learning Management supports six basic types of learning components: web-based, session, webcast, test, survey, and assignment. One or more of these learning component types compose a single learning activity.
learning environment	In PeopleSoft Enterprise Learning Management, identifies a set of categories and catalog items that can be made available to learner groups. Also defines the default values that are assigned to the learning activities and programs that are created within a particular learning environment. Learning environments provide a way to partition the catalog so that learners see only those items that are relevant to them.
learning history	In PeopleSoft Enterprise Learning Management, a self-service repository for all of a learner's completed learning activities and programs.
ledger mapping	You use ledger mapping to relate expense data from general ledger accounts to resource objects. Multiple ledger line items can be mapped to one or more resource IDs. You can also use ledger mapping to map dollar amounts (referred to as <i>rates</i>) to business units. You can map the amounts in two different ways: an actual amount that represents actual costs of the accounting period, or a budgeted amount that can be used to calculate the capacity rates as well as budgeted model results. In PeopleSoft Enterprise Warehouse, you can map general ledger accounts to the EW Ledger table.
library section	In PeopleSoft Enterprise Incentive Management, a section that is defined in a plan (or template) and that is available for other plans to share. Changes to a library section are reflected in all plans that use it.
linked section	In PeopleSoft Enterprise Incentive Management, a section that is defined in a plan template but appears in a plan. Changes to linked sections propagate to plans using that section.
linked variable	In PeopleSoft Enterprise Incentive Management, a variable that is defined and maintained in a plan template and that also appears in a plan. Changes to linked variables propagate to plans using that variable.
LMS	Abbreviation for <i>learning management system</i> . In PeopleSoft Enterprise Campus Solutions, LMS is a PeopleSoft Student Records feature that provides a common set of interoperability standards that enable the sharing of instructional content and data between learning and administrative environments.
load	In PeopleSoft Inventory, identifies a group of goods that are shipped together. Load management is a feature of PeopleSoft Inventory that is used to track the weight, the volume, and the destination of a shipment.
local functionality	In PeopleSoft HRMS, the set of information that is available for a specific country. You can access this information when you click the appropriate country flag in the global window, or when you access it by a local country menu.

location	Locations enable you to indicate the different types of addresses—for a company, for example, one address to receive bills, another for shipping, a third for postal deliveries, and a separate street address. Each address has a different location number. The primary location—indicated by a <i>1</i> —is the address you use most often and may be different from the main address.
logistical task	In PeopleSoft Services Procurement, an administrative task that is related to hiring a service provider. Logistical tasks are linked to the service type on the work order so that different types of services can have different logistical tasks. Logistical tasks include both preapproval tasks (such as assigning a new badge or ordering a new laptop) and postapproval tasks (such as scheduling orientation or setting up the service provider email). The logistical tasks can be mandatory or optional. Mandatory preapproval tasks must be completed before the work order is approved. Mandatory postapproval tasks, on the other hand, must be completed before a work order is released to a service provider.
market template	In PeopleSoft Enterprise Incentive Management, additional functionality that is specific to a given market or industry and is built on top of a product category.
mass change	In PeopleSoft Enterprise Campus Solutions, mass change is a SQL generator that can be used to create specialized functionality. Using mass change, you can set up a series of Insert, Update, or Delete SQL statements to perform business functions that are specific to the institution. See also <i>3C engine</i> .
match group	In PeopleSoft Receivables, a group of receivables items and matching offset items. The system creates match groups by using user-defined matching criteria for selected field values.
MCF server	Abbreviation for <i>PeopleSoft MultiChannel Framework server</i> . Comprises the universal queue server and the MCF log server. Both processes are started when <i>MCF Servers</i> is selected in an application server domain configuration.
merchandising activity	In PeopleSoft Promotions Management, a specific discount type that is associated with a trade promotion (such as off-invoice, billback or rebate, or lump-sum payment) that defines the performance that is required to receive the discount. In the industry, you may know this as an offer, a discount, a merchandising event, an event, or a tactic.
meta-SQL	Meta-SQL constructs expand into platform-specific Structured Query Language (SQL) substrings. They are used in functions that pass SQL strings, such as in SQL objects, the SQLExec function, and PeopleSoft Application Engine programs.
metastring	Metastrings are special expressions included in SQL string literals. The metastrings, prefixed with a percent (%) symbol, are included directly in the string literals. They expand at run time into an appropriate substring for the current database platform.
multibook	In PeopleSoft General Ledger, multiple ledgers having multiple-base currencies that are defined for a business unit, with the option to post a single transaction to all base currencies (all ledgers) or to only one of those base currencies (ledgers).
multicurrency	The ability to process transactions in a currency other than the business unit's base currency.
national allowance	In PeopleSoft Promotions Management, a promotion at the corporate level that is funded by nondiscretionary dollars. In the industry, you may know this as a national promotion, a corporate promotion, or a corporate discount.
need	In PeopleSoft Enterprise Campus Solutions, the difference between the cost of attendance (COA) and the expected family contribution (EFC). It is the gap between the cost of attending the school and the student's resources. The financial aid package

is based on the amount of financial need. The process of determining a student's need is called *need analysis*.

node-oriented tree	A tree that is based on a detail structure, but the detail values are not used.
pagelet	Each block of content on the home page is called a pagelet. These pagelets display summary information within a small rectangular area on the page. The pagelet provides users with a snapshot of their most relevant PeopleSoft and non-PeopleSoft content.
participant	In PeopleSoft Enterprise Incentive Management, participants are recipients of the incentive compensation calculation process.
participant object	Each participant object may be related to one or more compensation objects. See also <i>compensation object</i> .
partner	A company that supplies products or services that are resold or purchased by the enterprise.
pay cycle	In PeopleSoft Payables, a set of rules that define the criteria by which it should select scheduled payments for payment creation.
payment shuffle	In PeopleSoft Enterprise Campus Solutions, a process allowing payments that have been previously posted to a student's account to be automatically reapplied when a higher priority payment is posted or the payment allocation definition is changed.
pending item	In PeopleSoft Receivables, an individual receivable (such as an invoice, a credit memo, or a write-off) that has been entered in or created by the system, but hasn't been posted.
PeopleCode	PeopleCode is a proprietary language, executed by the PeopleSoft component processor. PeopleCode generates results based on existing data or user actions. By using various tools provided with PeopleTools, external services are available to all PeopleSoft applications wherever PeopleCode can be executed.
PeopleCode event	See <i>event</i> .
PeopleSoft Pure Internet Architecture	The fundamental architecture on which PeopleSoft 8 applications are constructed, consisting of a relational database management system (RDBMS), an application server, a web server, and a browser.
performance measurement	In PeopleSoft Enterprise Incentive Management, a variable used to store data (similar to an aggregator, but without a predefined formula) within the scope of an incentive plan. Performance measures are associated with a plan calendar, territory, and participant. Performance measurements are used for quota calculation and reporting.
period context	In PeopleSoft Enterprise Incentive Management, because a participant typically uses the same compensation plan for multiple periods, the period context associates a plan context with a specific calendar period and fiscal year. The period context references the associated plan context, thus forming a chain. Each plan context has a corresponding set of period contexts.
person of interest	A person about whom the organization maintains information but who is not part of the workforce.
personal portfolio	In PeopleSoft Enterprise Campus Solutions, the user-accessible menu item that contains an individual's name, address, telephone number, and other personal information.
plan	In PeopleSoft Sales Incentive Management, a collection of allocation rules, variables, steps, sections, and incentive rules that instruct the PeopleSoft Enterprise Incentive Management engine in how to process transactions.

plan context	In PeopleSoft Enterprise Incentive Management, correlates a participant with the compensation plan and node to which the participant is assigned, enabling the PeopleSoft Enterprise Incentive Management system to find anything that is associated with the node and that is required to perform compensation processing. Each participant, node, and plan combination represents a unique plan context—if three participants are on a compensation structure, each has a different plan context. Configuration plans are identified by plan contexts and are associated with the participants that refer to them.
plan template	In PeopleSoft Enterprise Incentive Management, the base from which a plan is created. A plan template contains common sections and variables that are inherited by all plans that are created from the template. A template may contain steps and sections that are not visible in the plan definition.
planned learning	In PeopleSoft Enterprise Learning Management, a self-service repository for all of a learner's planned learning activities and programs.
planning instance	In PeopleSoft Supply Planning, a set of data (business units, items, supplies, and demands) constituting the inputs and outputs of a supply plan.
population	In PeopleSoft Enterprise Campus Solutions, the middle level of the three-level classification structure that you define in PeopleSoft Enterprise Recruiting and Admissions for enrollment management. You can define a population level, link it to other levels, and set enrollment target numbers for it. See also <i>division</i> and <i>cohort</i> .
portal registry	In PeopleSoft applications, the portal registry is a tree-like structure in which content references are organized, classified, and registered. It is a central repository that defines both the structure and content of a portal through a hierarchical, tree-like structure of folders useful for organizing and securing content references.
price list	In PeopleSoft Enterprise Pricer, enables you to select products and conditions for which the price list applies to a transaction. During a transaction, the system either determines the product price based on the predefined search hierarchy for the transaction or uses the product's lowest price on any associated, active price lists. This price is used as the basis for any further discounts and surcharges.
price rule	In PeopleSoft Enterprise Pricer, defines the conditions that must be met for adjustments to be applied to the base price. Multiple rules can apply when conditions of each rule are met.
price rule condition	In PeopleSoft Enterprise Pricer, selects the price-by fields, the values for the price-by fields, and the operator that determines how the price-by fields are related to the transaction.
price rule key	In PeopleSoft Enterprise Pricer, defines the fields that are available to define price rule conditions (which are used to match a transaction) on the price rule.
primacy number	In PeopleSoft Enterprise Campus Solutions, a number that the system uses to prioritize financial aid applications when students are enrolled in multiple academic careers and academic programs at the same time. The Consolidate Academic Statistics process uses the primacy number indicated for both the career and program at the institutional level to determine a student's primary career and program. The system also uses the number to determine the primary student attribute value that is used when you extract data to report on cohorts. The lowest number takes precedence.
primary name type	In PeopleSoft Enterprise Campus Solutions, the name type that is used to link the name stored at the highest level within the system to the lower-level set of names that an individual provides.

process category	In PeopleSoft Process Scheduler, processes that are grouped for server load balancing and prioritization.
process group	In PeopleSoft Financials, a group of application processes (performed in a defined order) that users can initiate in real time, directly from a transaction entry page.
process definition	Process definitions define each run request.
process instance	A unique number that identifies each process request. This value is automatically incremented and assigned to each requested process when the process is submitted to run.
process job	You can link process definitions into a job request and process each request serially or in parallel. You can also initiate subsequent processes based on the return code from each prior request.
process request	A single run request, such as a Structured Query Report (SQR), a COBOL or Application Engine program, or a Crystal report that you run through PeopleSoft Process Scheduler.
process run control	A PeopleTools variable used to retain PeopleSoft Process Scheduler values needed at runtime for all requests that reference a run control ID. Do not confuse these with application run controls, which may be defined with the same run control ID, but only contain information specific to a given application process request.
product	A PeopleSoft or third-party product. PeopleSoft organizes its software products into product families and product lines. Interactive Services Repository contains information about every release of every product that PeopleSoft sells, as well as products from certified third-party companies. These products are displayed with the product name and release number.
product category	In PeopleSoft Enterprise Incentive Management, indicates an application in the Enterprise Incentive Management suite of products. Each transaction in the PeopleSoft Enterprise Incentive Management system is associated with a product category.
product family	A group of products that are related by common functionality. The family names that can be searched using Interactive Service Repository are PeopleSoft Enterprise, PeopleSoft EnterpriseOne, PeopleSoft World, and third-party, certified PeopleSoft partners.
product line	The name of a PeopleSoft product line or the company name of a third-party certified partner. Integration Services Repository enables you to search for integration points by product line.
programs	In PeopleSoft Enterprise Learning Management, a high-level grouping that guides the learner along a specific learning path through sections of catalog items. PeopleSoft Enterprise Learning Systems provides two types of programs—curricula and certifications.
progress log	In PeopleSoft Services Procurement, tracks deliverable-based projects. This is similar to the time sheet in function and process. The service provider contact uses the progress log to record and submit progress on deliverables. The progress can be logged by the activity that is performed, by the percentage of work that is completed, or by the completion of milestone activities that are defined for the project.
project transaction	In PeopleSoft Project Costing, an individual transaction line that represents a cost, time, budget, or other transaction row.
promotion	In PeopleSoft Promotions Management, a trade promotion, which is typically funded from trade dollars and used by consumer products manufacturers to increase sales volume.

prospects	<p>In PeopleSoft Enterprise Campus Solutions, students who are interested in applying to the institution.</p> <p>In PeopleSoft Enterprise Contributor Relations, individuals and organizations that are most likely to make substantial financial commitments or other types of commitments to the institution.</p>
publishing	In PeopleSoft Enterprise Incentive Management, a stage in processing that makes incentive-related results available to participants.
rating components	In PeopleSoft Enterprise Campus Solutions, variables used with the Equation Editor to retrieve specified populations.
record group	A set of logically and functionally related control tables and views. Record groups help enable TableSet sharing, which eliminates redundant data entry. Record groups ensure that TableSet sharing is applied consistently across all related tables and views.
record input VAT flag	Abbreviation for <i>record input value-added tax flag</i> . Within PeopleSoft Purchasing, Payables, and General Ledger, this flag indicates that you are recording input VAT on the transaction. This flag, in conjunction with the record output VAT flag, is used to determine the accounting entries created for a transaction and to determine how a transaction is reported on the VAT return. For all cases within Purchasing and Payables where VAT information is tracked on a transaction, this flag is set to Yes. This flag is not used in PeopleSoft Order Management, Billing, or Receivables, where it is assumed that you are always recording only output VAT, or in PeopleSoft Expenses, where it is assumed that you are always recording only input VAT.
record output VAT flag	<p>Abbreviation for <i>record output value-added tax flag</i>.</p> <p>See <i>record input VAT flag</i>.</p>
recname	The name of a record that is used to determine the associated field to match a value or set of values.
recognition	In PeopleSoft Enterprise Campus Solutions, the recognition type indicates whether the PeopleSoft Enterprise Contributor Relations donor is the primary donor of a commitment or shares the credit for a donation. Primary donors receive hard credit that must total 100 percent. Donors that share the credit are given soft credit. Institutions can also define other share recognition-type values such as memo credit or vehicle credit.
reference data	In PeopleSoft Sales Incentive Management, system objects that represent the sales organization, such as territories, participants, products, customers, channels, and so on.
reference object	In PeopleSoft Enterprise Incentive Management, this dimension-type object further defines the business. Reference objects can have their own hierarchy (for example, product tree, customer tree, industry tree, and geography tree).
reference transaction	In commitment control, a reference transaction is a source transaction that is referenced by a higher-level (and usually later) source transaction, in order to automatically reverse all or part of the referenced transaction's budget-checked amount. This avoids duplicate postings during the sequential entry of the transaction at different commitment levels. For example, the amount of an encumbrance transaction (such as a purchase order) will, when checked and recorded against a budget, cause the system to concurrently reference and relieve all or part of the amount of a corresponding pre-encumbrance transaction, such as a purchase requisition.
regional sourcing	In PeopleSoft Purchasing, provides the infrastructure to maintain, display, and select an appropriate vendor and vendor pricing structure that is based on a regional sourcing model where the multiple ship to locations are grouped. Sourcing may occur at a level higher than the ship to location.

relationship object	In PeopleSoft Enterprise Incentive Management, these objects further define a compensation structure to resolve transactions by establishing associations between compensation objects and business objects.
remote data source data	Data that is extracted from a separate database and migrated into the local database.
REN server	Abbreviation for <i>real-time event notification server</i> in PeopleSoft MultiChannel Framework.
requester	In PeopleSoft eSettlements, an individual who requests goods or services and whose ID appears on the various procurement pages that reference purchase orders.
reversal indicator	In PeopleSoft Enterprise Campus Solutions, an indicator that denotes when a particular payment has been reversed, usually because of insufficient funds.
role	Describes how people fit into PeopleSoft Workflow. A role is a class of users who perform the same type of work, such as clerks or managers. Your business rules typically specify what user role needs to do an activity.
role user	A PeopleSoft Workflow user. A person's role user ID serves much the same purpose as a user ID does in other parts of the system. PeopleSoft Workflow uses role user IDs to determine how to route worklist items to users (through an email address, for example) and to track the roles that users play in the workflow. Role users do not need PeopleSoft user IDs.
roll up	In a tree, to roll up is to total sums based on the information hierarchy.
run control	A run control is a type of online page that is used to begin a process, such as the batch processing of a payroll run. Run control pages generally start a program that manipulates data.
run control ID	A unique ID to associate each user with his or her own run control table entries.
run-level context	In PeopleSoft Enterprise Incentive Management, associates a particular run (and batch ID) with a period context and plan context. Every plan context that participates in a run has a separate run-level context. Because a run cannot span periods, only one run-level context is associated with each plan context.
SCP SCBM XML message	Abbreviation for <i>Supply Chain Planning Supply Chain Business Modeler Extensible Markup Language message</i> . PeopleSoft EnterpriseOne Supply Chain Business Modeler uses XML as the format for all data that it imports and exports.
search query	You use this set of objects to pass a query string and operators to the search engine. The search index returns a set of matching results with keys to the source documents.
search/match	In PeopleSoft Enterprise Campus Solutions and PeopleSoft Enterprise Human Resources Management Solutions, a feature that enables you to search for and identify duplicate records in the database.
seasonal address	In PeopleSoft Enterprise Campus Solutions, an address that recurs for the same length of time at the same time of year each year until adjusted or deleted.
section	In PeopleSoft Enterprise Incentive Management, a collection of incentive rules that operate on transactions of a specific type. Sections enable plans to be segmented to process logical events in different sections.
security event	In commitment control, security events trigger security authorization checking, such as budget entries, transfers, and adjustments; exception overrides and notifications; and inquiries.
serial genealogy	In PeopleSoft Manufacturing, the ability to track the composition of a specific, serial-controlled item.

serial in production	In PeopleSoft Manufacturing, enables the tracing of serial information for manufactured items. This is maintained in the Item Master record.
service impact	In PeopleSoft Enterprise Campus Solutions, the resulting action triggered by a service indicator. For example, a service indicator that reflects nonpayment of account balances by a student might result in a service impact that prohibits registration for classes.
service indicator	In PeopleSoft Enterprise Campus Solutions, indicates services that may be either withheld or provided to an individual. Negative service indicators indicate holds that prevent the individual from receiving specified services, such as check-cashing privileges or registration for classes. Positive service indicators designate special services that are provided to the individual, such as front-of-line service or special services for disabled students.
session	<p>In PeopleSoft Enterprise Campus Solutions, time elements that subdivide a term into multiple time periods during which classes are offered. In PeopleSoft Contributor Relations, a session is the means of validating gift, pledge, membership, or adjustment data entry . It controls access to the data entered by a specific user ID. Sessions are balanced, queued, and then posted to the institution's financial system. Sessions must be posted to enter a matching gift or pledge payment, to make an adjustment, or to process giving clubs or acknowledgements.</p> <p>In PeopleSoft Enterprise Learning Management, a single meeting day of an activity (that is, the period of time between start and finish times within a day). The session stores the specific date, location, meeting time, and instructor. Sessions are used for scheduled training.</p>
session template	In PeopleSoft Enterprise Learning Management, enables you to set up common activity characteristics that may be reused while scheduling a PeopleSoft Enterprise Learning Management activity—characteristics such as days of the week, start and end times, facility and room assignments, instructors, and equipment. A session pattern template can be attached to an activity that is being scheduled. Attaching a template to an activity causes all of the default template information to populate the activity session pattern.
setup relationship	In PeopleSoft Enterprise Incentive Management, a relationship object type that associates a configuration plan with any structure node.
share driver expression	In PeopleSoft Business Planning, a named planning method similar to a driver expression, but which you can set up globally for shared use within a single planning application or to be shared between multiple planning applications through PeopleSoft Enterprise Warehouse.
single signon	With single signon, users can, after being authenticated by a PeopleSoft application server, access a second PeopleSoft application server without entering a user ID or password.
source key process	In PeopleSoft Enterprise Campus Solutions, a process that relates a particular transaction to the source of the charge or financial aid. On selected pages, you can drill down into particular charges.
source transaction	In commitment control, any transaction generated in a PeopleSoft or third-party application that is integrated with commitment control and which can be checked against commitment control budgets. For example, a pre-encumbrance, encumbrance, expenditure, recognized revenue, or collected revenue transaction.
speed key	See <i>communication key</i> .
SpeedChart	A user-defined shorthand key that designates several ChartKeys to be used for voucher entry. Percentages can optionally be related to each ChartKey in a SpeedChart definition.

SpeedType	A code representing a combination of ChartField values. SpeedTypes simplify the entry of ChartFields commonly used together.
staging	A method of consolidating selected partner offerings with the offerings from the enterprise's other partners.
standard letter code	In PeopleSoft Enterprise Campus Solutions, a standard letter code used to identify each letter template available for use in mail merge functions. Every letter generated in the system must have a standard letter code identification.
statutory account	Account required by a regulatory authority for recording and reporting financial results. In PeopleSoft, this is equivalent to the Alternate Account (ALTACCT) ChartField.
step	In PeopleSoft Sales Incentive Management, a collection of sections in a plan. Each step corresponds to a step in the job run.
storage level	In PeopleSoft Inventory, identifies the level of a material storage location. Material storage locations are made up of a business unit, a storage area, and a storage level. You can set up to four storage levels.
subcustomer qualifier	A value that groups customers into a division for which you can generate detailed history, aging, events, and profiles.
Summary ChartField	You use summary ChartFields to create summary ledgers that roll up detail amounts based on specific detail values or on selected tree nodes. When detail values are summarized using tree nodes, summary ChartFields must be used in the summary ledger data record to accommodate the maximum length of a node name (20 characters).
summary ledger	An accounting feature used primarily in allocations, inquiries, and PS/nVision reporting to store combined account balances from detail ledgers. Summary ledgers increase speed and efficiency of reporting by eliminating the need to summarize detail ledger balances each time a report is requested. Instead, detail balances are summarized in a background process according to user-specified criteria and stored on summary ledgers. The summary ledgers are then accessed directly for reporting.
summary time period	In PeopleSoft Business Planning, any time period (other than a base time period) that is an aggregate of other time periods, including other summary time periods and base time periods, such as quarter and year total.
summary tree	A tree used to roll up accounts for each type of report in summary ledgers. Summary trees enable you to define trees on trees. In a summary tree, the detail values are really nodes on a detail tree or another summary tree (known as the <i>basis</i> tree). A summary tree structure specifies the details on which the summary trees are to be built.
syndicate	To distribute a production version of the enterprise catalog to partners.
system function	In PeopleSoft Receivables, an activity that defines how the system generates accounting entries for the general ledger.
TableSet	A means of sharing similar sets of values in control tables, where the actual data values are different but the structure of the tables is the same.
TableSet sharing	Shared data that is stored in many tables that are based on the same TableSets. Tables that use TableSet sharing contain the SETID field as an additional key or unique identifier.
target currency	The value of the entry currency or currencies converted to a single currency for budget viewing and inquiry purposes.

tax authority	In PeopleSoft Enterprise Campus Solutions, a user-defined element that combines a description and percentage of a tax with an account type, an item type, and a service impact.
template	A template is HTML code associated with a web page. It defines the layout of the page and also where to get HTML for each part of the page. In PeopleSoft, you use templates to build a page by combining HTML from a number of sources. For a PeopleSoft portal, all templates must be registered in the portal registry, and each content reference must be assigned a template.
territory	In PeopleSoft Sales Incentive Management, hierarchical relationships of business objects, including regions, products, customers, industries, and participants.
third party	A company or vendor that has extensive PeopleSoft product knowledge and whose products and integrations have been certified and are compatible with PeopleSoft applications.
3C engine	Abbreviation for <i>Communications, Checklists, and Comments engine</i> . In PeopleSoft Enterprise Campus Solutions, the 3C engine enables you to automate business processes that involve additions, deletions, and updates to communications, checklists, and comments. You define events and triggers to engage the engine, which runs the mass change and processes the 3C records (for individuals or organizations) immediately and automatically from within business processes.
3C group	Abbreviation for <i>Communications, Checklists, and Comments group</i> . In PeopleSoft Enterprise Campus Solutions, a method of assigning or restricting access privileges. A 3C group enables you to group specific communication categories, checklist codes, and comment categories. You can then assign the group inquiry-only access or update access, as appropriate.
TimeSpan	A relative period, such as year-to-date or current period, that can be used in various PeopleSoft General Ledger functions and reports when a rolling time frame, rather than a specific date, is required. TimeSpans can also be used with flexible formulas in PeopleSoft Projects.
trace usage	In PeopleSoft Manufacturing, enables the control of which components will be traced during the manufacturing process. Serial- and lot-controlled components can be traced. This is maintained in the Item Master record.
transaction allocation	In PeopleSoft Enterprise Incentive Management, the process of identifying the owner of a transaction. When a raw transaction from a batch is allocated to a plan context, the transaction is duplicated in the PeopleSoft Enterprise Incentive Management transaction tables.
transaction state	In PeopleSoft Enterprise Incentive Management, a value assigned by an incentive rule to a transaction. Transaction states enable sections to process only transactions that are at a specific stage in system processing. After being successfully processed, transactions may be promoted to the next transaction state and “picked up” by a different section for further processing.
Translate table	A system edit table that stores codes and translate values for the miscellaneous fields in the database that do not warrant individual edit tables of their own.
tree	The graphical hierarchy in PeopleSoft systems that displays the relationship between all accounting units (for example, corporate divisions, projects, reporting groups, account numbers) and determines roll-up hierarchies.
tuition lock	In PeopleSoft Enterprise Campus Solutions, a feature in the Tuition Calculation process that enables you to specify a point in a term after which students are charged a minimum (or <i>locked</i>) fee amount. Students are charged the locked fee amount even if they later drop classes and take less than the normal load level for that tuition charge.

unclaimed transaction	In PeopleSoft Enterprise Incentive Management, a transaction that is not claimed by a node or participant after the allocation process has completed, usually due to missing or incomplete data. Unclaimed transactions may be manually assigned to the appropriate node or participant by a compensation administrator.
universal navigation header	Every PeopleSoft portal includes the universal navigation header, intended to appear at the top of every page as long as the user is signed on to the portal. In addition to providing access to the standard navigation buttons (like Home, Favorites, and signoff) the universal navigation header can also display a welcome message for each user.
update access	In PeopleSoft Enterprise Campus Solutions, a type of security access that permits the user to edit and update data. See also <i>inquiry access</i> .
user interaction object	In PeopleSoft Sales Incentive Management, used to define the reporting components and reports that a participant can access in his or her context. All Sales Incentive Management user interface objects and reports are registered as user interaction objects. User interaction objects can be linked to a compensation structure node through a compensation relationship object (individually or as groups).
variable	In PeopleSoft Sales Incentive Management, the intermediate results of calculations. Variables hold the calculation results and are then inputs to other calculations. Variables can be plan variables that persist beyond the run of an engine or local variables that exist only during the processing of a section.
VAT exception	Abbreviation for <i>value-added tax exception</i> . A temporary or permanent exemption from paying VAT that is granted to an organization. This term refers to both VAT exoneration and VAT suspension.
VAT exempt	Abbreviation for <i>value-added tax exempt</i> . Describes goods and services that are not subject to VAT. Organizations that supply exempt goods or services are unable to recover the related input VAT. This is also referred to as exempt without recovery.
VAT exoneration	Abbreviation for <i>value-added tax exoneration</i> . An organization that has been granted a permanent exemption from paying VAT due to the nature of that organization.
VAT suspension	Abbreviation for <i>value-added tax suspension</i> . An organization that has been granted a temporary exemption from paying VAT.
warehouse	A PeopleSoft data warehouse that consists of predefined ETL maps, data warehouse tools, and DataMart definitions.
work order	In PeopleSoft Services Procurement, enables an enterprise to create resource-based and deliverable-based transactions that specify the basic terms and conditions for hiring a specific service provider. When a service provider is hired, the service provider logs time or progress against the work order.
worker	A person who is part of the workforce; an employee or a contingent worker.
workset	A group of people and organizations that are linked together as a set. You can use worksets to simultaneously retrieve the data for a group of people and organizations and work with the information on a single page.
worksheet	A way of presenting data through a PeopleSoft Business Analysis Modeler interface that enables users to do in-depth analysis using pivoting tables, charts, notes, and history information.
worklist	The automated to-do list that PeopleSoft Workflow creates. From the worklist, you can directly access the pages you need to perform the next action, and then return to the worklist for another item.

XML link	The XML Linking language enables you to insert elements into XML documents to create a links between resources.
XML schema	An XML definition that standardizes the representation of application messages, component interfaces, or business interlinks.
XPI	Abbreviation for <i>eXtended Process Integrator</i> . PeopleSoft XPI is the integration infrastructure that enables both real-time and batch communication with EnterpriseOne applications.
yield by operation	In PeopleSoft Manufacturing, the ability to plan the loss of a manufactured item on an operation-by-operation basis.
zero-rated VAT	Abbreviation for <i>zero-rated value-added tax</i> . A VAT transaction with a VAT code that has a tax percent of zero. Used to track taxable VAT activity where no actual VAT amount is charged. Organizations that supply zero-rated goods and services can still recover the related input VAT. This is also referred to as exempt with recovery.

Index

A

- Actual Awards Report page 123
- ad hoc awards
 - funding 92
 - plan diagram 6
 - setting up membership 43
- additional documentation xiv
- application fundamentals xiii
- Approve Award by Plan page 127
- Approve Awards by Group page 127
- Approve Awards by Plan page 127
- award allocation
 - determining for total compensation reporting 108
 - determining for variable compensation 108
 - error reason codes 129
 - integrating with applications 128
 - integrating with payroll applications 127
 - integrating with Stock Administration 130
 - understanding 114
- Award Allocation page 114, 116
- Award Allocation With Groups page 121
- Award Allocations with Groups page 114
- award approval
 - approving by batch process 126
 - approving by group 127
 - approving by plan 127
 - approving manually 125
 - understanding 125
- award calculation
 - determining allocations 107
 - overview 105, 109
 - reporting 122
 - using with group funding 107
 - using without group funding 107
 - viewing and adjusting 111
- award status 111
- award status codes
 - applying status codes 113
 - status code definitions 112

B

- Budget Report page 90

C

- Calculate Awards by Group page 111
- Calculate Awards by Plan page 111
- Calculate Awards Report page 123
- carryover balance, adjusting 118
- Carryover Report 123
- comments, submitting xviii
- common elements xix
- contact information xviii
- cross-references xvii
- Current Employee Compensation page 45
- Customer Connection website xiv

D

- Default Individual Goals page 24
- Determine Allocation page 108, 109
- documentation
 - printed xiv
 - related xiv
 - updates xiv

E

- eligibility
 - calculating 57
 - correcting historical data 70
 - understanding eligibility status 64
 - understanding plan member 64
 - viewing and adjusting 63, 67
- Eligibility/Prorate Process page 62
- Employee History Inquiry page 134
- Employee History page 134
- Employee History Report 123
- Employee History Report page 134
- employee variable compensation record 44
- error reason codes 129

F

- Fund Plan page 103
- funding
 - allocation processing 98
 - budgeting awards 90

- processing group allocations 94
 - See Also* variable compensation funding
 - reporting on group funding allocations 93
 - Funding Allocation - Fund Plan page 93
 - Funding Allocations Report 93
 - Funding Allocations Report page 93
- G**
- glossary 137
 - goals
 - defining 22
 - reporting 84
 - setting up weighted 22
 - group build
 - attaching to variable compensation trees 47
 - creating groups 47
 - Group Funding Allocation page 93, 99
 - Group Goal Attainments page 82
 - Group Goals page 24
 - Group Tree Security page 50
 - groups, creating 47
 - Grp Member Overlap page 54
- I**
- implementation
 - overview 1
 - Ind. Attainments With Groups page 83
 - Individual Attainments page 82
 - Individual Attainments With Groups page 82
 - Individual's Payout page 45
 - integration points 131
- M**
- Matrix Attainments With Groups page 85, 86
 - Matrix Goal Attainment page 85
 - matrix goals
 - entering attainments 85
 - entering attainments with groups 86
 - entering attainments without groups 85
 - example 79
 - steps for using 78
 - terminology 77
 - types 77
 - Member History page 67
- MMA Partners xiv
- N**
- Non Monetary Report 123
 - notes xvii
- O**
- organization and goals report, generating 84
 - Organization and Group Goals page 85
 - Organization and Group Goals report 85
 - Organization Goal Attainment page 82
- P**
- Payout Formula page 18
 - payout formulas
 - assigning 31
 - defining 17
 - Plan Payouts page 33
 - Plan Payouts with Groups page 33
 - PeopleBooks
 - ordering xiv
 - PeopleCode, typographical conventions xvi
 - PeopleSoft application fundamentals xiii
 - PeopleSoft Tree Manager, *See* variable compensation tree
 - performance factors
 - applying 76
 - calculating for weighted goals 75, 84
 - Plan Business Rules page 28
 - Plan Definition page 25
 - Plan Funding page 39
 - Plan Goals - Organization Goals page 23
 - Plan History Report 123
 - Plan History Report page 134
 - plan member rules, setting up employee variable compensation record 44
 - Plan Members page 67
 - Plan Members with Groups page 67, 71
 - plan membership
 - setting up 43
 - setting up for ad hoc awards 43
 - setting up with employee variable compensation record 44
 - Plan Payout Periods page 25, 30
 - Plan Payouts page 33
 - Plan Payouts with Groups page 33
 - Plan Payouts With Groups page 34

- prerequisites xiii
- printed documentation xiv
- Prorate Percent page 36, 37
- Prorate Periods page 36, 38
- proration calculation
 - calculating eligibility 62
 - frequency method 58
 - general process 57
 - proration percentage method 60
 - understanding eligibility 57
 - understanding factors 57
 - when members fall off tree 61
 - workday schedule method 59
- proration parameters, defining
 - percentage rules 37
 - periods 38
 - workday rules 36
- proration periods, defining 38
- proration tables, setting up 35

R

- related documentation xiv
- reports
 - Actual Awards Report 123
 - award payout and distribution 132
 - awards calculations 122
 - Budget Report 90
 - Calculate Awards Report 123
 - carryover 124
 - Carryover Report 123
 - Employee History Report 123
 - goals 84
 - Non Monetary Report 123
 - organization 84
 - Organization and Group Goals report 85
 - Plan History Report 123
 - tree membership 54
 - variable compensation history 133
 - variance 123
 - Variance Report 123

S

- stock plans, funding 92
- suggestions, submitting xviii

T

- terms 137
- Tree Consistency Report page 54

- Tree Security page 51
- Tree/Group plan example diagram 7
- typographical conventions xvi

V

- Valuation page 21
- valuation, defining 20
- variable compensation
 - business process overview 3
 - creating monetary plan types 13
 - creating non-monetary plans 13
 - defining a plan 5
 - integrating 4
 - integrating with other applications 131
 - reporting 11
 - selecting plan membership 6
 - selecting plan types 5
 - setting up 4
 - stock-type plans 14
 - understanding 3
 - viewing history 133
- variable compensation funding
 - allocating to groups 92
 - budgeting awards 90
 - distributing plan among groups 99
 - group funding allocations example 95
 - identifying managers and approvers 93
 - processing group allocations 94
 - understanding 89
 - understanding the adjustment factor 89
- variable compensation plans
 - funding 92
 - funding groups 89
 - managing award payout 11
 - monetary plans 13
 - non-monetary plans 13
 - processing eligibility and awards 10
 - selecting option summary list 9
 - setting up 17
 - setting up weighted goals 22
 - stock type plans 14
 - understanding control tables 17
 - understanding plan types 13
 - using goals 9
- variable compensation plans, defining 24
 - goals 22
 - payout formulas 17
 - valuation 20
- variable compensation records, maintaining 71

- variable compensation trees
 - attaching groups 47
 - definitions and properties 48
 - effective-dating 49
 - establishing security 50
 - managing duplicates 49
 - reporting tree membership 54
 - understanding 48
 - updating security 53
- Variance Report page 123
- VC - Tree Group Security page 50, 52
- Vc Goal Tbl page 22
- VC Plan - Plan Business Rules page 25
- VC Plan - Plan Definition page 25
- VC Termination Status page 25, 30
- visual cues xvii

W

- warnings xvii
- weighted goals
 - entering attainments 81
 - entering group goal attainments 82
 - entering individual goal attainments 83
 - performance factor example 75
 - setting up 73
 - understanding 73
 - understanding attainments 81
- Workday Schedule page 36