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# PeopleSoft Enterprise Human Resources 9.1 PeopleBook: Manage Variable Compensation

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**November 2010**

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# Contents

## Preface

<b>PeopleSoft Enterprise Human Resources Manage Variable Compensation Preface</b> .....	<b>ix</b>
PeopleSoft Products .....	ix
PeopleSoft Enterprise Application Fundamentals .....	ix
PeopleBooks and the PeopleSoft Online Library .....	ix

## Chapter 1

<b>Getting Started with Variable Compensation</b> .....	<b>1</b>
Variable Compensation Business Processes .....	1
Variable Compensation Integrations .....	1
Variable Compensation Implementation .....	2

## Chapter 2

<b>Understanding Variable Compensation</b> .....	<b>5</b>
Variable Compensation Plans .....	5
Selecting Plan Types .....	5
Determining Plan Membership .....	6
Using Goals .....	6
Selecting Other Plan Business Rules and Options .....	7
Eligibility and Awards Processing .....	8
Award Payout .....	9
Variable Compensation Reporting .....	9
Sample Plan Diagrams .....	9
Ad Hoc Plan - Sample Process Flow .....	9
Define Tree and Groups Plan - Sample Process Flow .....	10

## Chapter 3

<b>Setting Up Data Elements</b> .....	<b>13</b>
Understanding Data Element Setup .....	13
Defining Payout Formulas .....	14

Page Used to Define Payout Formulas .....	14
Creating a Payout Formula .....	14
Defining Valuation .....	17
Page Used to Define Valuation .....	18
Creating a Valuation Definition .....	18
Defining Goals .....	19
Page Used to Define Goals .....	19
Setting Up Eligibility Proration Tables .....	19
Pages Used to Set Up Eligibility Proration Tables .....	20
Setting Up Workday Rules .....	20
Setting Up Proration Percentage Rules .....	21
Defining Proration Periods .....	23

## Chapter 4

<b>Setting Up Variable Compensation Plans .....</b>	<b>25</b>
Understanding Variable Compensation Plan Types .....	25
Monetary Plan Types .....	25
Non-Monetary Plan Types .....	26
Stock-Type Variable Compensation Plans .....	26
Other Plan Types .....	27
Defining a Variable Compensation Plan .....	27
Common Elements Used in This Section .....	28
Pages Used to Define a Variable Compensation Plan .....	28
Specifying the VC Plan Definition .....	29
Specifying Plan Business Rules .....	32
Selecting Termination Status Codes for the Employee VC Record Plan Member Rule .....	34
Defining Plan Payout Periods .....	35
Assigning Payout Formulas .....	36
Understanding Payout Formula Assignment and Processing .....	36
Pages Used to Assign Payout Formulas .....	38
Assigning Payout Formulas for Employee VC Record Plans .....	38
Assigning Payout Formulas for Plans with Groups .....	39
Setting Up Goals, Funding, and Proration .....	41

## Chapter 5

<b>Setting Up Plan Membership .....</b>	<b>43</b>
Understanding Plan Member Rules .....	43
Setting Up Plan Members for Ad Hoc Awards .....	44
Page Used to Set Up Plan Members for Ad Hoc Awards .....	44
Entering Ad Hoc Plan Members .....	44

Setting Up Members with Employee Variable Compensation Records .....	45
Pages Used to Set Up Members with Employee Variable Compensation Records .....	46
Setting Up Members with Employee VC Records .....	46
Creating Groups Using Group Build .....	48
Attaching Groups to Trees .....	49
Advantages of Trees .....	50
Important Points About Creating Variable Compensation Trees .....	50
Variable Compensation Settings in PeopleSoft Tree Manager .....	50
Effective-Dated Trees and Variable Compensation .....	51
Deleting Parent-Child Duplicates for Rollup .....	52
Establishing Tree Security .....	53
Pages Used to Establish Tree Security .....	53
Setting Up Security Relationships .....	53
Specifying Access to Components .....	55
Updating Trees and Tree Security .....	56
Reporting on Tree Membership .....	57
Pages Used to Report on Tree Membership .....	57
Reporting on Tree Membership .....	58

## Chapter 6

<b>Processing Eligibility and Proration .....</b>	<b>59</b>
Understanding Eligibility and Proration Calculation .....	59
Understanding Proration Factor Calculations .....	59
General Proration Factor Calculation .....	60
Daily, Weekly, or Monthly Frequency Calculation Method .....	61
Workday Schedule Calculation Method .....	62
Proration Percentage Calculation Method .....	63
Proration Calculation Method for Plan Members Who Fall Off a Tree .....	64
Determining Eligibility and Calculating Proration .....	65
Page Used to Calculate Eligibility and Proration .....	65
Running the Determine Eligibility Proration Process .....	65
Viewing and Adjusting Plan Member Eligibility .....	67
Understanding How to View and Adjust Plan Member Eligibility .....	67
Understanding Eligibility Status .....	68
Pages Used to View and Adjust Plan Member Eligibility .....	71
Viewing and Adjusting Member Eligibility .....	71
Viewing or Correcting Historical Plan Member Eligibility Data .....	75
Viewing and Adjusting Eligibility for Plans with Groups .....	76
Maintaining Eligibility for Employee Variable Compensation Record Plans .....	77

**Chapter 7**

**Setting Up and Using Weighted Goals ..... 79**

Understanding Weighted Goals ..... 79

    Weighted Goal Terminology ..... 79

    Weighted Goal Levels ..... 79

    Steps for Using Weighted Goals ..... 80

    Calculation of the Performance Factor ..... 81

Setting Up Weighted Goals ..... 82

    Understanding Weighted Goal Setup ..... 83

    Prerequisites ..... 83

    Pages Used to Set Up Weighted Goals ..... 84

Entering Weighted Goal Attainments ..... 85

    Understanding Weighted Goal Attainments ..... 86

    Pages Used to Enter Weighted Goal Attainments ..... 86

    Entering Organization Goal Attainments ..... 87

    Entering Group Goal Attainments ..... 87

    Entering Individual Goal Attainments ..... 88

    Entering Goal Attainments for Individuals with Groups ..... 89

Running the Organization and Group Goals Report ..... 90

    Page Used to Run the Organization and Group Goals Report ..... 90

**Chapter 8**

**Setting Up and Using Matrix Goals ..... 91**

Understanding Matrix Goals ..... 91

    Types of Matrix Goals ..... 91

    Matrix Goal Terminology ..... 92

    Steps for Using Matrix Goals ..... 93

    Example of Goals Matrix and Performance Score Calculation ..... 94

Setting Up Matrix Goals ..... 96

    Pages Used to Set Up Matrix Goals ..... 96

    Defining a Goal Matrix for a Plan Without Groups ..... 97

    Defining a Goal Matrix for a Plan With Groups ..... 98

    Assigning Payout Formulas to Performance Score Ranges ..... 98

Entering Matrix Goal Attainments ..... 99

    Pages Used to Enter Matrix Goal Attainments ..... 100

    Entering Matrix Goal Attainments for Plans Without Groups ..... 100

    Entering Matrix Goal Attainments for Plans with Groups ..... 101

**Chapter 9**

<b>Funding Variable Compensation Plans and Groups .....</b>	<b>103</b>
Understanding Variable Compensation Funding .....	103
Budgeting Awards .....	104
Page Used to Run the Budget Report .....	104
Running the Budget Report .....	105
Funding Variable Compensation Plans .....	106
Understanding Plan Funding .....	106
Page Used to Fund Variable Compensation Plans .....	107
Allocating Funds to a Variable Compensation Plan .....	107
Understanding Group Funding Allocation .....	109
Top Down Funding .....	109
Managers and Approvers .....	109
Summary of the Group Funding Allocations Process .....	110
Example of Group Funding Allocations .....	111
Allocating Funds to Groups .....	116
Understanding Access to the Allocate Group Funding Page .....	116
Pages Used to Allocate Funds to Groups .....	117
Distributing Plan Funding Among Groups .....	117
Allocating Funds for the Payout Period .....	122

**Chapter 10**

<b>Calculating Allocations and Awards .....</b>	<b>125</b>
Understanding Awards Calculation .....	125
Calculation Processes .....	125
Terms and Definitions .....	126
Determining Allocations .....	128
Understanding the Determine Allocation Process .....	128
Page Used to Determine Allocations .....	129
Running the Determine Allocation Process .....	129
Calculating Awards .....	130
Pages Used to Calculate Awards .....	132
Viewing and Adjusting Awards Allocations .....	132
Understanding Award Status .....	133
Understanding the Allocate Awards pages .....	135
Pages Used to View and Adjust Awards Allocations .....	136
Viewing and Adjusting Awards for Plans Without Groups .....	137
Viewing and Adjusting Awards for Plans with Groups .....	143
Using the Allocate Awards Page for Ad Hoc Awards .....	145

Reporting Awards Calculations .....	146
Page Used to Report Awards Calculations .....	147
Using the Variance Report .....	148
Using the Carryover Report .....	148
Using the Non-Monetary Report .....	148

**Chapter 11**

<b>Managing Awards Approval and Payout .....</b>	<b>149</b>
Approving and Submitting Awards .....	149
Understanding Approval and Submittal of Awards .....	149
Pages Used to Approve and Submit Awards in Batch Process .....	151
Approving Awards by Plan .....	151
Approving Awards by Group .....	152
Integrating with Payroll Applications .....	152
Understanding Integration with Payroll Applications .....	153
Integrating with PeopleSoft Payroll for PeopleSoft North America and Global Payroll .....	153
Setting Up Integration Points with Payroll Applications .....	155
Integrating with Stock Administration .....	156
Summary of Integration with Stock Administration .....	156
Setting Up Integration Points with Stock Administration .....	158
Reporting on Award Payout and Distribution .....	158
Page Used to Report on Award Payout and Distribution .....	159
Viewing and Reporting on Variable Compensation History .....	159
Pages Used to View and Report on Variable Compensation History .....	159
Viewing Employee Target and Awards History .....	160
<b>Index .....</b>	<b>163</b>

# PeopleSoft Enterprise Human Resources Manage Variable Compensation Preface

This preface discusses:

- PeopleSoft Products.
- PeopleSoft Enterprise application fundamentals.

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**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.

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## PeopleSoft Products

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

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## PeopleSoft Enterprise Application Fundamentals

The *PeopleSoft Enterprise Human Resources 9.1 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 9.1 Application Fundamentals PeopleBook*. Each PeopleSoft product line has its own version of this documentation.

*PeopleSoft Enterprise HRMS 9.1 Application Fundamentals PeopleBook* consists of important topics that apply to many or all PeopleSoft Enterprise applications across the PeopleSoft Enterprise Human Resources Management Systems 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 9.1 Application Fundamentals PeopleBook*, "PeopleSoft Enterprise HRMS Application Fundamentals Preface"

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## PeopleBooks and the PeopleSoft Online Library

A companion PeopleBook called *PeopleBooks and the PeopleSoft Online Library* contains general information, including:

- Understanding the PeopleSoft online library and related documentation.
- How to send PeopleSoft documentation comments and suggestions to Oracle.
- How to access hosted PeopleBooks, downloadable HTML PeopleBooks, and downloadable PDF PeopleBooks as well as documentation updates.
- Understanding PeopleBook structure.
- Typographical conventions and visual cues used in PeopleBooks.
- ISO country codes and currency codes.
- PeopleBooks that are common across multiple applications.
- Common elements used in PeopleBooks.
- Navigating the PeopleBooks interface and searching the PeopleSoft online library.
- Displaying and printing screen shots and graphics in PeopleBooks.
- How to manage the locally installed PeopleSoft online library, including web site folders.
- Understanding documentation integration and how to integrate customized documentation into the library.
- Application abbreviations found in application fields.

You can find *PeopleBooks and the PeopleSoft Online Library* in the online PeopleBooks Library for your PeopleTools release.

## Chapter 1

# Getting Started with Variable Compensation

This chapter discusses:

- Variable Compensation business processes.
- Variable Compensation integrations.
- Variable Compensation implementation.

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## Variable Compensation Business Processes

Variable Compensation manages these business processes:

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

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

### **See Also**

[Chapter 2, "Understanding Variable Compensation," page 5](#)

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## Variable Compensation Integrations

PeopleSoft Human Resources integrates with all the HRMS applications, with other PeopleSoft Enterprise applications, and with third-party applications. PeopleSoft 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 (VC) business process integrates with these HRMS applications:

- PeopleSoft Enterprise eCompensation.
- PeopleSoft Enterprise Stock Administration.
- PeopleSoft Enterprise Global Payroll.
- PeopleSoft Enterprise Payroll for North America.
- PeopleSoft Enterprise Payroll Interface.

We cover integration considerations in this PeopleBook.

### **See Also**

*PeopleSoft Enterprise HRMS 9.1 Application Fundamentals PeopleBook*, "Working with Integration Points in Enterprise HRMS," Identifying Integrations for Your Implementation

[Chapter 11, "Managing Awards Approval and Payout," page 149](#)

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## **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.

Variable Compensation also provides a component interface to help you load data from your existing system into Variable Compensation (VC) tables. Use the Excel to Component Interface utility with the component interface to populate the table.

This table lists the component that has a setup component interface:

<b>Component</b>	<b>Component Interface</b>	<b>References</b>
VC_GOAL_TBL	CI_VC_GOAL_TBL	See <a href="#">Chapter 3, "Setting Up Data Elements," Defining Goals, page 19.</a>

### **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.

**See Also**

*PeopleSoft Enterprise HRMS 9.1 Application Fundamentals PeopleBook*, "Working with Integration Points in Enterprise HRMS," Identifying Integrations for Your Implementation

*Enterprise PeopleTools PeopleBook: PeopleSoft Setup Manager*

*Enterprise PeopleTools PeopleBook: PeopleSoft Component Interfaces*



## Chapter 2

# Understanding Variable Compensation

With the flexible Variable Compensation (VC) business process in PeopleSoft Enterprise Human Resources, you can create and manage multiple VC plans that encompass everything from one-time, ad hoc awards to stock options, bonus plans, non-cash incentives, and holiday gifts or bonuses, among other 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 can define any number of payout formulas and assign them to workers individually or through groups.

This chapter provides a brief overview of these topics and illustrates sample diagrams:

- Variable compensation plans.
- Eligibility and awards processing.
- Award payout.
- Variable Compensation reporting.

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## Variable Compensation Plans

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

- Selecting plan types.
- Determining plan membership.
- Using goals.
- Selecting other plan business rules and options.

## Selecting Plan Types

Select from these plan types, which fall into three major categories:

- Monetary Plan Types

These plan types include discretionary bonus, profit sharing, and goal sharing.

- **Non-monetary Plan Types**

These plan types calculate awards in units. Users define a valuation amount per unit to report the monetary value of the award. Use this plan type to manage the awarding of gifts and merchandise to workers.

- **Stock Plan Types**

These plan types, which include ISO, NQ, NSAR, RSA, and ISAR, also integrate with stock administration.

**See Also**

[Chapter 4, "Setting Up Variable Compensation Plans," Understanding Variable Compensation Plan Types, page 25](#)

## Determining Plan Membership

Select from four methods of administering plan membership:

- **Ad Hoc Awards:**
  - You enter workers and their award amounts directly.
  - No formulas or calculation processes are required.
  - Funding and approval process are optional.
- **Employee Variable Compensation Record:**
  - Membership and target payout are determined at the individual worker level.
  - Membership and payout are maintained continuously when a worker's job changes.
  - You can associate each worker with one or more variable compensation plans.
- **Employee Variable Compensation Record with Groups:**
  - You define and maintain target payouts at an individual level.
  - You define and maintain membership through groups.
  - You define groups in Group Build and assign them to hierarchical variable compensation trees.
- **Define Tree/Group:**
  - You define payouts and membership through groups.
  - You define groups in Group Build and assign them to hierarchical variable compensation trees.

## Using Goals

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

- **Weighted Goals**

Set up weighted goals at the organizational level, individual level, group level, or a combination of these levels 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.

See [Chapter 7, "Setting Up and Using Weighted Goals," page 79.](#)

- **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 to use to calculate the workers' awards.

See [Chapter 8, "Setting Up and Using Matrix Goals," page 91.](#)

## 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 percent eligibility and your estimated goal attainments.

- **(Optional) Funding:**

- Allocate funds (currency or units) to a plan and monitor the balance while 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 carryover 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 Plan Business Rules page.
  - Administer carryover on the Allocate Awards 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.

**See Also**

[Chapter 6, "Processing Eligibility and Proration," page 59](#)

[Chapter 9, "Funding Variable Compensation Plans and Groups," page 103](#)

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## Eligibility and Awards Processing

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

1. Determine Eligibility/Proration process (VC\_ELIG\_PRO).
  - Calculates eligibility status and proration factors.
2. Determine Allocation process (VC\_DET\_ALLOC).
  - Calculates target awards.
  - Calculates organization and group level performance factors for weighted goal plans.
3. Calculate Awards by Plan process (VC\_CALWRD) or Calculate Awards by Group process (VC\_CALWRD\_WG).
  - 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 Allocate Awards page, where you can manually adjust awards before approving them.

---

## Award Payout

The system uses PeopleSoft Integration Broker 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.

---

## Variable Compensation Reporting

Reports help you make decisions when 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 9.1 Application Fundamentals PeopleBook*, "PeopleSoft Application Fundamentals for HRMS Reports," Manage Variable Compensation Reports

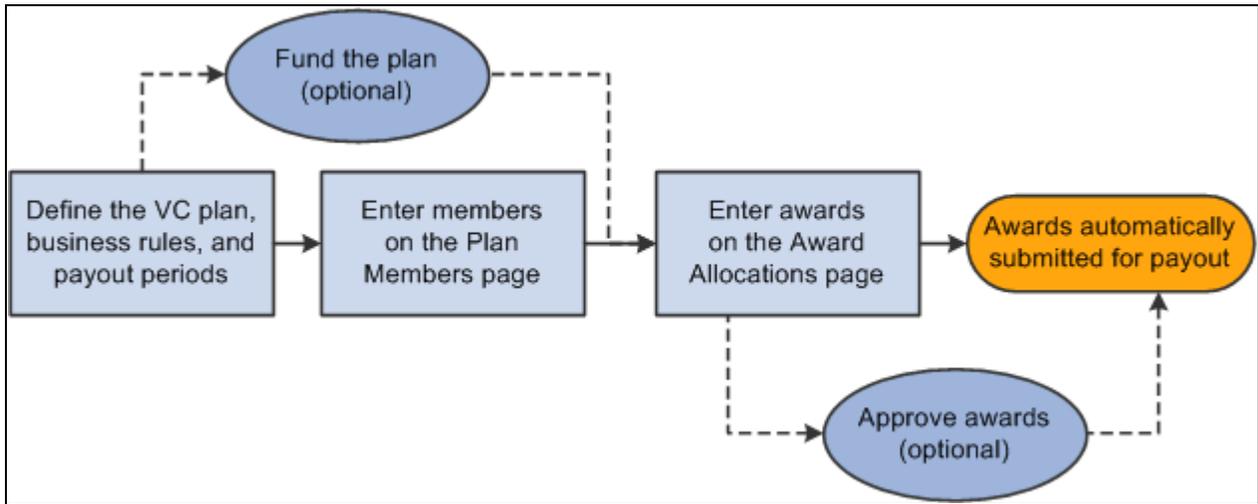
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## Sample Plan Diagrams

This section provides diagrams and tables to illustrate a simple ad hoc plan and a complex tree and group plan.

### **Ad Hoc Plan - Sample Process Flow**

This diagram illustrates an ad hoc plan and includes the steps to fund the plan and approve awards.



Ad Hoc Awards plan with optional funding and approval

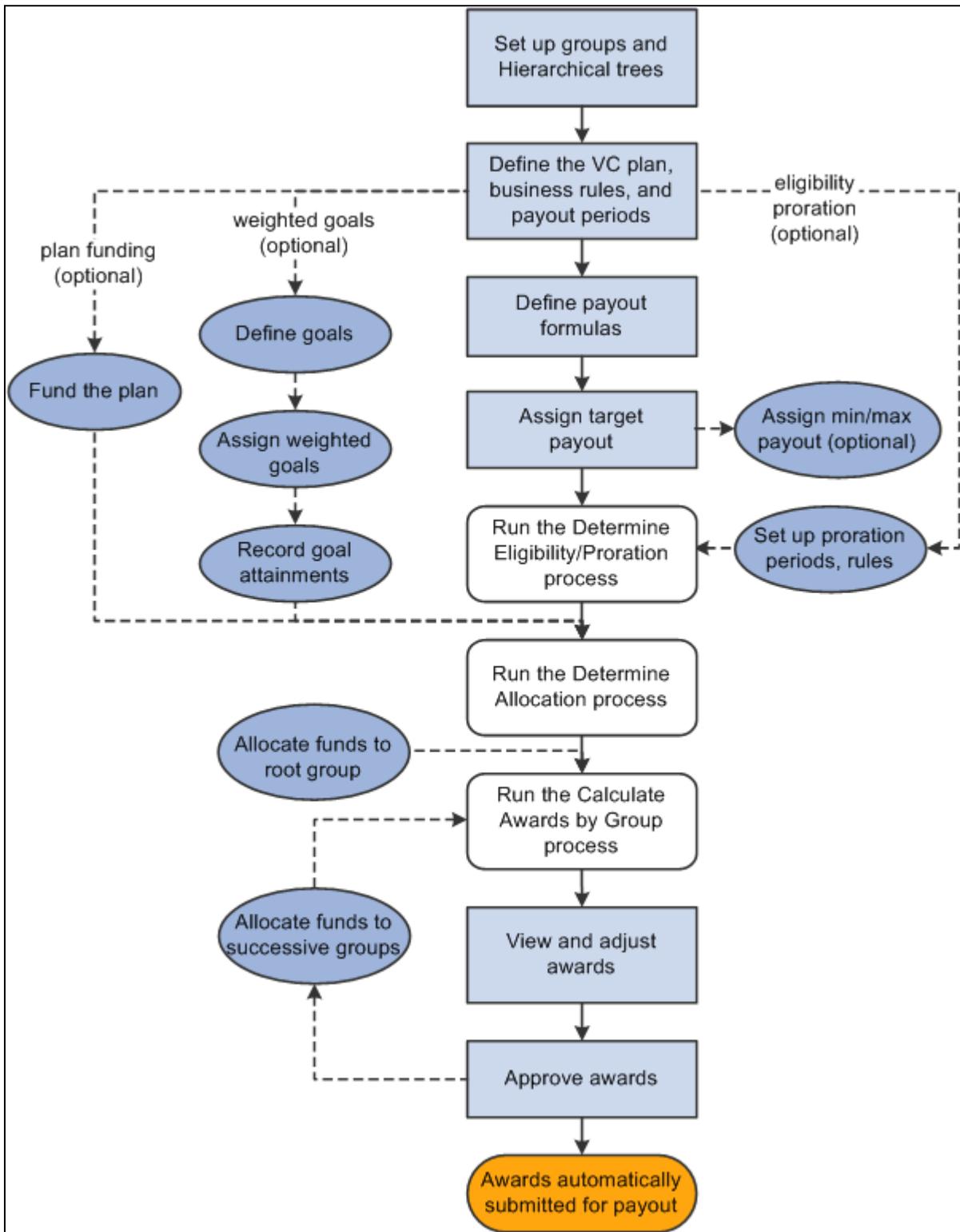
**Sample Plan Definition**

This table describes the plan variables implemented in the diagram of the sample Ad Hoc Awards plan:

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

**Define Tree and Groups Plan - Sample Process Flow**

This section illustrates a sample define tree and groups plan and includes steps to define goals, fund the plan, and allocate funds to groups.



Sample define tree and groups plan with goals, proration, and funding

**Sample Plan Definition**

This table describes the plan variables implemented in the diagram of the sample Define Tree and Groups plan:

<b>Plan Variable</b>	<b>Value</b>
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

## Chapter 3

# Setting Up Data Elements

This chapter provides an overview on setting up data elements and describes how to:

- Define payout formulas.
- Define valuation.
- Define goals.
- Set up eligibility proration tables.

---

## Understanding Data Element 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 data elements are optional and some are required, depending on the plan type, options, and business rules that you define for the plan.

This table describes the usage of the data elements by the various plan types:

<i>Data Element</i>	<i>Plan Types That Use This Data Element</i>
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 Formulas component (VC\_PAYOUT\_FORMULA).

Construct 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

<i>Page Name</i>	<i>Definition Name</i>	<i>Navigation</i>	<i>Usage</i>
Payout Formulas	VC_PAYFORM_TBL	Set Up HRMS, Product Related, Compensation, Variable Compensation, Payout Formulas, Payout Formulas	Define a formula for the Determine Allocation and Calculate Awards processes to use to calculate funding and award allocations. The payout formula is a SQL statement that you define on this page.

### Creating a Payout Formula

Access the Payout Formulas page (Set Up HRMS, Product Related, Compensation, Variable Compensation, Payout Formulas, Payout Formulas).

### Payout Formulas

Payout Formula ID: KF15PCT

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

\*Effective Date: 01/01/1980 \*Status: Active

\*Description: 15% of Quarterly Base Salary

Short Description: 15% Base

Pay Formula SQL:  $0.25 * \text{JOB.ANNUAL\_RT} * 0.15$

Rounding Rule: Standard Decimal Places: 0

Payout Formula Details Find | View All | First 1-3 of 5 Last

Sequence	Operand	Value/Rec/Rate Code	Field Name
0	Constant	.25	
5	*		
10	Rec.Field	JOB	ANNUAL_RT

Payout Formulas 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 following fields. The system checks the syntax of the SQL statement and lists any errors.

#### **Rounding Rule**

Select a 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 (Institute of Electrical and Electronics Engineers) 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 5 or 10 gives you room to add a component to the formula without renumbering all the existing components. When you save the page, the system sorts your components according to their sequence numbers.

Insert a new row and enter a sequence number for each component of the SQL statement while 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:

<b>Operand</b>	<b>Definition</b>	<b>Additional Fields that Appear</b>
<i>(none)</i>	Use this value to eliminate 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
<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 relationship between the operand and the Value/Rec/Rate code.

<b>Operand Selected</b>	<b>Value/Rec/Rate Code</b>
<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 runs the SQL statement, it uses the value of the selected field in the plan member's record.

### **Payout Formula Example**

To define a payout formula of 1 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 that the final formula in the Pay Formula SQL field is (JOB.ANNUAL\_RT \* 0.01).

### **See Also**

[Chapter 10, "Calculating Allocations and Awards," Reporting Awards Calculations, page 146](#)

---

## **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, it calculates the value 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	Definition Name	Navigation	Usage
Valuations	VC_VALUATION	Set Up HRMS, Product Related, Compensation, Variable Compensation, Valuations, 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 Valuations page (Set Up HRMS, Product Related, Compensation, Variable Compensation, Valuations, Valuations).

### Valuations

**Valuation ID:** HXVCVL01

**Valuation Details** Find | View All First 1 of 1 Last

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

\*Description: VC ISO Stock Option 01

Short Desc: VC ISO Sto

\*Amount: 20.00

\*Currency Code: USD US Dollar

Valuations 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 or 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 the CI\_VC\_GOAL\_TBL component interface to load data into the table for this component.

Use goals that you name and describe on the Goals 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.

**See Also**

[Chapter 7, "Setting Up and Using Weighted Goals," page 79](#)

[Chapter 8, "Setting Up and Using Matrix Goals," page 91](#)

**Page Used to Define Goals**

<i>Page Name</i>	<i>Definition Name</i>	<i>Navigation</i>	<i>Usage</i>
Goals	VC_GOAL_TBL	Set Up HRMS, Product Related, Compensation, Variable Compensation, Goals, 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 Eligibility Proration Tables**

To set up proration tables, use the Workday Schedules (VC\_WORK\_DY\_SCHED), Percentage Proration Rules (VC\_PRORATE\_RULE), and Prorate Periods (VC\_PRORATE\_PRD) components.

This section discusses how to:

- Set up workday rules.

- Set up proration percentage rules.
- Define proration periods.

**See Also**

Chapter 6, "Processing Eligibility and Proration," Understanding Proration Factor Calculations, page 59

## Pages Used to Set Up Eligibility Proration Tables

<i>Page Name</i>	<i>Definition Name</i>	<i>Navigation</i>	<i>Usage</i>
Workday Schedule	VC_WRK_DY_SCHED	Set Up HRMS, Product Related, Compensation, Variable Compensation, Workday Schedules, Workday Schedule	Set up workday rules in which you create schedules assigning a factor to each day of the week (Sunday through Saturday).
Percentage Proration Rules	VC_PRORATE_TBL	Set Up HRMS, Product Related, Compensation, Variable Compensation, Percentage Proration Rules, 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"> <li>• Set Up HRMS, Product Related, Compensation, Variable Compensation, Prorate Periods, Prorate Periods</li> <li>• Compensation, Variable Compensation, Maintain Plan, Prorate Periods, Prorate Periods</li> </ul>	Define proration frequency parameters for the payout periods of a prorated plan. The Determine 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 (Set Up HRMS, Product Related, Compensation, Variable Compensation, Workday Schedules, Workday Schedule).

Workday Schedule

**Workday Rule ID:** WKDRULE1

**Workday Schedule Details** Find | View All | First 1 of 1 1 Last

**Effective Date:**

**Workday Factors**

	Day of the Week	Factor
1	Sunday	<input type="text" value="0.00"/>
2	Monday	<input type="text" value="1.00"/>
3	Tuesday	<input type="text" value="1.00"/>
4	Wednesday	<input type="text" value="1.00"/>
5	Thursday	<input type="text" value="1.00"/>
6	Friday	<input type="text" value="1.00"/>
7	Saturday	<input type="text" value="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 Percentage Proration Rules page (Set Up HRMS, Product Related, Compensation, Variable Compensation, Percentage Proration Rules, Percentage Proration Rules).

### Percentage Proration Rules

Prorate % ID: HXVCPER1

**Proration Rule Details** View All First 1 of 1 Last

Effective Date: 01/01/1999 + -

Status: Active + -

\*Description: VC Profit Share NewHire Prorat

Short Description: VCPPrftNewH

**Employee Status Rules** Find View All First 1 of 1 Last

\*Eligible Status: Active + -

**Proration Rates** Customize Find View All First 1-3 of 5 Last

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

Percentage Proration Rules 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 the Eligible Status field, the system assigns a proration factor of 0 to workers with these termination worker status values in their Job records.

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 who 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 Periods

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.

**Note.** You must set up the variable compensation plan and its payout periods before you can define the proration periods.

Access the Prorate Periods page (Set Up HRMS, Product Related, Compensation, Variable Compensation, Prorate Periods, Prorate Periods).

### Prorate Periods

Plan ID: HXVC01      VC ISO Weighted Goals

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

Period ID:  + -

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

Proration Frequency:  ▾

Date Indicator:  ▾

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. The system prompts you with values 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 Allocate Awards 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 Plan Payout Periods page.

<b>Proration Freq</b> (proration frequency)	<p>Select a proration frequency from these values:</p> <ul style="list-style-type: none"> <li>• <i>By Workdays</i> (daily frequency): The Workday Rule ID field appears.</li> <li>• <i>Calendar Days</i> (daily frequency): The Prorate % ID field appears.</li> <li>• <i>Monthly</i>: The Date Ind field appears.</li> <li>• <i>Weekly</i>: The Day field appears.</li> </ul>
<b>Workday Rule ID</b>	<p>If you select <i>By Workdays</i> 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.</p>
<b>Prorate % ID</b>	<p>This field appears if you select <i>Calendar Days</i> in the Proration Freq field.</p> <p>If you use the proration percentage calculation method, select a prorate percentage ID to associate a prorate percentage schedule with the plan for the payout period.</p> <p>If you use the daily calculation method without proration percentages, leave this field blank.</p>
<b>Day</b>	<p>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 seven days of the week (Sunday through Saturday).</p>
<b>Date Ind</b> (date indicator)	<p>If you select <i>Monthly</i> proration frequency, select a date indicator in this field. Values include:</p> <p><i>End of Month</i>: The system calculates eligibility as of the end of each month.</p> <p><i>Day of Month</i>: The Day of Mon field appears.</p>
<b>Day of Mon</b> (day of the month)	<p>Enter the number of the day of the month as of which you want the system to calculate eligibility. Select any number from 1 through 28. Set the Date Ind field to <i>End of Month</i> if you select a number higher than 28.</p>
<b>End Date</b>	<p>After you define the proration frequency, the system displays the end date here for each proration period within the payout period that you specified.</p>
<b>Run Status</b>	<p>The system selects this check box when the Determine Eligibility/Proration process completes the eligibility calculation for the corresponding proration period.</p>

## Chapter 4

# Setting Up Variable Compensation Plans

This chapter provides an overview of variable compensation plan types and discusses how to:

- Define a variable compensation plan.
- Assign payout formulas.
- Set up goals, funding, and proration.

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## Understanding Variable Compensation Plan Types

When you define a variable compensation (VC) plan, you must specify its type. The system provides ten 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.

This section discusses:

- Monetary plan types.
- Non-Monetary plan types.
- Stock-type variable compensation plans.
- Other plan types.

## Monetary Plan Types

This describes the monetary plan types:

<b>Discretionary Bonus</b>	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.
<b>Goal Sharing</b>	Select either <i>Weighted Goals</i> or <i>Matrix Goals</i> and specify weighted goal percents or matrix columns on the Plan Definition page. See <a href="#">Chapter 3, "Setting Up Data Elements," Defining Goals, page 19</a> .
<b>Profit Sharing</b>	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 4, "Setting Up Variable Compensation Plans," Defining a Variable Compensation Plan, page 27](#)

[Chapter 10, "Calculating Allocations and Awards," page 125](#)

[Chapter 6, "Processing Eligibility and Proration," page 59](#)

**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 Formulas 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 a Non-Monetary plan type and select a valuation ID on the 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 3, "Setting Up Data Elements," page 13](#).

**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:

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

Stock-type variable compensation plans are supported only for users of PeopleSoft Enterprise Stock Administration. The system provides specific functionality to support this integration.

### **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 Plan Definition page.

The Stock administrator sets up stock IDs on the stock plans on the Stock Plan Table page.

3. Specify a valuation ID on the Plan Definition page.
4. Set up plan funding on the Plan Funding page.

See [Chapter 3, "Setting Up Data Elements," page 13](#).

### **See Also**

*PeopleSoft Enterprise Stock Administration 9.1 PeopleBook*, "Defining Stock Administration Business Rules," Creating a Stock ID

*PeopleSoft Enterprise Stock Administration 9.1 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.

---

## **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.

This section lists common elements used in this section and discusses how to:

- Specify the VC plan definition.
- Specify plan business rules.
- Select termination status codes for the Employee VC Record Plan Member rule.
- Define plan payout periods.

## Common Elements Used in This Section

- Plan ID** The unique identifier used to access many of the variable compensation pages. When you open a page, the system displays the ID that you entered to access the page.
- Payout Period ID** An identifier for the payout period, such as *Q1* for the first quarter. This is a key for many of the variable compensation pages.

## Pages Used to Define a Variable Compensation Plan

<i>Page Name</i>	<i>Definition Name</i>	<i>Navigation</i>	<i>Usage</i>
Plan Definition	VC_PLAN_TBL	<ul style="list-style-type: none"> <li>Set Up HRMS, Product Related, Compensation, Variable Compensation, Define Variable Comp Plan, Plan Definition</li> <li>Compensation, Variable Compensation, Maintain Plan, Define Variable Comp Plan, Plan Definition</li> </ul>	Define a variable compensation plan, plan dates, earnings code, plan type, and specifics related to the plan type.
Plan Business Rules	VC_PLAN_BUS_RULE	<ul style="list-style-type: none"> <li>Set Up HRMS, Product Related, Compensation, Variable Compensation, Define Variable Comp Plan, Plan Business Rules</li> <li>Compensation, Variable Compensation, Maintain Plan, Define Variable Comp Plan, Plan Business Rules</li> </ul>	Specify the method of administering plan membership and select optional business rules for the plan.
VC Termination Status	VC_EE_TERM_STAT	Click the Emp Term Status link on the 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.

Page Name	Definition Name	Navigation	Usage
Plan Payout Periods	VC_PAYPRD_TBL	<ul style="list-style-type: none"> <li>Set Up HRMS, Product Related, Compensation, Variable Compensation, Define Variable Comp Plan, Plan Payout Periods</li> <li>Compensation, Variable Compensation, Maintain Plan, Define Variable Comp Plan, Plan Payout Periods</li> </ul>	Define or change the beginning and ending dates of the payout periods of a variable compensation plan.

## Specifying the VC Plan Definition

Access the Plan Definition page (Set Up HRMS, Product Related, Compensation, Variable Compensation, Define Variable Comp Plan, Plan Definition).

The screenshot shows the 'Plan Definition' page with the following details:

- 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
- Stock Plan:** HXVCPLN
- Plan Goals:** Weighted Goals
- Plan Details:**
  - \*Effective Date:** 01/01/1999
  - \*Status:** Active
  - Earnings Code:** B14
  - GP Earnings:**
  - Valuation ID:** HXVCVL01
- Goal Weights:**

Org Weight:	100.00		
Group Weight:	0.00		
Ind Weight:	0.00		
		<b>Total Weight:</b>	100.00

Plan Definition page

### Plan Start Date

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

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

- Plan End Date** Enter the date on which you want the plan to end. After you save the plan definition, change the plan end date to a later date only if you want to extend the plan.  
For stock-type plans, this date cannot be later than the expiration date of the stock plan.
- Currency** Select the currency in which you want the system to calculate, display, and report allocations. For rollup 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:

<b>Plan Type</b>	<b>Visible Fields</b>
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 percentages for goal levels.
- Stock ID** Enter the ID that applies to this plan. The system prompts you with values 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 PeopleSoft Payroll for North America.

**GP Earnings**(global payroll earnings) Payroll reporting code. Applies to awards paid out through Global Payroll.

**Valuation ID** Select an ID from the available options, which the system prompts you with 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 system determines the monetary value associated with the valuation ID that is used to calculate the award value 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 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 (Set Up HRMS, Product Related, Compensation, Variable Compensation, Define Variable Comp Plan, Plan Business Rules).

The screenshot shows the 'Plan Business Rules' page for plan HXVC01. It features three tabs: 'Plan Definition', 'Plan Business Rules' (active), and 'Plan Payout Periods'. The 'Plan ID' is HXVC01 and the plan name is 'VC ISO Weighted Goals'. The 'Plan Member Rule' section has three radio buttons: 'Ad Hoc Award', 'Empl VC Record' (selected), and 'Empl VC Record with Groups'. A link for 'Emp Term Status' is visible next to 'Empl VC Record'. The 'Define Tree/Group' radio button is also present. The 'Static Plan Rules' section has two checkboxes: 'Carryover Awards' (unchecked) and 'Funded Plan' (checked). The 'Plan Details' section shows 'Effective Date: 01/01/1999', 'Status: Active', and three checkboxes: 'Calculate Proration' (checked), 'Approve Awards' (unchecked), 'Gross-Up' (unchecked), and 'Separate Check' (unchecked). Navigation links for 'Find', 'View All', 'First', '1 of 1', and 'Last' are at the top right of the details section.

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.

See [Chapter 5, "Setting Up Plan Membership," Understanding Plan Member Rules, page 43.](#)

**Emp 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 Allocate Awards 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 PeopleSoft Payroll for North America and you selected Gross-Up on this page, you must select Separate Check.

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

- Run the Approve Awards or Approve Awards by Group process to approve or disapprove awards at the plan or group level.
- Designate an approver who can manually approve awards individually under the plan on the Allocate Awards 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 6, "Processing Eligibility and Proration," Determining Eligibility and Calculating Proration, page 65

## Selecting Termination Status Codes for the Employee VC Record Plan Member Rule

Access the VC Termination Status page (click the Emp Term Status link on the Plan Business Rules page).

VC Termination Status				
Variable Compensation Plan ID:		VCPLAN1	Variable Compensation Plan 1	
Status	Payroll Status	Description		
1	D 	Deceased	<input type="checkbox"/>	<input type="checkbox"/>
2	Q 	Retired With Pay	<input type="checkbox"/>	<input type="checkbox"/>
3	R 	Retired	<input type="checkbox"/>	<input type="checkbox"/>
4	T 	Terminated	<input type="checkbox"/>	<input type="checkbox"/>
5	U 	Terminated With Pay	<input type="checkbox"/>	<input type="checkbox"/>
6	V 	Terminated Pension Pay Out	<input type="checkbox"/>	<input type="checkbox"/>
7	X 	Retired-Pension Administration	<input type="checkbox"/>	<input type="checkbox"/>

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

**See Also**

[Chapter 6, "Processing Eligibility and Proration," page 59](#)

**Defining Plan Payout Periods**

Access the Plan Payout Periods page (Set Up HRMS, Product Related, Compensation, Variable Compensation, Define Variable Comp Plan, Plan Payout Periods).

Plan Definition		Plan Business Rules		Plan Payout Periods	
Plan ID: HXVC01		VC ISO Weighted Goals			
Payout Periods		Customize		Find   View All   First   1-2 of 2   Last	
	*Payout Period ID	*Period Begin Date	*Period End Date		
1	1999	01/01/1999	12/31/1999	+	-
2	2000	01/01/2000	12/31/2000	+	-

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 end date of the prior period. For example, if the end date of the prior period is 01/31/2000, the default begin date of the next period 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*.

---

**Note.** After you define the plan payout periods, you can define the eligibility proration periods if required.

---

See [Chapter 3, "Setting Up Data Elements," Defining Proration Periods, page 23](#).

---

## Assigning Payout Formulas

To create and payout formulas, use the Plan Payouts (VC\_PAYOUT) and Plan Payouts With Groups (VC\_PAYOUT\_WG) components.

This section provides an overview and discusses how to:

- Assign payout formulas for Employee VC Record plans.
- Assign payout formulas for plans with groups.

---

**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 Payout Schedule page.

---

### See Also

[Chapter 10, "Calculating Allocations and Awards," Viewing and Adjusting Awards Allocations, page 132](#)

## Understanding Payout Formula Assignment and Processing

Depending upon the plan member rule, you can assign up to three payout 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 Allocate Awards page.

### ***Deciding Which Payouts Page to Use***

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

<b><i>Plan Rule</i></b>	<b><i>Plan Payouts Page</i></b>
Ad Hoc	Do not assign payout formulas; instead, enter the award amount directly on the Allocate Awards 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 Payout Schedule page.

### ***See Also***

[Chapter 5, "Setting Up Plan Membership," Understanding Plan Member Rules, page 43](#)

## Pages Used to Assign Payout Formulas

Page Name	Definition Name	Navigation	Usage
Plan Payouts	VC_PAYOUT	<ul style="list-style-type: none"> <li>Set Up HRMS, Product Related, Compensation, Variable Compensation, Plan Payouts, Plan Payouts</li> <li>Compensation, Variable Compensation, Maintain Plan, Plan Payouts, Plan Payouts</li> </ul>	<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"> <li>Set Up HRMS, Product Related, Compensation, Variable Compensation, Plan Payouts With Groups, Plan Payouts With Groups</li> <li>Compensation, Variable Compensation, Maintain Plan, Plan Payouts w/ Groups, Plan Payouts With Groups</li> </ul>	<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 (Set Up HRMS, Product Related, Compensation, Variable Compensation, Plan Payouts, Plan Payouts).

**Plan Payouts**

Plan ID: HXVC08    VC Profit Share Weighted Org Approver

Payout Values Find | View All First 1 of 1 Last

---

Effective Date: 01/01/1999      Status: Active

Minimum Payout:

Target Payout:

Maximum Payout: HX32500      VC 32500

Plan Payouts page

### **Payout Values**

To establish a payout, select a payout formula from the available options. The system prompts you with values 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 or distribution for the period during which the effective date falls.

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

### **Availability of Fields**

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

<b>Field</b>	<b>Empl VC Record</b>	<b>Ad Hoc Award</b>
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 Allocate Awards page.
Maximum Payout	Optional field.	Field unavailable for entry.

### **See Also**

[Chapter 10, "Calculating Allocations and Awards," Viewing and Adjusting Awards Allocations, page 132](#)

## **Assigning Payout Formulas for Plans with Groups**

Access the Plan Payouts With Groups page (Set Up HRMS, Product Related, Compensation, Variable Compensation, Plan Payouts With Groups, Plan Payouts With Groups).

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. The system prompts you with values from the Payout Formula table (VC\_PAYFORM\_TBL). No payout fields are available for entry if awards have been approved or sent for payout or 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:

<b>Field</b>	<b>Empl VC Record with Groups</b>	<b>Define Tree/Group</b>
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 Goals, Funding, and Proration

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

### **See Also**

[Chapter 7, "Setting Up and Using Weighted Goals," page 79](#)

[Chapter 8, "Setting Up and Using Matrix Goals," page 91](#)

[Chapter 9, "Funding Variable Compensation Plans and Groups," page 103](#)

[Chapter 3, "Setting Up Data Elements," Setting Up Eligibility Proration Tables, page 19](#)



## Chapter 5

# Setting Up Plan Membership

This chapter provides an overview of plan member rules and describes how to:

- Set up plan membership for Ad Hoc awards.
- Set up members with Employee Variable Compensation (VC) records.
- Create groups using Group Build.
- Attach groups to trees.
- Establish tree security.
- Report on tree membership.

---

## Understanding Plan Member Rules

This section provides a brief description of each of the plan member rules and discusses how each relates to groups, target payouts, and plan options.

### ***Ad Hoc Award***

Ad Hoc Award plans are designed for low volume, occasional awards. For Ad Hoc awards, do not set up groups or target payouts. Enter employees for each plan directly on the Eligible Employees by Plan page and enter their awards directly on the Allocate Awards by Plan page. Do not run any calculation processes. Target, minimum, and maximum payouts, carryovers, guarantees, goals, and prorated eligibility are not available options with this plan member rule. Goal Sharing is not an available plan type.

### ***Employee Variable Compensation Record***

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

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

### ***Employee Variable Compensation Record with Groups***

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

On the Eligible Employees by Plan page, specify target payouts and an optional guarantee for the employee under the VC plan ID. Optionally, specify minimum and maximum payouts at the group level on the Plan Payouts With Groups page.

Choose any plan type and specify any plan options.

### ***Define Tree/Group***

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

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

Choose any plan type and specify any plan options.

---

## **Setting Up Plan Members for Ad Hoc Awards**

Use the Eligible Employees by Plan page to set up plan members for Ad Hoc Awards. You also use this page to view and adjust plan membership for all plan types.

### **Page Used to Set Up Plan Members for Ad Hoc Awards**

<b><i>Page Name</i></b>	<b><i>Definition Name</i></b>	<b><i>Navigation</i></b>	<b><i>Usage</i></b>
Eligible Employees by Plan	VC_PLAN_MEM_TBL	Compensation, Variable Compensation, Identify Eligible Recipients, Eligible Employees by Plan, Eligible Employees by Plan	View and adjust member eligibility or add workers to a plan for Ad Hoc Awards.

### **Entering Ad Hoc Plan Members**

Access the Eligible Employees by Plan page for the desired ad hoc plan and period ID (Compensation, Variable Compensation, Identify Eligible Recipients, Eligible Employees by Plan, Eligible Employees by Plan).

To set up ad hoc plan membership:

1. Click the Search button to load existing plan members into the page.

2. Complete the Plan Members Details group box as shown in the following table:

<b>EmplID</b> (employee ID)	To add a new member, insert a new row and enter the employee's ID.
<b>Eligibility Status</b>	For Ad Hoc plans, the status defaults to Man Elig (manually eligible). You cannot enter an auto status.
<b>As of Date</b>	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.

---

## Setting Up Members with Employee Variable Compensation Records

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 and 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 Records

<i>Page Name</i>	<i>Definition Name</i>	<i>Navigation</i>	<i>Usage</i>
Individual's Payout	VC_EE_VCOMP	Compensation, Variable Compensation, Identify Eligible Recipients, Individual's Payout, Individual's Payout	<ul style="list-style-type: none"> <li>• Add or delete plan members for plans that specify Empl VC Record (without groups) as the plan member rule.</li> <li>• Assign or update a target payout formula or guarantee.</li> <li>• Specify the plan eligibility date if the VC plan does not use groups.</li> </ul>
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 Records

Access the Individual's Payout page (Compensation, Variable Compensation, Identify Eligible Recipients, Individual's Payout, Individual's Payout).

## Individual's Payout

**Douglas Lewis**                      EMP                      ID: KU0001                      Empl Record: 0

Employee Data Find | View All First 1 of 1 Last

\*Effective Date:

Compensation Data

<b>Business Unit:</b>	GBIBU	Global Business Institute BU	<a href="#">Current Comp Data</a>
<b>Department ID:</b>	ADMIN	President	
<b>Location:</b>	KUNY00	US HQ	
<b>Salary Plan:</b>	KU02		
<b>Grade:</b>	011		
<b>Compensation Rate:</b>	21666.67	USD	
<b>Frequency:</b>	Monthly		

Employee Details Find | View All First 1 of 1 Last

\*Plan ID:  Empl VC Record for Payroll

Target Payout:  05% Employee Base Salary

Eligibility Date Value:

Guarantee:

Currency:

Long Description:

### 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 is supplied as the default 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 to view a page that displays the data from the worker's job record that is effective as of the current date.

## ***Employee Details***

<b>Plan ID</b>	<p>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.</p> <p>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.</p>
<b>Target Payout</b>	<p>Select a target payout for the worker. You are prompted with values from the Pay Formula table. The system displays the description of the formula that you select.</p> <p>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.</p>
<b>Eligibility Date Value</b>	<p>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 Determine 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.</p>
<b>Guarantee</b>	<p>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 Allocate Awards page, where you can adjust the calculated award as required.</p>

## ***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 whether 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 Allocate Awards by Plan 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.

See *PeopleSoft Enterprise HRMS 9.1 Application Fundamentals PeopleBook*, "Setting Up and Working with Group Definitions."

The Determine 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 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 Group Definition***

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

---

## **Attaching Groups to Trees**

This section discusses:

- Advantages of trees.
- Important points about creating Variable Compensation trees.
- Variable Compensation settings in PeopleSoft Tree Manager
- Effective-dated trees and Variable Compensation.
- Deleting parent-child duplicates for rollup.

## Advantages of Trees

After 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 you access Variable Compensation pages.

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

## Important Points About Creating Variable Compensation Trees

When you have 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, remember these additional points 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 Determine 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 on 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:

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

### **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 ensures that the effective date of the group is equal to or before 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 affected 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.

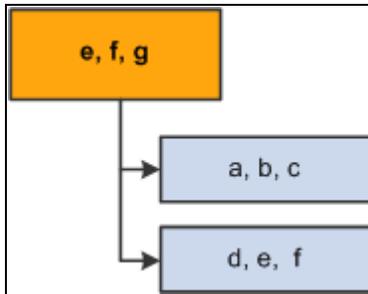
---

## Deleting Parent-Child Duplicates for Rollup

For accurate rollup accounting, the Determine 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.

### Example

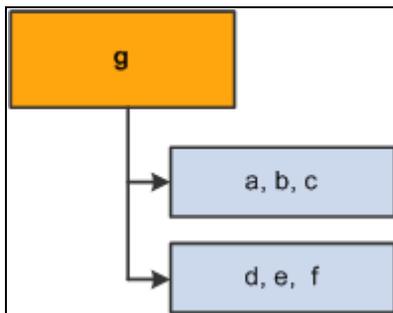
The parent-child duplicate deletion works in the following way. Three groups containing workers *a* through *f* are created separately in Group Build and arranged in a tree that looks like this:



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 would be accounted twice in rollup to the parent group if the system did not eliminate the duplication.

The Determine Eligibility/Proration process removes the duplicate workers (*e* and *f*) from the parent group, as shown in this diagram:



The VC tree after the Determine 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

The 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 only within Variable Compensation and 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 previously, 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.

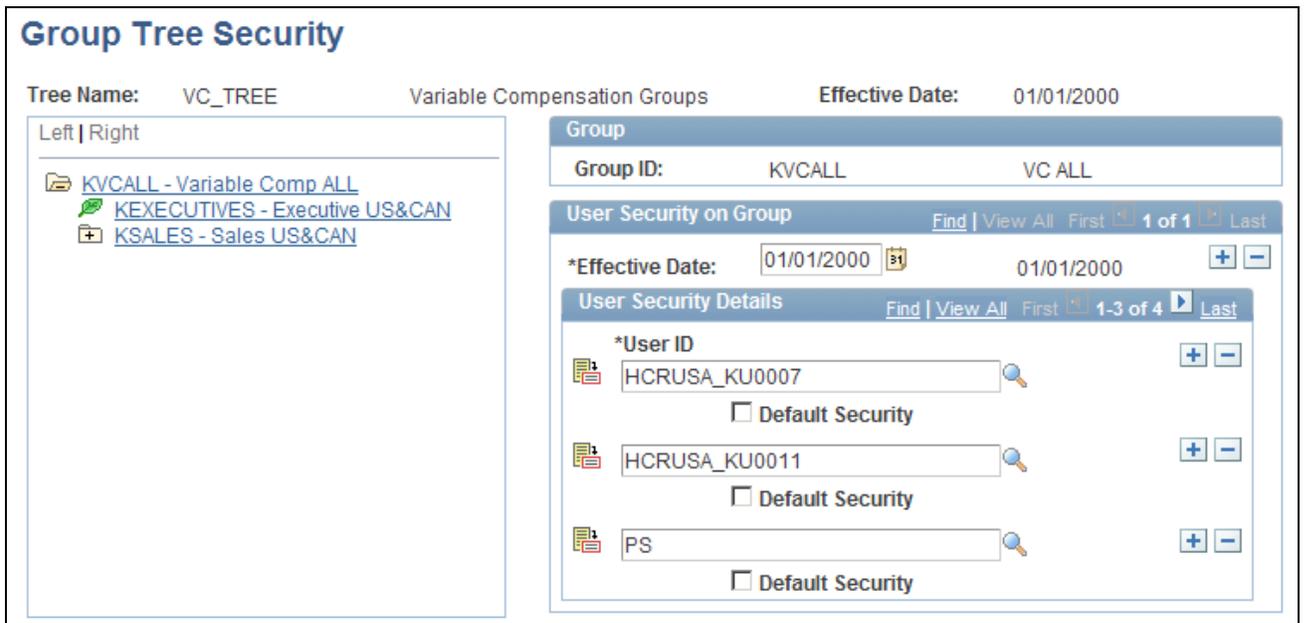
This section describes how to set up security relationships between Variable Compensation groups, users, and variable compensation components.

### Pages Used to Establish Tree Security

<i>Page Name</i>	<i>Definition Name</i>	<i>Navigation</i>	<i>Usage</i>
Group Tree Security	VC_TREE_SEC_TABLE	Set Up HRMS, Product Related, Compensation, Variable Compensation, Group Tree Security, 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 (variable compensation) – Tree Group Security	VC_TREE_SECU_SEC	Click the Component Security icon to the left of the user ID on the Group Tree Security page.	Specify the components for which the selected user has security access.

### Setting Up Security Relationships

Access the Group Tree Security page (Set Up HRMS, Product Related, Compensation, Variable Compensation, Group Tree Security, Group Tree Security).



Group Tree Security page

**Tree Name** The name of the tree that you entered on 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 the ID of each user 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 icon 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 an inconsistency exists 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 (click the Component Security icon to the left of the User ID on the Group Tree Security page).

VC - Tree Group Security		
Page Security on Group		
Find   View All   First   1-11 of 21   Last		
*Component Name		
GB_GRP_DEFN_TABLE	Group Build - Group Definition	+ -
RC_VC_CALCWRD_G	Calculate Award by Group	+ -
RC_VC_CALCWRD_P	Calculate Award by Plan	+ -
VC_AWD_ALLOC	Award Allocation	+ -
VC_AWD_ALLOC_WG	Award Allocation with Groups	+ -
VC_EE_HISTORY	Employee Var Comp History	+ -
VC_GRP_ALLOC	Group Funding Allocation	+ -
VC_GRP_ATN	Group Goal Attainments	+ -
VC_IND_ATN	Ind. Attainments w/o Groups	+ -
VC_IND_WG_ATN	Ind. Attainments w/ Groups	+ -
VC_MTX_ATN	Matrix Attainment panelgroup	+ -

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 sync 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 affected 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, you need to ensure that the messaging server is up on the application server for the service operation queue *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 Service Operations Monitor to verify that *TREE\_CHANGE* service operations are processed correctly.

---

## **Reporting on Tree Membership**

This section discusses how to report on tree membership.

### **Pages Used to Report on Tree Membership**

<b>Page Name</b>	<b>Definition Name</b>	<b>Navigation</b>	<b>Usage</b>
Tree Member Overlap	RUNCTL_VCP001	Compensation, Variable Compensation, Variable Comp Reports, Tree Member Overlap, 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 (Variable Compensation Group).

Page Name	Definition Name	Navigation	Usage
Tree Consistency Report	RUNCTL_VC_REP	Compensation, Variable Compensation, Variable Comp Reports, Tree Consistency Report, 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 receive the appropriate awards.

## Reporting on Tree Membership

Access the Tree Member Overlap page (Compensation, Variable Compensation, Variable Comp Reports, Tree Member Overlap, Tree Member Overlap).

**Tree Member Overlap**

Run Control ID: GN2009M01-101      [Report Manager](#)    [Process Monitor](#)   

Language:

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

&Parameters	
Tree Name	As Of Date
1 <input type="text"/>	<input type="text"/>

Tree Member Overlap page

Select the tree whose membership you want to report on.

Click Run and then select the process from the process list.

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

Process Scheduler Request page

**Note.** You can select the VC Tree Group Member Overlap (PSJob) process to run both the AE (Application Engine) and the Structured Query Report (SQR). Or you can run the AE first, followed by the SQR.

## Chapter 6

# Processing Eligibility and Proration

This chapter provides overviews of eligibility and proration calculation and proration factor calculations and discusses how to:

- Determine eligibility and calculate proration.
- View and adjust plan member eligibility.

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## Understanding Eligibility and Proration Calculation

Here are the basic steps you use to calculate eligibility and proration:

1. Set up plan membership.
2. Set up proration-related control tables (for prorated plans).
3. Run the Determine Eligibility/Proration Application Engine process (VC\_ELIG\_PRO).
  - 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 discusses:

- General proration factor calculation.
- 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

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

The Determine 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 for understanding proration calculation.

<b>Payout Period</b>	The time period of a payout. It is defined for the plan by begin and end dates on the Plan Payout Periods page.
<b>Prorate Period</b>	A subset of the plan payout period that is used for proration. The Eligibility/Proration process tests a worker's eligibility as of each proration period end date.
<b>Eligibility Evaluation Period</b>	The time period of the eligibility/proration calculation. Define begin and end dates on the run control page.

### ***Basic Proration Factor Calculation Process***

To calculate the proration factor:

1. Select Calculate Proration on the Plan Business Rules page.
2. Set up proration-related control tables.
  - Set up workday rules on the Workday Schedule page (for the workday schedule calculation method)
  - Set up proration percentage rules on the Percentage Proration Rules page (for the 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 Determine Eligibility 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 Eligible Employees by Plan or Eligible Employees by Group pages and on the Award Details section of the Allocate Awards 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.

### **Setting Up Prorate Periods**

You set up the prorate periods on the Prorate Periods page. Select *Calendar Days*, *Weekly*, or *Monthly* as the proration frequency (length of the proration period).

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**Note.** If you select *Calendar Days*, do not select a prorate % ID when the field appears. If you select *Weekly*, or *Monthly*, define which day of the week or month is the as of date for eligibility calculation.

---

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

### **Setting Up Prorate Periods**

You set up the prorate periods on the Prorate Periods page.

Select *Calendar Days*, *Weekly*, or *Monthly* as the proration frequency (length of the proration period).

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**Note.** If you select *Calendar Days*, do not select a prorate % ID when the field appears. If you select *Weekly*, or *Monthly*, define which day of the week or month is the as of date for eligibility calculation.

---

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

### **Example of Monthly Calculation**

This table describes the three proration periods in the example of monthly frequency with the end of the month as the period end date:

<b>Description</b>	<b>Date</b>
Evaluation period begin date	04/01/2000
Evaluation period end date	06/30/2000
Proration period end dates	April 30, May 31, June 30

The process evaluates eligibility for each of the three proration periods of the evaluation period. Workers who are 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:

Goal Weight  $\times$  Performance Level of the Attainment Value

### Setting Up Workday Schedule Calculation

To set up workday schedule calculation:

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

Goal Weight  $\times$  Performance Level of the Attainment Value

### Example

Workday Schedule Definition:

<i>Day</i>	<i>Factor</i>
Sunday	0
Monday	1
Tuesday	1
Wednesday	1
Thursday	1
Friday	1

<b>Day</b>	<b>Factor</b>
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 1.

## 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 Proration Percentage Calculation

To set up proration percentage calculation:

1. Set up proration percentage rules on the Percentage Proration Rules 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:

<b>Eligible Days</b>	<b>Proration Percentage</b>
10	35.00

<i>Eligible Days</i>	<i>Proration Percentage</i>
21	65.00
31	100

Sample of proration factors:

<i>Employee's Eligible Days</i>	<i>Proration Factor</i>
5	35 percent
17	65 percent
22	100 percent

---

## Proration Calculation Method 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 Determine Eligibility proration process does not calculate the proration factor for such workers who fall off the tree. For prorated plans, the Consistency Report, available from the Variable Compensation report menu, provides a list of the names and employee IDs 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 5, "Setting Up Plan Membership," Reporting on Tree Membership, page 57](#)

## Determining Eligibility and Calculating Proration

The Determine Eligibility/Proration Application Engine process (VC\_ELIG\_PRO) tracks the eligibility history of each plan member from the payout period start date to the payout period end date. Run the Determine 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.** The Determine Eligibility proration process calls the VC\_ELIG\_PRO SQL query that retrieves only the most current effective-dated row in Job data for the employee, even if the employee has more than one job action within the time period specified in the group definition in Group Build.

**Note.** If you rerun the Determine 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

<i>Page Name</i>	<i>Definition Name</i>	<i>Navigation</i>	<i>Usage</i>
Determine Eligibility	RUNCTL_VC_ELIG	Compensation, Variable Compensation, Identify Eligible Recipients, Determine Eligibility, Determine Eligibility	Run the Determine Eligibility proration process, which populates the Eligible Employees by Plan and Eligible Employees by Group pages, updates eligibility status, and calculates proration for prorated plans.

### Running the Determine Eligibility Proration Process

Access the Determine Eligibility page (Compensation, Variable Compensation, Identify Eligible Recipients, Determine Eligibility, Determine Eligibility).

## Determine Eligibility

Run Control ID: 1 [Report Manager](#) [Process Monitor](#)

### Process Request Parameters

Plan ID:	<input type="text" value="HVEMPOTR"/>		Employee with Daily Proration
Payout Period ID:	<input type="text" value="1"/>		Eval As of Date: <input type="text"/>
Eval Begin Date:	<input type="text"/>		Eval End Date: <input type="text"/>

Determine Eligibility 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 Eligible Employees by Plan page.

**Plan ID** Select the VC plan for which you want to calculate eligibility and proration.

**Payout Period ID** Select the ID for the payout period during which you want to calculate eligibility and 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 Allocate Awards 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

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

This section provides overviews of how to view and adjust plan member eligibility and eligibility status and discusses how to:

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

### Understanding How to View and Adjust Plan Member Eligibility

When you run the Determine Eligibility proration process, the system enters eligible plan members and their eligibility status on the Eligible Employees by Plan page or the Eligible Employees by Group 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 during the life of the VC plan.

---

**Note.** Rerun the Determine Eligibility proration process if you adjust eligibility on the Eligible Employees by Plan pages.

---

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

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

### ***Using the Eligible Employees by Plan 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 Eligible Employees by Plan Page for Employee VC Record Without Groups***

When the plan member rule is Employee Variable Compensation Record (without groups), use the Eligible Employees by Plan 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 5, "Setting Up Plan Membership," Setting Up Plan Members for Ad Hoc Awards, page 44](#)

## **Understanding Eligibility Status**

The Determine 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 Determine 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 Eligible Employees by Plan page or Eligible Employees by Group 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:

<b><i>Plan Member Rule</i></b>	<b><i>Source of Automatic Status</i></b>	<b><i>Source of Manual Status</i></b>
Ad Hoc Awards	Not Possible.	Entered on the Eligible Employees by Plan page.
Employee VC Record (without groups)	Eligibility date entered on the Individual's Payout page.	Entered on the Eligible Employees by Plan 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 Eligible Employees by Group 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 Determine 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 shown here:

<b>Plan Member Rule</b>	<b>Non-prorated Plan</b>	<b>Prorated Plan</b>
Ad Hoc Awards	Automatic status is not possible.	Automatic status is not possible.
Employee VC Record (without groups)	On the eligibility evaluation as of date, the member is active in the Employee VC table and the employee status on the Job record is not excluded under the plan rules.	During the entire eligibility evaluation period, the member is active in the Employee VC table and the employee status on the Job record is not excluded under the plan rules.
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 Determine 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 shown here:

<b>Plan Member Rule</b>	<b>Non-prorated Plan</b>	<b>Prorated Plan</b>
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 Determine 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 Eligible Employees by Plan or Eligible Employees by Group 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

<b>Page Name</b>	<b>Definition Name</b>	<b>Navigation</b>	<b>Usage</b>
Eligible Employees by Plan	VC_PLAN_MEM_TBL	Compensation, Variable Compensation, Identify Eligible Recipients, Eligible Employees by Plan, Eligible Employees by Plan	View and adjust member eligibility for plans that do not use groups, 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 Eligible Employees by Plan page or Eligible Employees by Group page.	View or correct historical plan member eligibility data.
Eligible Employees by Group	VC_PLAN_MEM_WG_TBL	Compensation, Variable Compensation, Identify Eligible Recipients, Eligible Employees by Group, Eligible Employees by Group	View and adjust member eligibility if the plan uses groups.
Individual's Payout	VC_EE_VCOMP	Compensation, Variable Compensation, Identify Eligible Recipients, Individual's Payout, Individual's Payout	Add or delete plan members for plans that specify Empl VC Record (without groups) as the plan member rule.

## Viewing and Adjusting Member Eligibility

Access the Eligible Employees by Plan page (Compensation, Variable Compensation, Identify Eligible Recipients, Eligible Employees by Plan, Eligible Employees by Plan).

### Eligible Employees by Plan

Plan ID: HVVCT2 VC TC Empl VC Record  
 Period ID: 2000-1  
 Period Begin Date: 01/01/2000 Period End Date: 03/31/2000  
 Eval As of Date: 03/31/2000

Name:

Employee ID:  Eligibility Status:   Sort Members by  
 Empl ID  
 Name

1 to 4 of 4

Plan Member Details							Customize   Find      First 1-4 of 4 Last	
Allocate Compensation	*Empl ID	Name	Empl Record	*Eligibility Status	*As of Date			
	HXEC01	Kelsey MacGregor	0	Auto Eligible	03/31/2000	<input type="button" value="+"/>	<input type="button" value="-"/>	
	HXEC02	George MacGregor	0	Auto Eligible	03/31/2000	<input type="button" value="+"/>	<input type="button" value="-"/>	
	HXEC03	Patsy Weatherford	0	Auto Eligible	03/31/2000	<input type="button" value="+"/>	<input type="button" value="-"/>	
	HXEC09	Susan Rice	0	Auto Eligible	03/31/2000	<input type="button" value="+"/>	<input type="button" value="-"/>	

Eligible Employees by Plan page

**Period Begin/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:

<b>VC Plan Conditions</b>	<b>Default Value</b>
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 Determine Eligibility proration process run control page.
Prorated plan	The Eval End Date. Enter this date on the Determine 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, and 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:

<b>Name</b>	Enter one or more letters to filter by workers' last names.
<b>EmplID</b> (employee ID)	Enter one or more numbers to filter by employee IDs.
<b>Eligibility Status</b>	Select an available value to filter by status.
<b>Search</b>	Click 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 to eliminate 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.
<b>Sort Members by</b>	Select whether to display the members 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 evaluation 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 evaluation 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:

<i>Plan Member Rule</i>	<i>Add EmplID</i>
Ad Hoc Awards Or Employee VC Record with Groups Or Define Tree/Group	Authorized in Update/Display or Correct History mode when you add 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 member's 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).

Entering or changing the Eligibility status on the Eligible Employees by Plan page or Eligible Employees by Group page is subject to these conditions:

<i>Plan Member Rule</i>	<i>Add Eligibility Status</i>	<i>Change Eligibility Status</i>
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 you add 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> .

<b>Plan Member Rule</b>	<b>Add Eligibility Status</b>	<b>Change Eligibility Status</b>
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 you add 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 automatic 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 evaluation as of date and the payout period end date only.

**Proration**

Appears only for prorated plans. The Determine 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 (click the Member History Data button to the left of the plan member's data row on the Eligible Employees by Plan page or Eligible Employees by Group page).

Member History	
<b>Plan Member</b>	
Empl ID:	HXEC01
Empl Record:	0
Name:	Kelsey MacGregor
<b>Eligibility History</b>	
Find   View All   First   1 of 1   Last	
As of Date	*Eligibility Status
<input type="text"/>	Man Elig
	+ -

Member History page

The system displays the plan member's identification information from the corresponding data row in the Eligible Employees by Plan page or Eligible Employees by Group 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 evaluation as of date at the top of the Eligible Employees by Plan page or Eligible Employees by Group 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 Eligible Employees by Group page (Compensation, Variable Compensation, Identify Eligible Recipients, Eligible Employees by Group, Eligible Employees by Group).

### Eligible Employees by Group

Plan ID: KCORP Tree Plan - Corporate Compensation  
 Period ID: Q1  
 Period Begin Date: 01/01/2000 Period End Date: 03/31/2000

Groups Find | View All First 1 of 5 Last

Group ID: KCSALES Sales CAN  
 As of Date: 03/31/2000  
 Name:   
 Employee ID:  Eligibility Status:

Sort Members by  
 Empl ID  
 Name

Plan Member Details <span style="float: right;">Customize   Find   First 1-4 of 4 Last</span>						
*Empl ID	Name	Empl Record	*Eligibility Status	*As of Date	Proration	
<input type="text" value="KC0008"/>	Kenneth Wilson	<input type="text" value="0"/>	Manual Eligible	<input type="text" value="03/31/2000"/>	0.000	<input type="button" value="+"/> <input type="button" value="-"/>
<input type="text" value="KC0013"/>	Margaret Tucker	<input type="text" value="0"/>	Manual Eligible	<input type="text" value="03/31/2000"/>	0.000	<input type="button" value="+"/> <input type="button" value="-"/>
<input type="text" value="KC0022"/>	Betty Sinclair	<input type="text" value="0"/>	Manual Eligible	<input type="text" value="03/31/2000"/>	0.000	<input type="button" value="+"/> <input type="button" value="-"/>
<input type="text" value="KC0027"/>		<input type="text" value="0"/>	Manual Eligible	<input type="text" value="03/31/2000"/>	0.000	<input type="button" value="+"/> <input type="button" value="-"/>

Eligible Employees by Group page

The fields on this page are identical to the fields on the Eligible Employees by Plan 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 6, "Processing Eligibility and Proration," Viewing and Adjusting Plan Member Eligibility, page 67](#)

## Maintaining Eligibility for Employee Variable Compensation Record Plans

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 Eligible Employees by Plan page.

See [Chapter 5, "Setting Up Plan Membership," Setting Up Members with Employee Variable Compensation Records, page 45.](#)

### 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.

### ***Eligible Employees by Plan Page***

Use the Eligible Employees by Plan page to change a member's eligibility status.

### ***See Also***

[Chapter 6, "Processing Eligibility and Proration," Viewing and Adjusting Plan Member Eligibility, page 67](#)

## Chapter 7

# Setting Up and Using Weighted Goals

This chapter provides overviews of weighted goals and discusses how to:

- Set up weighted goals.
- Enter weighted goal attainments.
- Run the Organization and Group Goals report.

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## Understanding Weighted Goals

This section discusses:

- Weighted goal terminology.
- Weighted goal levels.
- Steps for using weighted goals.
- Calculation of the performance factor.

## Weighted Goal Terminology

This section discusses terminology related to weighted goals.

**Goal** A performance measure that you define on the Goals 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, head count).

## **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 7, "Setting Up and Using Weighted Goals," Running the Organization and Group Goals Report, page 90](#)

[Chapter 3, "Setting Up Data Elements," Defining Goals, page 19](#)

## **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 Goals page.
2. Define weighted goals as a plan option on the 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 with Groups (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.

## Calculation of 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.

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

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 Calculation and Award Calculation***

The following diagram illustrates a performance factor calculation for goals established at three levels, using the formula:

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

Goals	Plan Goal Weight Percentage	Weighted Goal Percentage	Attainment Percentage	Performance Factor
Org. Goal 1	50	35	100	.175
Org. Goal 2	50	65	125	.40625
Group Goal 1	35	50	75	.13125
Group Goal 2	35	50	50	.0875
Individual Goal 1	15	100	100	.15
<b>Total Performance Factor</b>				.95

Performance factor calculation with plan goal weight percentages, weighted goal percentages, attainment percentages, and performance factors

The Calculate Awards process multiplies the prorated target payout by the performance factor to calculate the award.

The following data is used to calculate the quarterly award in this example:

<i>Data Description</i>	<i>Data Value</i>
Worker salary	50,000 USD (annual rate)
Plan payout formula	15% of base pay (quarterly)
Proration factor	0.75
Performance factor	0.95 (calculated in the preceding example)

Here is the calculation of the award:

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

---

## Setting Up Weighted Goals

This section provides an overview of weighted goal setup, lists prerequisites, and lists the pages used to set up weighted goals at the plan, group, or individual level.

## Understanding Weighted Goal Setup

To set up 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 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**

This table illustrates setting up 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**

This table illustrates setting up three goals at one level:

<i>Goal</i>	ROI	EPS (Enrollment Planning Service)	TSR (Total Shareholder Return)
<i>Weighting Percent</i>	50 percent	25 percent	25 percent
<i>Comments</i>	ROI goal of 18 percent	EPS of 2.35 USD	11 percent of TSR

## Prerequisites

Before you can set up the goal weights, you must:

- Define goals.

See [Chapter 3, "Setting Up Data Elements," Defining Goals, page 19.](#)

- Set up the plan definition for weighted goals.

See [Chapter 4, "Setting Up Variable Compensation Plans," Specifying the VC Plan Definition, page 29.](#)

## Pages Used to Set Up Weighted Goals

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

<b>Page Name</b>	<b>Definition Name</b>	<b>Navigation</b>	<b>Usage</b>
Default Individual Goals	VC_IND_GOAL	<ul style="list-style-type: none"> <li>Set Up HRMS, Product Related, Compensation, Variable Compensation, Plan Goals, Default Individual Goals</li> <li>Compensation, Variable Compensation, Maintain Plan, Plan Goals, Default Individual Goals</li> </ul>	<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's Goals page, where you can modify them for individual workers.</p>
Default Individual Goals (with groups)	VC_IND_GOAL_WG	<ul style="list-style-type: none"> <li>Set Up HRMS, Product Related, Compensation, Variable Compensation, Plan Goals with Groups, Default Individual Goals</li> <li>Compensation, Variable Compensation, Maintain Plan, Plan Goals w/ Groups, Default Individual Goals</li> </ul>	<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 w/in Group page, where you can modify them for individual workers.</p>

## Entering Weighted Goal Attainments

This section provides an overview of weighted 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 Weighted 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

<b>Page Name</b>	<b>Definition Name</b>	<b>Navigation</b>	<b>Usage</b>
Organization's Goals	VC_ORG_GOAL_ATN	Compensation, Variable Compensation, Define Goal Attainments, Organization's Goals, Organization's Goals	Enter the goal attainments for the organization goals that you set up for the plan.
Group's Goals	VC_GRP_GOAL_ATN	Compensation, Variable Compensation, Define Goal Attainments, Group's Goals, Group's Goals	Enter the goal attainments for the group goals that you set up for the plan.
Individual's Goals	VC_IND_GOAL_ATN	Compensation, Variable Compensation, Define Goal Attainments, Individual's Goals, 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.
Individual w/in Group (individual within group)	VC_IND_GOAL_WG_ATN	Compensation, Variable Compensation, Define Goal Attainments, Individual w/in Group, 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's Goals page (Compensation, Variable Compensation, Define Goal Attainments, Organization's Goals, Organization's Goals).

The screenshot shows the 'Organization's Goals' page with the following details:

- Plan ID:** KCORP, Tree Plan - Corporate Compensation
- Payout Period:** Q1, Total Weight: 100.00
- Organization Attainment Detail:**
  - Goal ID:** KCUSTOMER, Customer Satisfaction
  - Weight:** 40.00
  - Description:**
  - Attainment:** 90.00
  - Long Description:**

Organization's Goals 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's Goals setup page. You must enter a goal attainment for each goal that you set up. The system uses 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.
- Long Description** Enter any information pertinent to the goal attainment.

## Entering Group Goal Attainments

Access the Group's Goals page (Compensation, Variable Compensation, Define Goal Attainments, Group's Goals, Group's Goals).

The system attributes the performance factor of a group 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's Goals page, with the addition of the Group ID field.

**Group ID** Select the ID of the group for which you want to enter goal attainments. The system displays the description of the group.

**See Also**

[Chapter 7, "Setting Up and Using Weighted Goals," Entering Organization Goal Attainments, page 87](#)

## Entering Individual Goal Attainments

Access the Individual's Goals page (Compensation, Variable Compensation, Define Goal Attainments, Individual's Goals, Individual's Goals).

The Individual's Goals page is similar to the Group's Goals page and the Organization's Goals 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 goals of the individual before entering goal attainments.

<b>Period ID</b>	Displays the ID for the plan payout period for which you want to enter goal attainments.
<b>No Goals</b>	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.
<b>Total Weight</b>	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.
<b>Goal ID</b>	Displays a row for each default goal ID that you enter on the Organization's Goals setup page. Select a data row for a default goal ID, or add a new goal by selecting an ID from the options.
<b>Weight</b>	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.
<b>Attainment</b>	Enter the percentage attained value for each goal.

## Entering Goal Attainments for Individuals with Groups

Access the Individual w/in Group page (Compensation, Variable Compensation, Define Goal Attainments, Individual w/in Group, Individual w/in Group).

### Individual w/in Group

Plan ID: KCORP      Tree Plan - Corporate Compensation

Period ID: Q1

**Groups** Find | View All   First 1 of 5 Last

Group ID: KCSALES      Sales CAN

**Employee Details** Find | View All   First 1 of 4 Last

Employee ID: KC0008      Kenneth Wilson

Record: 0

Total Weight: 100.00       No Goals

**Individual Goal Attainments** Find | View All   First 1 of 1 Last

\*Goal ID:       Individual Sales Goals + -

Weight:

Attainment:

Long Description:

Individual w/in Group 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 goals of the individual before entering goal attainments.

All fields on this page are identical to the fields on the Individual's Goals page, with the addition of the Group ID field.

**Group ID**      Displays the group ID of the plan members whose goal attainments you want to enter.

### See Also

[Chapter 7, "Setting Up and Using Weighted Goals," Entering Individual Goal Attainments, page 88](#)

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## Running the Organization and Group Goals Report

This section lists the page used to run the Organization and Group Goals report (VC011).

### Page Used to Run the Organization and Group Goals Report

<i>Page Name</i>	<i>Definition Name</i>	<i>Navigation</i>	<i>Usage</i>
Organization and Group Goals	RUNCTL_VC_REP	Compensation, Variable Compensation, Variable Comp Reports, Organization and Group Goals, 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.

## Chapter 8

# Setting Up and Using Matrix Goals

This chapter provides an overview of matrix goals and discusses how to:

- Set up matrix goals.
- Enter matrix goal attainments.

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## Understanding Matrix Goals

This section discusses the following topics and provides an example of goals matrix and performance score calculation:

- Types of matrix goals.
- Matrix goal terminology.
- Steps for 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 shown here:

- 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.

<b>Weight</b>	The weighting percentages assigned to the performance goals that you set up in the matrix.
<b>Threshold</b>	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.
<b>Target</b>	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.
<b>Stretch</b>	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.
<b>Performance level</b>	<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. Common practice is 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>
<b>Attainment</b>	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.

<b>Score</b>	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.
<b>Total score</b>	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.
<b>Payout schedule</b>	Schedule of performance score ranges and associated payout formulas.
<b>Payout formula</b>	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 Goals page.
2. Define the goals matrix option on the 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 goals 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:

- a. Determines the performance score for each goal.
- b. Sums the scores of all goals.
- c. Determines the payout formula.

6. Calculate the award using the payout formula by running the Calculate Awards process.
7. Determines the performance score for each goal

**See Also**

Chapter 3, "Setting Up Data Elements," Defining Goals, page 19

## Example of Goals Matrix and Performance Score Calculation

This example illustrates a sample goal matrix with five rows showing threshold, target, and stretch amounts:

Goals	Weight	Performance Levels					Attainment	Score
		Threshold	Target	Stretch	Performance Values	Performance Values		
		80%	90%	100%	110%	120%		
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 showing threshold, target, and stretch amounts

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 corresponds 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:

<b>Range</b>	<b>Payout Formula</b>
80–90	3% of quarterly base pay
90–100	5% of quarterly base pay
100–110	7% of quarterly base pay
110–120	10% of quarterly base pay

<i>Range</i>	<i>Payout Formula</i>
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.

## Setting Up Matrix Goals

To set up matrix goals, use the Plan Goals (VC\_PLAN\_GOAL) and Plan Goals with Groups (VC\_PLAN\_GOAL\_WG) components.

This section discusses how to:

- Define a goal matrix for a plan without groups.
- Define a goal matrix for a plan with groups.
- Assign payout formulas to performance score ranges.

## Pages Used to Set Up Matrix Goals

<i>Page Name</i>	<i>Definition Name</i>	<i>Navigation</i>	<i>Usage</i>
Matrix Goals	VC_MTX_GOAL	<ul style="list-style-type: none"> <li>• Set Up HRMS, Product Related, Compensation, Variable Compensation, Plan Goals, Matrix Goals</li> <li>• Compensation, Variable Compensation, Maintain Plan, Plan Goals, Matrix Goals</li> </ul>	Define the goals matrix for a variable compensation plan that does not use groups.
Matrix Goals (with groups)	VC_MTX_GOAL_WG	<ul style="list-style-type: none"> <li>• Set Up HRMS, Product Related, Compensation, Variable Compensation, Plan Goals with Groups, Matrix Goals</li> <li>• Compensation, Variable Compensation, Maintain Plan, Plan Goals w/ Groups, Matrix Goals</li> </ul>	Define the goals matrix for a variable compensation plan that uses groups.

Page Name	Definition Name	Navigation	Usage
Payout Schedule	VC_PAYOUT_SCHED	Click the Payout Schedule link on the Plan Goals - Matrix Goals page or the Plan Goals with Groups - Matrix Goals page.	Assign payout formulas to ranges of performance scores.

## Defining a Goal Matrix for a Plan Without Groups

Access the Matrix Goals page (Set Up HRMS, Product Related, Compensation, Variable Compensation, Plan Goals, Matrix Goals).

Organization Goals | Default Individual Goals | **Matrix Goals**

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
<a href="#">Payout Schedule</a>	75.00	90.00	105.00

Goals Matrix Find | View All First 1-2 of 2 Last

*Goal ID	*Weight	75	90	105	
HXVCGOAL01	75.00	1.50	3.00	5.00	+ -
HXVCGOAL05	25.00	90.00	95.00	100.00	+ -

Total Weight: 100.00

Plan Goals - Matrix Goals page

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

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

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

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

<b>Goal ID</b>	Select an ID from the options.
<b>Weight</b>	Enter a weight for the goal ID. Express weighting percents in up to two decimal places, for example, 18.25 percent. To save the page, the total of all weights for the payout period ID must equal 100 percent.
<b>Threshold, Target, Stretch</b>	For each goal ID, enter a performance value to be attained at each threshold, target, and stretch performance level in the matrix. Depending upon how you measure the goal, express the performance value as a percentage or as a flat amount.
<b>Total Weight</b>	The system sums the weighting percents as you enter them for each goal and displays the cumulative total in the Total Weight field. Adjust the weights for goals until the sum of all weighting percents for the payout period is 100 percent. To save the page, the total weight must equal 100 percent.

## Defining a Goal Matrix for a Plan With Groups

Access the Matrix Goals page (Set Up HRMS, Product Related, Compensation, Variable Compensation, Plan Goals with Groups, Matrix Goals).

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

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<b>Group ID</b>	<p>The Group ID field appears on the page only if you administer the plan using groups accessed from the Plan Goals with Groups component.</p> <p>Select the group ID for which you want to set up a goals matrix. The system displays the description of the group. The system automatically applies the goals matrix of the highest group to all groups on the tree.</p> <p>If you want to set up a different goals matrix for lower-level groups, insert a row, select the lower-level group ID, and set up the matrix. When calculating awards, the system automatically applies the matrix to child groups unless you select a lower group and set up a different matrix.</p>
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### See Also

[Chapter 8, "Setting Up and Using Matrix Goals," Defining a Goal Matrix for a Plan Without Groups, page 97](#)

## Assigning Payout Formulas to Performance Score Ranges

Access the Payout Schedule page (click the Payout Schedule link on the Plan Goals - Matrix Goals page or the Plan Goals with Groups - Matrix Goals page).

## Payout Schedule

Plan ID: HVGRPGLMTX      Group with Goals Matrix

Period ID: 1

Group ID:

Payout Schedule			
From Score	To Score	*Payout Formula	
75.00	90.00	HX16K	VC 16000 <span style="float: right;">+ -</span>
90.00		HX32500	VC 32500 <span style="float: right;">+ -</span>

Payout Schedule page

- From Score**      Enter the low score in the range for which you want to assign a payout formula. For example, if you want to set a range from 80 to 90, enter 80. The lowest value in the From Score field should be equal to or higher than the threshold score.
- To Score**      The system populates this field with the From Score that you enter in the next row.
- The system interprets the range up to the To Score, at the level of two decimal places. For example, if the range is 80–90, any score up to 89.99 is in the range. A score of 90 is in the next range.
- Payout Formula**      Select a Payout Formula for the range of scores that you defined.

---

## Entering Matrix Goal Attainments

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	Definition Name	Navigation	Usage
Matrix Goals	VC_MTX_GOAL_ATN	Compensation, Variable Compensation, Define Goal Attainments, Matrix Goals, 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 Goals w/in Group	VC_MTX_GOAL_WG_ATN	Compensation, Variable Compensation, Define Goal Attainments, Matrix Goals w/in Group, 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 Goals page (Compensation, Variable Compensation, Define Goal Attainments, Matrix Goals, Matrix Goals).

### Matrix Goals

**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
<a href="#">Payout Schedule</a>	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 style="width: 40px;" type="text"/>	0.00
HXVCGOAL05	25.00	90.00	95.00	100.00 <input style="width: 40px;" type="text"/>	0.00

**Total Weight:** 100.00      **Payout Formula:**      **Total Score:** 0.000

Define Goal Attainments - Matrix Goals 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***

<b>Attainment</b>	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.
<b>Score</b>	The system calculates the performance score by multiplying the goal weight by the performance level that was calculated for the attainment.
<b>Total Score</b>	The system displays the sum of the performance scores for all goals. It uses the total score to determine the payout formula.
<b>Payout Formula</b>	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 Goals w/in Group page (Compensation, Variable Compensation, Define Goal Attainments, Matrix Goals w/in Group, Matrix Goals w/in Group).

This page and its fields are identical to the Define Goal Attainments - Matrix Goals page, with the addition of this field:

<b>Group ID</b>	<p>Find the group ID for which you want to enter goal attainment values. Only the groups for which you have security access are available.</p> <p>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.</p>
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## Chapter 9

# Funding Variable Compensation Plans and Groups

This chapter provides an overview of variable compensation funding and discusses:

- How to budget awards.
- How to fund variable compensation plans.
- Group funding allocation.
- How to allocate funds to groups.

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## 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 Allocate Awards page.

To fund a variable compensation plan:

1. Select Funded Plan on the 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 Allocate Group Funding 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 [Chapter 9, "Funding Variable Compensation Plans and Groups," Understanding Group Funding Allocation, page 109.](#)

### 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 or plan funding to the total value of calculated awards for the group or 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 this formula:

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

Adjustment factor formula

In other words, the formula is the actual funded amount for each group or plan less the sum of the minimum awards for that group or 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 Allocate Awards 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	Definition Name	Navigation	Usage
Budget	RUNCTL_VC_REP	Compensation, Variable Compensation, Variable Comp Reports, Budget, Budget	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 page (Compensation, Variable Compensation, Variable Comp Reports, Budget, Budget).

Budget 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.

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**Note.** Different fields appear on this page based on the plan that the goal options implemented in the plan.

---

**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.

**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

To set up funding for variable compensation plans, use the Plan Funding (VC\_PLAN\_FUNDING) component.

This section provides an overview of plan funding and discusses how to allocate funds to a variable compensation plan.

### Understanding Plan Funding

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 no adjustment factor exists for these plans. The available balance of funding appears on the Allocate Awards 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 9.1 PeopleBook*, "Administering Variable Compensation Grants," Allocating Stock to the Variable Comp Stock Fund

## Page Used to Fund Variable Compensation Plans

Page Name	Definition Name	Navigation	Usage
Plan Funding	VC_PLAN_FUNDING	<ul style="list-style-type: none"> <li>Set Up HRMS, Product Related, Compensation, Variable Compensation, Plan Funding, Plan Funding</li> <li>Compensation, Variable Compensation, Maintain Plan, Plan Funding, Plan Funding</li> </ul>	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 during the life of the plan.

## Allocating Funds to a Variable Compensation Plan

Access the Plan Funding page (Set Up HRMS, Product Related, Compensation, Variable Compensation, Plan Funding, Plan Funding).

### Plan Funding

Plan ID: KCORP Tree Plan - Corporate Compensation

Plan Funding: 170,000.00 USD

Funds Available: 90,000.00 USD

Funding Details							Customize   Find   View All   First 1-2 of 2 Last
Seq Nbr	*Funding Date	Amount Funded	Currency	Last Updated User Name	Last Update Timestamp		
1	01/01/2000	80,000.00	USD	PS	05/22/2000 5:42PM		+
2	06/01/2000	90,000.00	USD	PS	05/22/2000 5:42PM		+

Plan Funding page

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

<b>Monetary Plans</b>	<b>Non-monetary Plans</b>	<b>Stock Plans</b>
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	no entry	no entry

**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.

**Funding Details**

**Seq. Nbr.** (sequence number) The system sequentially numbers the rows in the grid. The default for the first row is 1.  
 You cannot delete a saved row.

**Funding Date** Enter the date of the funding that you are allocating to the plan. Today's date is the system default.

<b>Amount Funded</b>	(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.
<b>Funding Units</b>	(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.

---

## Understanding Group Funding Allocation

This section discusses the following topics and provides a summary of group funding procedures and an example of group funding allocations:

- Top down funding.
- Managers and approvers.

### Top Down Funding

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.

### 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 Allocate Group Funding pages and Allocate Awards by Group 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 and managers are given access to the groups that they manage.

---

**Note.** 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 that:

- 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.

The following sections discuss how 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 Allocate Group Funding 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 Allocate Awards page.
2. The approver of the group approves the award of the group's manager on the Allocate Awards page. The approver:
  - a. Modifies the award if desired.
  - b. Changes 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 Allocate Awards 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 Allocate Group Funding page.

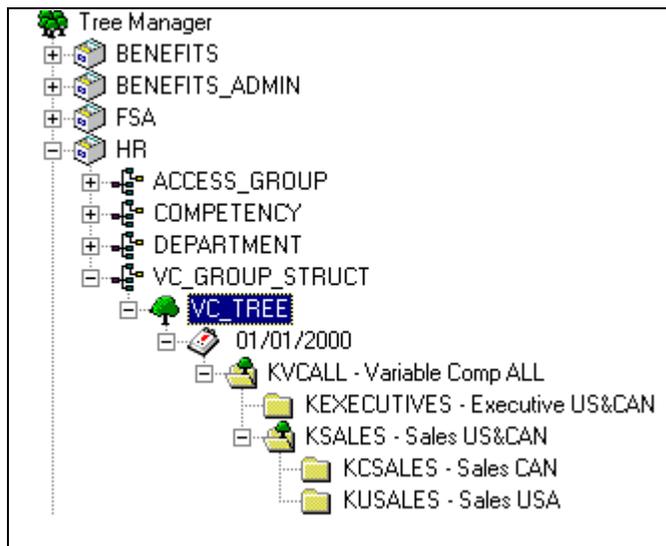
8. The approvers or managers of the child groups receive a workflow notice.
  - For each subgroup that includes the managers as group members (as indicated in this example), the approver gets a workflow message saying that he should run the Calc Awards process for that group and subsequently approve 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. Steps 3 through 8 are repeated for each group moving down the tree, because not the same person is doing each step.

## 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 and includes various groups and subgroups.



VC Tree example showing the relationships of various groups and subgroups

**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 Determine 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.

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.

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

<b>Top Group Level 0</b>	<b>Group Members and Subgroups on Level 1</b>	<b>Group Members and Subgroups on Level 2</b>	<b>Group Members</b>
	KU0082		
	KEXECUTIVES Approver KU0003 Manager KC0002		
		<i>KC0002</i>	
		<i>KC0005</i>	
	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>Top Group Level 0</i>	<i>Group Members and Subgroups on Level 1</i>	<i>Group Members and Subgroups on Level 2</i>	<i>Group Members</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 like this:

## 1. Fund and award KVCALL group members:

- a. User KU0002 runs the Determine Allocations process using the Determine Allocation 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 by Group page.
- d. User KU0002 modifies and approves the award for KU0003, manager of KVCALL, using the Allocate Awards by Group page.

Approval for the manager must always be manual in the Allocate Awards by Group page.

- e. User KU0003 (manager of KVCALL) modifies the awards for his direct reports (KU0007) and sets them to Recommended status using the Allocate Awards by Group page.
- f. User KU0002 (approver for KVCALL) approves the award for KU0007.

The approver manually approves the award using the Allocate Awards by Group page or automates 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 Allocate Group Funding page.
- b. User KU0003 runs the Calculate Awards process for KEXECUTIVES and KSALES using the Calculate by Group page.
- c. User KU0003 modifies and approves the awards for KC0002 (manager of KEXECUTIVES) and KC0013 (manager of KSALES) using the Allocate Awards by Group page.
- d. User KC0002 (manager of KEXECUTIVES) modifies the awards for his direct reports (KU0005) and sets them to Recommended status using the Allocate Awards by Group page.
- e. User KU0003 (approver for KEXECUTIVES) approves the awards for KU0005.

The approver manually approves the awards using the Allocate Awards by Group page or automates 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 Allocate Awards by Group page.
- g. User KU0003 (approver for KSALES) approves the award for KU0082.

The approver manually approves the award using the Allocate Awards by Group page or automates 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 Allocate Group Funding page.
- b. User KC0013 runs the Calculate Awards process for KCSALES and KUSALES using the Calculate by Group page.
- c. User KC0013 modifies and approves the awards for KC0008 (manager of both KCSALES and KUSALES) using the Allocate Awards by Group 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 Allocate Awards by Group page.
- e. User KC0013 (approver for KCSALES) approves the awards for KC0022 and KC0027.

The approver manually approves the awards using the Allocate Awards by Group page or automates 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 Allocate Awards by Group page.
- g. User KC0013 (approver for KUSALES) approves the awards for KU0051 and KU0064.

The approver manually approves the awards using the Allocate Awards by Group page or automates 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 125](#)

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## **Allocating Funds to Groups**

This section provides an overview of page access and discusses how to:

- Distribute plan funding among groups.
- Allocate funds for the payout period.

## **Understanding Access to the Allocate Group Funding Page**

The approver of the highest group on the tree must access the Allocate Group Funding 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 Allocate Group Funding page.

At each level of groups on the tree, the group manager's access to his or her group on this page is restricted in the following way. 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 Allocate Awards 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 Allocate Awards 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, a manager's access to his or her group is not restricted.

## Pages Used to Allocate Funds to Groups

<i>Page Name</i>	<i>Definition Name</i>	<i>Navigation</i>	<i>Usage</i>
Allocate Group Funding	VC_GRP_ALLOC	Compensation, Variable Compensation, Calculate Awards, Allocate Group Funding, Allocate Group Funding	Distribute the plan funding among the groups on the tree.
Group Funding Allocation - Fund Plan	VC_GRP_ALLOC_SEC	Click the Fund Plan link on the Allocate Group Funding 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.
Funds Allocation	RUNCTL_VC_REP	Compensation, Variable Compensation, Variable Comp Reports, Funds Allocation, Funds Allocation	Run the Funding Allocations report (VC006). After you allocate funds to groups, use the optional Funds Allocation 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.

## Distributing Plan Funding Among Groups

Access the Allocate Group Funding page (Compensation, Variable Compensation, Calculate Awards, Allocate Group Funding, Allocate Group Funding).

### Allocate Group Funding

Variable Compensation Plan ID: KCORP Tree Plan - Corporate Compensation

Period ID: Q1

Group ID: KVCALL Variable Comp ALL

Original Allocation: 75000.00 Number of Employees: 12

Balance: 37000.00

Reserves: 0.00

Left | Right

- Variable Comp ALL
- Executive US&CAN
- Sales US&CAN
- Sales CAN
- Sales USA

Group(s)		Performance Factor			
Group ID:	KEEXECUTIVES	Executive US&CAN	PF	Weight	Net PF
<b>Group</b>					
Target Value:		12376.00			
Calculated Award:		11955.22			
<b>Manager</b>					
Target Value:		10500.00			
Calculated Award:		10143.00			
Number of Employees:		2			
Original Allocation:		22000.00			
Balance:		12000.00			
Reserves:		0.00	Amount:	<input type="text"/>	

Allocate Group Funding 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** Displays the ID that you entered to access the page.

**Fund Plan** This link is available when the authorized approver of the highest group accesses the page using the highest group ID. The approver clicks this link to access the Fund Plan page 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.

<b>Reserves</b>	The balance of funding from previous periods that is still available for allocation to the group.
<b>Number of Employees</b>	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, the system subtracts 1.
<b>Group ID</b>	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.

<b>Target Amt</b> (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 are equal to the performance value associated with the target performance level on the matrix.
<b>Calc Award</b> (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 accesses the page, this information is not visible.

<b>Target Amt</b> (manager's target amount)	The target value for the manager, as calculated by the Determine Allocations process.
<b>Calc Award</b> (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.

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

**Amount**

Enter a positive or negative amount of funding for the child group, including the manager. In determining this amount, consider:

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

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

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

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

- Increases the original allocation and balance of the child group
- Decreases the balance of the parent group

The system does not enable you to enter an amount that is greater than the sum of the balance and reserve of the parent group

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

- Decreases the original allocation and balance of the child group
- Increases the balance parent group

If you enter a negative amount that exceeds the amount in the balance of the child group, the system updates these fields:

- Decreases the amount in the balance of the child group until the balance is 0.
- Decreases the original allocation amount of the child group equally to the amount of decrease in the balance.
- Decreases the remaining amount from the reserves of the child group
- Increases the balance of the parent group

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

After you reduce the funds from the reserve of your child group, you cannot put them back. For example, assume that the parent balance is 0, the original allocation, balance, and reserve of the child are 400, 400, and 300, respectively, before you enter an amount. After 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 Group Funding Allocation - Fund Plan page (click the Fund Plan link on the Allocate Group Funding page).

### Fund Plan

Fund Plan			
Target Value:	520000.00		
Calculated Award:	520000.00		
Funds Available:	450000.00		
Original Allocation:	520000.00		
Balance:	3120.00	Amount:	<input style="width: 100px;" type="text" value="3000.00"/>
Reserves:	0.00		

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.
- 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.
- 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.

**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.

**Reserves**

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



## Chapter 10

# Calculating Allocations and Awards

This chapter provides an overview of awards calculations and discusses how to:

- Determine allocations.
- Calculate awards.
- View and adjust awards allocations.
- Report on awards calculations.

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## Understanding Awards Calculation

This section discusses calculation processes and lists terms and definitions.

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## Calculation Processes

The system employs the Allocate Awards page and these processes when calculating variable compensation (VC) allocations and awards:

- The Determine Allocation Application Engine process (V\_DET\_ALLOC) 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 Application Engine process (VC\_CALWRD and VC\_CALWRD\_WG) 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 Allocate Awards 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 Allocation process or the Calculate Awards process for Ad Hoc plans. Instead, go directly to the Allocate Awards page and manually enter the ad hoc award for each plan member.

### ***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 Allocation 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 Allocate Awards by Plan page.
6. Change the award status on the Allocate Awards by Plan page when the award is ready for approval or submittal.

### ***Calculation Processes with Group Funding***

If your plan uses groups and funding, allocate funding to groups in the hierarchy using the Allocate Group Funding 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 Allocate Awards page, the Approve Awards process (if applicable), and the Allocate Group Funding page before the next lower level of managers can fund their groups.

## **Terms and Definitions**

<b>Payout Formula</b>	Formulas that the system uses to calculate target, minimum, and maximum payouts under the plan. Define payout formulas on the Payout Formulas setup page.
<b>Target Payout Formula</b>	The payout formula that the Determine Allocation 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.
<b>Minimum Payout Formula</b>	The formula that the Calculate Awards process uses to determine the minimum award that the plan member should receive under the plan. Optionally, assign minimum payout formulas at the plan or group level.
<b>Maximum Payout Formula</b>	The formula that the Calculate Awards process uses to determine the maximum award that the plan member should receive under the plan. Optionally, assign maximum payout formulas at the plan or group level.
<b>Proration Factor (or Prorate Factor)</b>	A factor calculated by the Determine Eligibility/Proration process. 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.

<b>Adjustment Factor</b>	A factor calculated and applied by the Calculate Awards process to adjust each individual award by the same ratio for funded plans when not enough funding is available to pay out the calculated awards.
<b>Performance Factor</b>	<p>The factor that 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>
<b>Target Award</b>	<p>The award received upon completion of 100 percent of all applicable goals, including organization, group, and individual goals.</p> <p>The Determine Allocation 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 Allocate Awards page.</p>
<b>Minimum Award</b>	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 Allocation process calculates the minimum award.
<b>Maximum Award</b>	<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 Allocation process calculates the maximum award.</p>
<b>Target Value</b>	<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 Allocation process calculates this value and enters it in the Target Value field on the Allocate Awards page.</p>
<b>Calculated Award</b>	<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 Allocate Awards page.</p>
<b>Adjusted Award</b>	<p>The calculated award multiplied by the adjustment factor.</p> <p>The Calculate Awards process calculates the adjusted award and enters it in the Adjusted Award field and in the Actual Award field on the Allocate Awards page.</p>
<b>Actual Award</b>	<p>The adjusted award as further changed on the Allocate Awards page by manual adjustment or carryover amount.</p> <p>If not changed, the actual award is equal to the adjusted award. When approved, the actual award is the amount of currency or units approved for payout or distribution.</p>

<b>Award Value</b>	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.
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## Determining Allocations

This section provides an overview and discusses how to run the Determine Allocation process.

### Understanding the Determine Allocation Process

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

#### ***Determining Allocations for Variable Compensation***

When you run the Determine Allocation 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 Allocate Group Funding 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.

#### ***Determining Allocations for Total Compensation Reporting***

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

- 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 time frame.

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

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**Note.** The Total Compensation Extract from the Variable Compensation business process does not extract any data for stock-type plans.

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### See Also

Chapter 9, "Funding Variable Compensation Plans and Groups," *Understanding Group Funding Allocation*, page 109

*PeopleSoft Enterprise Human Resources 9.1 PeopleBook: Report Total Compensation*

## Page Used to Determine Allocations

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

## Running the Determine Allocation Process

Access the Determine Allocation page (Compensation, Variable Compensation, Calculate Awards, Determine Allocation, Determine Allocation).

## Determine Allocation

Run Control ID: 01 [Report Manager](#) [Process Monitor](#)

**Process Request Parameters**

Plan ID:

Period ID:

Rate Type:

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*.

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## Calculating Awards

The Calculate Awards process calculates both monetary and non-monetary variable-compensation (VC) awards, including stock awards. It enters the results of its calculations on the Allocate Awards 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 Allocation process.
- Group and organization performance factors computed by the Determine Allocation process.
- Proration factor computed by the Determine Eligibility/Proration process.
- Funding amounts entered on the Plan Funding and Allocate Group Funding 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 for calculating the award.

The Calculate Awards process then:

1. Calculates one of these formulas:

<b><i>Business Rules</i></b>	<b><i>Formula</i></b>
No proration or goals	Target Value
Proration	Target Value × Proration Factor
Weighted goals	Target Value × Performance Factor
Weighted goals and proration	Target Value × Proration Factor × Performance Factor
Matrix goals	Value of the payout from the Payout Schedule
Matrix goals and proration	Value of the payout from the Payout Schedule × 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 proration factor of the group member 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: Stores the adjusted award 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, and then calculates the award value by applying valuation and VC rounding rules to the award unit.

- Updates the Award table and sets the Award status to Init Calc (initial calculated).

The system populates the Allocate Awards page from the Award table. Modify and approve awards on the Allocate Awards 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.

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**See Also**

Chapter 9, "Funding Variable Compensation Plans and Groups," Understanding Group Funding Allocation, page 109

## Pages Used to Calculate Awards

<i>Page Name</i>	<i>Definition Name</i>	<i>Navigation</i>	<i>Usage</i>
Calculate by Plan	RUNCTL_VC_CALWRD_P	Compensation, Variable Compensation, Calculate Awards, Calculate by Plan, Calculate by Plan	Run the Calculate Awards process for plans that do not use groups. This process calculates awards and enters calculation data on the Allocate Awards by Plan page.  Select a VC plan ID and payout period.
Calculate by Group	RUNCTL_VC_CALWRD_G	Compensation, Variable Compensation, Calculate Awards, Calculate by Group, Calculate 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 Allocate Awards by Group page.  Select a VC plan ID, payout period, and group ID.

---

## Viewing and Adjusting Awards Allocations

This section provides overviews of award status and the Allocate Awards pages and describes how to:

- View and adjust awards for plans without groups.
- View and adjust awards for plans with groups.
- Use the Allocate Awards page for Ad Hoc Awards.

## Understanding Award Status

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

The system tracks awards in these fields on the Allocate Awards pages:

<b>Award Status</b>	Shows the status of the individual award within a plan or group.
<b>Group Status</b>	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 differences exist at the individual and group levels of awards tracking:

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

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

**Application of Individual and Group Award Status Codes**

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.

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

---

<b><i>Procedure That Modifies the Status</i></b>	<b><i>Individual Award Status Approval</i></b>	<b><i>Individual Award Status No Approval</i></b>	<b><i>Group Status Approval</i></b>	<b><i>Group Status No Approval</i></b>
Calculate Awards	Initial Calculation	Initial Calculation	Initial Calculation	Initial Calculation
Allocate Awards	Recommended or Canceled	Ready to Submit or Canceled	Ready to Submit	Ready to Submit
Approve Awards	Approved	Not Applicable	Ready to Submit	Not Applicable
Publish to payroll, stock, or flat file.	Submitted	Submitted	Submitted	Submitted
Subscribe to payroll or stock. (Error)	Error	Error	Corrections Required	Corrections Required
Subscribe to payroll or stock. (Rejected)	Rejected	Rejected	Rejected	Rejected
Subscribe to payroll or stock. (Paid/Granted)	Paid/Granted	Paid/Granted	Paid/Granted	Paid/Granted

## Understanding the Allocate Awards pages

After you run the Calculate Awards process, use the Allocate Awards by Plan page or Allocate Awards by Group 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 in the following way:

- 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, a manager's access to his or her group is not restricted.

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

## **Pages Used to View and Adjust Awards Allocations**

<b>Page Name</b>	<b>Definition Name</b>	<b>Navigation</b>	<b>Usage</b>
Allocate Awards by Plan	VC_AWD_ALLOC	Compensation, Variable Compensation, Finalize Awards, Allocate Awards by Plan, Allocate Awards by Plan	View and change the awards calculated by the Allocate Awards by Plan process or enter awards for Ad Hoc plans. Also view and change the award status of individual awards.

<b>Page Name</b>	<b>Definition Name</b>	<b>Navigation</b>	<b>Usage</b>
Allocate Awards by Group	VC_AWD_ALLOC_WG	Compensation, Variable Compensation, Finalize Awards, Allocate Awards by Group, Allocate Awards by Group	View and change the awards calculated by the Allocate Awards 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 Allocate Awards by Plan page.

## Viewing and Adjusting Awards for Plans Without Groups

Access the Allocate Awards by Plan page (Compensation, Variable Compensation, Finalize Awards, Allocate Awards by Plan, Allocate Awards by Plan).

### Allocate Awards by Plan

Plan ID:	HXVCT2	VC TC Empl VC Record	
Period ID:	2000-1	End Date:	03/31/2000
Group Status:	Submitted	Sent to Payroll:	08/13/2001
Name:	<input type="text"/>		
ID:	<input type="text" value="HXEC03"/>	1 to 1 of 1	<input type="button" value="Search"/>

Sort by  
 Empl ID     Name

Employee Award			
Find   View All		First	1 of 1
Employee ID:	HXEC03	Patsy Weatherford	
Status:	Auto Elig	Empl Record:	0
Earnings Code:	<input type="text" value="AWD"/> Award - Non Cash	Award Date:	<input type="text" value="08/13/2001"/>
		*Award Status:	<input type="text" value="S"/> Submitted
		Modifier (%):	<input type="text" value="100.00"/> System
		Actual Award:	<input type="text" value="1.000000"/>
Guarantee:	0.00	Award Value:	2000.00 USD
Award Detail			
Target Value:	1.00	Prorate Factor:	1.000
Calculated Award:	1.00	Original Performance Factor:	0.0000
Adjustment Factor:	0.000	Group Performance Factor:	0.0000
Adjusted Award:	1.00	Individual Performance Factor:	1.0000
Original Award (Units):	1.000000		
Original Award Value:	2000.00		

Allocate Awards by Plan page

**Note.** Depending upon the business rules that 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**                For funded plans, the system enters the sum of all plan funding amounts that you entered on the Plan Funding page with a date prior to the payout period end date.  
  
This field does not appear on the page if the plan is not funded, or if you allocated funds to groups.
- Available**                      For funded plans, the system displays the funds remaining for distribution that have not been allocated to awards. The system updates the Available field each time the Actual Award amount changes.  
  
This field does not appear on the page if the plan is not funded, or if you allocated funds to groups.

**Group Status**

The status that applies to awards in this payout period for the entire plan or entire group (if the plan uses groups).

The Calculate Awards process enters the default value of *Initial Calculation*. If the Group Status is *Submitted*, all editable fields on the page are unavailable for entry.

The system changes the Group Status according to the status of the entire group of individual awards. Values are:

- *I - Initial Calculation*
- *D - Ready to Submit*
- *S - Submitted*
- *E - Corrections Required*
- *J - Rejected*
- *P - Paid/Granted*

**EmplID and Name**

When you specify a plan ID and payout period ID upon accessing 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 hide 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, *12 to 20 of 56* 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**

Select to display the plan member records in the page in the order of *EmplID* or *Name*.

**Status**

The worker's eligibility status in the plan.

See [Chapter 6, "Processing Eligibility and Proration," Viewing and Adjusting Plan Member Eligibility, page 67.](#)

**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.

<b>GP Earnings</b> (global payroll 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.
<b>Carryover Balance, Accum Carryover, Carryover Amount</b>	<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>
<b>Carryover Balance</b>	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.
<b>Accum Carryover</b> (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 USD, and later enter 100 USD in the Carryover Amount field, the Accum Carryover field 1 shows 400 USD. If you later enter a negative amount of –150 USD in the Carryover Amount field, the Accum Carryover field shows 250 USD.</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 accumulated 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>
<b>Carryover Amount</b>	<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>When 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>
<b>Guarantee</b>	<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 *Approved* or *Ready to Submit* and save the page, the system sets the award date to the current date. If you approve awards using the Approve Awards process, the system sets the award date to the date that the process runs.

Manually change the award date to another date, such as the period end date.

If you try to change the *Approved* status to any other status, the system warns you that it will reset the award date to the period end date.

For Stock plans paid out through Stock Administration, the system changes the award date to the grant date after creating stock grants.

For plans paid out through PeopleSoft Payroll for North America, the system changes the award date to the value set by the payroll system as the date of payment.

**Award Status**

The status of the individual 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 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 USD and the modifier is 75 percent. The system changes the actual award to 750.00 USD ( $.75 \times 1000$ ).

Example 2: The adjusted award is 1,000 USD and the modifier is 110 percent. The system changes the actual award to 1,100 USD ( $1.10 \times 1000$ ).

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) This 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, 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 field 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 field as the actual award changes.

**Award Detail**

The business rules that you defined for the plan determine the fields that appear.

**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 not enough funding is available to pay out the calculated awards.

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

<b>Adjusted Award</b>	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.
<b>Original Award [Units]</b>	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.
<b>Original Award Value</b>	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.
<b>Prorate Factor</b>	A factor calculated by the Determine 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 on the page only if prorate eligibility is a plan business rule.
<b>Org Perf Factor</b> (organization performance factor)	A factor determined by the organization weighted goal attainments.  This field appears on the page only if the plan uses organization level weighted goals.
<b>Group Perf Factor</b> (group performance factor)	A factor determined by the group weighted-goal attainments.  This field appears on the page only if the plan uses group-level weighted goals.
<b>Ind Perf Factor</b> (individual performance factor)	A factor determined by the individual weighted goal attainments.  This field appears on the page only if the plan uses individual-level weighted goals.

## Viewing and Adjusting Awards for Plans with Groups

Access the Allocate Awards by Group page (Compensation, Variable Compensation, Finalize Awards, Allocate Awards by Group, Allocate Awards by Group).

### Allocate Awards by Group

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

Name:	<input type="text"/>				
ID:	<input type="text"/>	1 to 1 of 1			<input type="button" value="Search"/>

**Sort by**  
 Empl ID  
 Name

Employee Award		Find   View All   First   1 of 1   Last
Employee ID:	KU0003	Jean Parsons
Status:	Auto Elig	Empl Record: 0
Earnings Code:	<input type="text" value="BNS"/> Bonus	Award Date: <input type="text" value="05/24/2000"/>
		*Award Status: <input type="text" value="A"/> Approved
		Modifier (%): <input type="text" value="100.00"/> System Max
		Actual Award: <input type="text" value="5000.00"/>
		Award Value: 5000.00 USD

Award Detail			
Target Value:	25050.00	Prorate Factor:	1.000
Calculated Award:	5000.00	Original Performance Factor:	0.9900
Adjustment Factor:		Group Performance Factor:	0.8500
Adjusted Award:	5000.000000	Individual Performance Factor:	1.0000

Allocate Awards by Group page

All fields on this page are identical to the fields on the Allocate Awards by Plan page, with these exceptions:

- Group ID is an additional field on the Allocate Awards by Group page.

- The Orig Allocation (original allocation), Balance, and Reserves fields appear on the Allocate Awards by Group page for plans that use group funding allocations. These fields replace the Plan Funding and Available fields that appear on the Allocate Awards by Plan page.

<b>Group ID</b>	The ID that you entered to access this page, along with a description of the group.
<b>Orig Allocation</b> (original allocation)	The total amount that you funded to the group and period represented [or identified] by this ID for the period represented by this ID.
<b>Balance</b>	The unallocated balance of the original funding. The system increases and decreases the amount in this field when you change the award allocation for each group member.
<b>Reserves</b>	The balance of funding from previous periods that is still available for allocation to the group.

## Using the Allocate Awards Page for Ad Hoc Awards

If the plan member rule is Ad Hoc Award, do not run the Calculate Awards process prior to accessing the Allocate Awards 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 Allocate Awards page.

The members that you entered directly on the Plan Members page are available on the Allocate Awards 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

---

## Reporting Awards Calculations

The system provides reports to help you review the results of the Calculate Awards process and review carryover balances. This section lists the pages used to run the awards reports and discusses how to use the:

- Variance Report.
- Carryover Report.
- Non-Monetary Report.

## Page Used to Report Awards Calculations

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

## 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 discusses how to:

- Approve and submit awards.
- Integrate with payroll applications.
- Integrate with Stock Administration.
- Report on award payout and distribution.
- View and report on variable compensation history.

---

## Approving and Submitting Awards

This section provides an overview and discusses how to:

- Approve awards by plan.
- Approve awards by group.

## Understanding Approval and Submittal of Awards

When you're satisfied with the awards on the Allocate Awards 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. Deselect the Approve Awards check box on the Plan Business Rules page.

2. Manually set the Award Status of each award to *Ready to Submit* on the Allocate Awards 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 Allocate Awards 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 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 Allocate Awards 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 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 Allocate Awards 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 Allocate Awards page is *Recommended*, the approver runs the Approve Awards by Plan process or the Approve Awards by Group 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

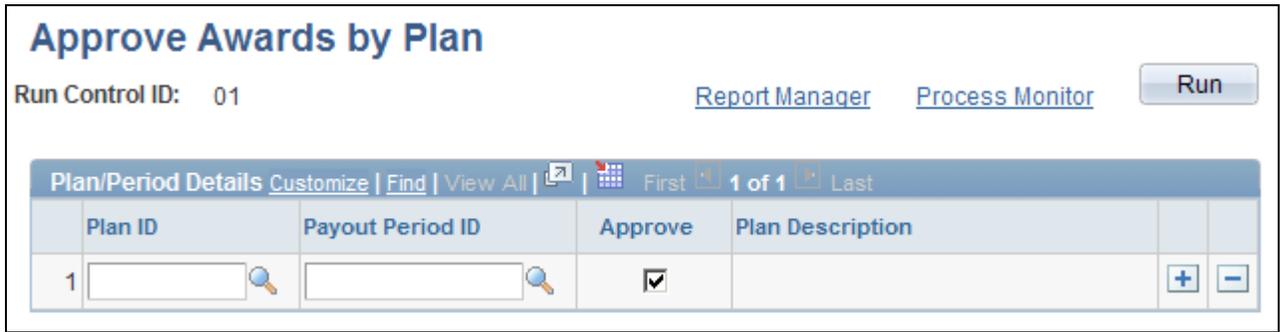
[Chapter 10, "Calculating Allocations and Awards," Viewing and Adjusting Awards Allocations, page 132](#)

## Pages Used to Approve and Submit Awards in Batch Process

<i>Page Name</i>	<i>Definition Name</i>	<i>Navigation</i>	<i>Usage</i>
Approve Awards by Plan	VC_RUNCTL_APPWRD_P	Compensation, Variable Compensation, Finalize Awards, Approve Awards by Plan, Approve Awards by Plan	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 Awards by Group	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 Awards by Plan page (Compensation, Variable Compensation, Finalize Awards, Approve Awards by Plan, Approve Awards by Plan).



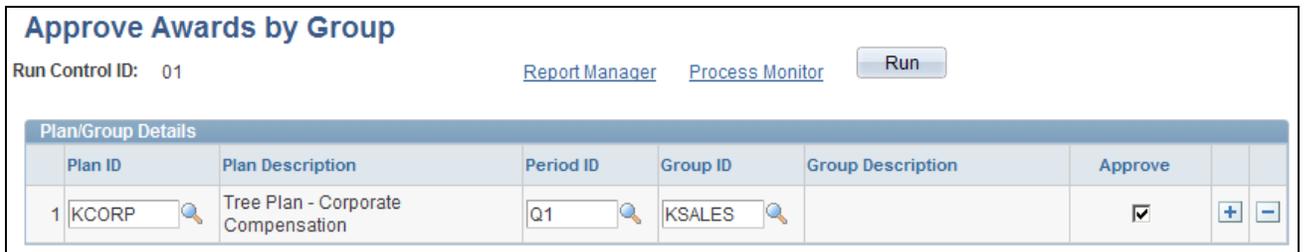
Approve Awards by Plan page

**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. Deselect 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 Awards by Group page (Compensation, Variable Compensation, Finalize Awards, Approve Awards by Group, Approve Awards by Group).



Approve Awards by Group page

This page is identical to the Approve Awards by Plan page with the addition of the Group ID field.

**Plan ID** The only available values are the VC plans for which this user ID has security access.

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## Integrating with Payroll Applications

This section provides an overview of integration with payroll applications and discusses how to:

- Integrate with PeopleSoft Payroll for North America and PeopleSoft Global Payroll.

- Set up integration points with payroll applications.

## Understanding Integration with Payroll Applications

When the Group Status field on the Allocate Awards page is *D* (ready to submit), the Variable Compensation system submits monetary and non-stock, non-monetary awards for payout.

### ***PeopleSoft Payroll for North America***

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

### ***PeopleSoft Global Payroll***

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

### ***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 PeopleSoft Payroll for North America or PeopleSoft Global Payroll, the system publishes the award through Integration Broker. If the worker is paid through Payroll Interface, the system creates a flat file for submittal.

## Integrating with PeopleSoft Payroll for PeopleSoft North America and Global Payroll

Integration between Variable Compensation and these two payroll applications is automated through PeopleSoft Integration Broker. 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.

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

---

**Note.** In this summary, *payroll* refers to both the PeopleSoft Payroll for North America and PeopleSoft Global Payroll applications unless otherwise specified.

---

1. VC publishes awards.

When the status of all individual awards on the Allocate Awards 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 Allocate Awards 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 is valid, payroll proceeds with processing.

- Erred or rejected awards:

When payroll validates the VC data, it checks for error conditions that require correction prior to payroll processing. If errors are detected, payroll publishes an acknowledgment to VC and supplies reason codes.

4. VC subscribes to the acknowledgement of rejected or erred awards. The subscription updates the Award tables.

- If all awards for a specified VC plan and payout period are rejected at VC request due to error in VC submission, the Group Status and Award Status are changed to *J* (rejected).
- If awards fail validation, the Group Status and Award Status are changed to *E* (error) and payroll supplies a reason code.
- The award date is updated to the current date.
- Workflow notification of erred or rejected awards is sent to the VC administrator.

If the awards are erred or rejected by PeopleSoft Payroll for North America, the VC administrator can run the Subscription Error report to see the details of rejections, errors, and reasons. Otherwise, the VC administrator can check the Service Operations 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.

- The subscription updates the Group Status and Award Status to *P* (paid/granted).
- The subscription updates the Award Date to the value set by payroll as the date of payment (PeopleSoft Payroll for North America only).

### **Error Reason Codes**

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

- PeopleSoft Payroll for North America error reason codes:
  - Invalid Earning Code (Invalid EC).
  - Invalid Employee ID & Record# (Invalid EE).
  - Invalid Currency Code (Invalid CC).
  - Transaction already exists (Tran exist).
  - Amount Exceeds Payroll Maximum (Exceed Max).
- 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).

### See Also

*PeopleSoft Enterprise Payroll for North America 9.1 PeopleBook*, "Integrating with PeopleSoft HRMS and Enterprise Expenses"

*PeopleSoft Enterprise Global Payroll 9.1 PeopleBook*, "Integrating with Variable Compensation Functionality"

## Setting Up Integration Points with Payroll Applications

Before using the integration between the Variable Compensation business process and PeopleSoft Payroll for North America or PeopleSoft Global Payroll, configure the Integration Broker local node, set up routings, and activate these service operations:

<b>Service Operation</b>	<b>Message Definition</b>
VAR_COMP_PAYMENT_REQUEST	VC publishes award data to PeopleSoft Payroll for North America and payroll subscribes to the award data.
VAR_COMP_PAYMENT_ACKNOWLEDGE	PeopleSoft Payroll for North America publishes payout data to VC and VC subscribes.
VAR_COMP_PAYMENT_REQUEST_GP	VC publishes award data to PeopleSoft Global Payroll and payroll subscribes to the award data.

<b>Service Operation</b>	<b>Message Definition</b>
VAR_CMP_PAYMENT_ACKNOWLEDGE_GP	PeopleSoft Global Payroll publishes payout data to VC and VC subscribes.

**See Also**

*Interactive Services Repository* in the Implementation Guide section of My Oracle Support.

*PeopleSoft Enterprise HRMS 9.1 Application Fundamentals PeopleBook*, "Working with Integration Points in Enterprise HRMS"

*Enterprise PeopleTools PeopleBook: Integration Broker*

---

## Integrating with Stock Administration

This section provides an overview and discusses how to set up the integration with Stock Administration.

### Summary of Integration with Stock Administration

When the Group Status on the Allocate Awards 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.

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 Allocate Awards 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 Allocate Awards page are changed to *S* (submitted).

2. Stock Administration subscribes to the 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* (error) 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 a data entry error occurred in the run control for generating the grants)
    - Batch publish of voided grants to VC sets Award Status to *C* (canceled).
    - 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.** After 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.

- It updates the Awards table and the Plan Funding table.
- Batch publishes affected 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 9.1 PeopleBook*, "Administering Variable Compensation Grants"

## Setting Up Integration Points with Stock Administration

Before using the integration between the Variable Compensation business process and Stock Administration, configure the Integration Broker nodes and activate the appropriate queues, handlers, and routings for these service operations:

<i>Service Operation</i>	<i>Message Definition</i>
AWARD_GRANT_ISSUE	Variable Compensation publishes award data to Stock Administration and Stock Administration subscribes to the award data.
GRANT_AWARD_UPDATE	Stock Administration publishes grant data to Variable Compensation and Variable Compensation subscribes.

### See Also

*Interactive Services Repository* in the Implementation Guide section of My Oracle Support.

*PeopleSoft Enterprise HRMS 9.1 Application Fundamentals PeopleBook*, "Working with Integration Points in Enterprise HRMS"

*Enterprise PeopleTools PeopleBook: Integration Broker*

---

## Reporting on 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 Allocate Awards 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 PeopleSoft Payroll for North America or Stock Administration.

## Page Used to Report on Award Payout and Distribution

<i>Page Name</i>	<i>Definition Name</i>	<i>Navigation</i>	<i>Usage</i>
Varies	RUNCTL_VC_REP	<ul style="list-style-type: none"> <li>• Compensation, Variable Compensation, Award Reports, Actual Awards, Actual Awards</li> <li>• Compensation, Variable Compensation, Award Reports, Subscription Errors, Subscription Errors</li> </ul>	<p>Use this page to run both reports:</p> <ul style="list-style-type: none"> <li>• Actual Awards report (VC001). You can select a detailed report or a summary report.</li> </ul> <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"> <li>• Subscription Error report (VC013).</li> </ul>

---

## Viewing and Reporting on Variable Compensation History

This section discusses how to use the Review Employee Award History page to view worker award history information online. Use the Review Employee Award History report or the Plan History report to print variable compensation history by worker or by plan, respectively.

## Pages Used to View and Report on Variable Compensation History

<i>Page Name</i>	<i>Definition Name</i>	<i>Navigation</i>	<i>Usage</i>
Review Employee Award History	VC_EE_HISTORY	Compensation, Variable Compensation, Finalize Awards, Review Employee Award History, Review Employee Award History	View the history of a worker's target and actual awards in each plan and payout period.

Page Name	Definition Name	Navigation	Usage
Employee History	RUNCTL_VC_EEHIS_RP	Compensation, Variable Compensation, Award Reports, Employee History, Employee History	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	RUNCTL_VC_REP	Compensation, Variable Compensation, Award Reports, Plan History, Plan History	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 Review Employee Award History page (Compensation, Variable Compensation, Finalize Awards, Review Employee Award History, Review Employee Award History).

Review Employee Award History						
Betty Locherty		EMP	ID: KU0007	Empl Record: 0		
Plan Details						
Plan ID: KCORP Tree Plan - Corporate Compensation						
Employee Details						
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 USD				
Total Target Award:		15000.000000 USD				

Review Employee Award 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.

<b>Award Value</b>	The value of the award granted in each period, expressed in the currency of the plan.
<b>Target Value</b>	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.
<b>Total Actual Award</b>	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.
<b>Total Target Award</b>	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.



# Index

## A

- Actual Awards Report page 147
- ad hoc awards
  - allocating awards 145
  - funding 106
  - sample plan diagram 9
  - setting up membership 44
- Allocate Awards by Group page 137, 143
- Allocate Awards by Plan page 136, 137
- Allocate Group Funding page 117
- Approve Awards by Group page 151, 152
- Approve Awards by Plan page 151
- award allocation
  - determining for total compensation reporting 128
  - determining for variable compensation 128
  - understanding 135
- award approval
  - approving by batch process 150
  - approving by group 152
  - approving by plan 151
  - approving manually 150
  - understanding 149
- award calculation
  - determining allocations 128
  - overview 125, 130
  - reporting 146
  - terms and definitions 126
  - viewing and adjusting 132
  - with group funding 126
  - without group funding 125
- award payout
  - error reason codes 154
  - integrating with payroll applications 152
  - integrating with Stock Administration 156
  - payroll integration points 155, 158
  - stock administration integration points 158
- award status 133
- award status codes
  - applying status codes 134
  - status code definitions 133

## B

Budget page 104, 105

## C

- Calculate Awards Report page 147
- Calculate by Group page 132
- Calculate by Plan page 132
- carryover balance, adjusting 140
- Carryover Report 147
- Current Employee Compensation page 46

## D

- Default Individual Goals page 85
- Default Individual Goals page - with groups 85
- Determine Allocation page 129
- Determine Eligibility page 65

## E

- eligibility
  - calculating 59
  - correcting historical data 75
  - proration factor calculation overview 60
  - setting up proration tables 19
  - understanding eligibility status 68
  - understanding plan member 67
  - viewing and adjusting 67, 71
- eligibility proration parameters, defining
  - percentage rules 21
  - proration periods 23
  - workday rules 20
- Eligible Employees by Group page 71, 76
- Eligible Employees by Plan page 44, 71
- Employee History page 160
- Employee History Report 147
- employee variable compensation record 45
- error reason codes 154

## F

- funding
  - Allocate Group Funding page 116
  - allocating to groups 109
  - budgeting awards 104
  - distributing plan among groups 117
  - group allocation steps 114
  - group funding allocations example 111
  - identifying managers and approvers 109
  - plan funding 106
  - processing group allocations 110
  - reporting on group funding allocations 117
  - understanding 103
  - understanding the adjustment factor 104
- Funding Allocations Report 117
- Fund Plan page 122
- Funds Allocation page 117

## G

- goals
  - defining 19
- goals, matrix
  - entering attainments 99
  - example 94
  - performance score calculation 95

- setting up 96
  - steps 93
  - types 91
  - understanding 91
- goals, weighted 79
  - calculating performance factor 81
  - entering attainments 85
  - levels 79
  - setting up 80, 82
- Goals page 19
- Group's Goals page 86, 87
- group build
  - attaching to variable compensation trees 49
  - creating groups 48
- Group Funding Allocation - Fund Plan page 117
- Group Goals page 84
- groups, creating 48
- Group Tree Security page 53
- guarantees 48

## I

- implementation
  - component interface 2
  - setup manager 2
- Individual's Goals page 86, 88
- Individual's Payout page 45, 46, 71
- Individual w/in Group page 86, 89
- integration points
  - payroll 155, 158
  - stock administration 158

## M

- matrix goals
  - entering attainments 99
  - entering attainments with groups 101
  - entering attainments without groups 100
  - example 94
  - performance score calculation 95, 96
  - steps for using 93
  - terminology 92
  - types 91
  - understanding 91
- Matrix Goals page - Define Goal Attainments 100
- Matrix Goals page - Plan Goals 96, 97
- Matrix Goals page - Plan Goals with Groups 96, 98
- Matrix Goals w/in Group page 100, 101
- Member History page 71

## N

- Non-Monetary Report 147

## O

- Organization's Goals page 86, 87
- Organization and Group Goals page 90
- Organization and Group Goals report 90

- Organization Goals page 84

## P

- payout formulas
  - assigning 36
  - defining 14
  - Plan Payouts page 38
  - Plan Payouts With Groups page 38
- Payout Formulas page 14
- Payout Schedule page 97, 98
- PeopleSoft Tree Manager
  - with variable compensation groups 50
- Percentage Proration Rules page 20, 21
- performance factor calculation for weighted goals 81
- Plan Business Rules page 28, 32
- Plan Definition page 28, 29
- Plan Funding page 107
- Plan History page 160
- Plan History Report 147
- plan member rules *See* plan membership
- plan membership
  - description of membership rules 43
  - setting up 43
  - setting up for ad hoc awards 44
  - setting up with employee variable compensation record 45
- Plan Payout Periods page 29, 35
- Plan Payouts page 38
- Plan Payouts With Groups page 38, 39
- plan types 25
  - monetary plans 25
  - non-monetary plans 26
  - other 27
  - stock plans 26
- Prorate Periods page 20, 23
- proration calculation, eligibility 59, 60
  - Determine Eligibility/Prorate process 65
  - frequency method 61
  - proration percentage method 63
  - understanding factors 59
  - when members fall off tree 64
  - workday schedule method 62
- proration periods, defining 23
- proration tables, setting up 19

## R

- reports
  - Actual Awards Report 147
  - award payout and distribution 158
  - awards calculations 146
  - Budget 104
  - Calculate Awards Report 147
  - carryover 148
  - Carryover Report 147
  - Employee History 160
  - Employee History Report 147
  - Non-Monetary Report 147
  - Organization and Group Goals report 90
  - Plan History Report 147
  - tree membership 57
  - variable compensation history 159

- variance 148
- Variance Report 147
- weighted goals 90
- Review Employee Award History page 159, 160

## S

- stock plans, funding 106
- stock plans, setup steps 27

## T

- Tree/Group plan sample diagram 10
- Tree Consistency Report page 58
- Tree Member Overlap page 57, 58

## V

- valuation, defining 17
- Valuations page 18
- variable compensation
  - creating monetary plan types 25
  - creating non-monetary plans 26
  - funding overview 103
  - integrating, overview 1
  - plan definition overview 5
  - plan membership options, overview 6
  - plan types, overview 5
  - reporting overview 9
  - stock-type plans 26
  - viewing history 159
- variable compensation funding
  - processing group allocations 110
- variable compensation plans
  - award payout overview 9
  - business rules and options summary list 7
  - defining 27
  - eligibility and awards processing overview 8
  - funding 106
  - funding plans and groups 103
  - goal options, overview 6
  - monetary plans 25
  - non-monetary plans 26
  - Plan Business Rules page 28
  - Plan Definition page 28
  - sample ad hoc plan diagram 9
  - setting up 25
  - setting up data elements 13
  - setting up weighted goals 82
  - stock type plans 26
  - tree and group plan diagram 10
  - understanding plan types 25
- variable compensation plans, defining
  - goals 19
  - payout formulas 14
  - valuation 17
- variable compensation records, maintaining 77
- variable compensation trees
  - attaching groups 49
  - definitions and properties 51
  - effective dates 51
  - establishing security 53

- managing duplicates 52
- PeopleSoft Tree Manager 50
- reporting tree membership 57
- understanding 50
- updating security 56
- Variance Report page 147
- VC - Tree Group Security page 53, 55
- VC Termination Status page 28, 34

## W

- weighted goals
  - calculating performance factor 81
  - entering attainments 85
  - entering group goal attainments 87
  - entering individual goal attainments 88
  - levels 79
  - performance factor example 81
  - setting up 80, 82
  - understanding 79
  - understanding attainments 86
- Workday Schedule page 20

