Oracle® HRMS for Korea

Supplement

Release R12.1

 Part No. F18179-03

May 2020

ORACLE®

Contents

Send Us Your Comments

Preface

1 Organization Structures

2 Compensation and Benefits Management

3 Payrolls

4 Payroll Management

5 Payroll Statutory Deductions and Reporting

6 Payroll Processing and Analysis

7 Recruitment and Hiring

8 People Management

9 Legislative Formulas

10 Implementation Steps

Index

Send Us Your Comments

Oracle HRMS for Korea Supplement, Release R12.1

Part No. F18179-03

Oracle welcomes customers' comments and suggestions on the quality and usefulness of this document. Your feedback is important, and helps us to best meet your needs as a user of our products. For example:

- Are the implementation steps correct and complete?
- Did you understand the context of the procedures?
- Did you find any errors in the information?
- Does the structure of the information help you with your tasks?
- Do you need different information or graphics? If so, where, and in what format?
- Are the examples correct? Do you need more examples?

If you find any errors or have any other suggestions for improvement, then please tell us your name, the name of the company who has licensed our products, the title and part number of the documentation and the chapter, section, and page number (if available).

Note: Before sending us your comments, you might like to check that you have the latest version of the document and if any concerns are already addressed. To do this, access the new Oracle E-Business Suite Release Online Documentation CD available on My Oracle Support and www.oracle.com. It contains the most current Documentation Library plus all documents revised or released recently.

Send your comments to us using the electronic mail address: appsdoc_us@oracle.com

Please give your name, address, electronic mail address, and telephone number (optional).

If you need assistance with Oracle software, then please contact your support representative or Oracle Support Services.

If you require training or instruction in using Oracle software, then please contact your Oracle local office and inquire about our Oracle University offerings. A list of Oracle offices is available on our Web site at www.oracle.com.

Preface

Intended Audience

Welcome to Release R12.1 of the *Oracle HRMS for Korea Supplement*.

This guide assumes you have a working knowledge of the following:

- The principles and customary practices of your business area.

- Oracle HRMS.

  If you have never used Oracle HRMS, Oracle suggests you attend one or more of the Oracle HRMS training classes available through Oracle University

- Oracle Self-Service Web Applications.

- The Oracle Applications graphical user interface.

  To learn more about the Oracle Applications graphical user interface, read the *Oracle E-Business Suite User's Guide*.

See Related Information Sources on page xii for more Oracle E-Business Suite product information.

Documentation Accessibility

For information about Oracle's commitment to accessibility, visit the Oracle Accessibility Program website at http://www.oracle.com/pls/topic/lookup?ctx=acc&id=docacc.

Access to Oracle Support

Oracle customers that have purchased support have access to electronic support through My Oracle Support. For information, visit http://www.oracle.

com/pls/topic/lookup?ctx=acc&id=info or visit http://www.oracle.com/pls/topic/lookup?ctx=acc&id=trs if you are hearing impaired.

Structure

1 **Organization Structures**
2 **Compensation and Benefits Management**
3 **Payrolls**
4 **Payroll Management**
5 **Payroll Statutory Deductions and Reporting**
6 **Payroll Processing and Analysis**
7 **Recruitment and Hiring**
8 **People Management**
9 **Legislative Formulas**
10 **Implementation Steps**

Related Information Sources

Oracle HRMS shares business and setup information with other Oracle Applications products. Therefore, you may want to refer to other user guides when you set up and use Oracle HRMS.

You can read the guides online by choosing Library from the expandable menu on your HTML help window, by reading from the Oracle Applications Document Library CD included in your media pack, or by using a Web browser with a URL that your system administrator provides.

If you require printed guides, you can purchase them from the Oracle store at http://oraclestore.oracle.com.

Guides Related to All Products

Oracle E-Business Suite User's Guide

This guide explains how to navigate, enter data, query, and run reports using the user interface (UI) of Oracle E-Business Suite. This guide also includes information on setting user profiles, as well as running and reviewing concurrent requests.

Guides Related to This Product

Oracle Daily Business Intelligence for HRMS User Guide

This guide describes the dashboards and reports available for HR Line Managers, Chief HR Officer, Budget Managers, and Benefits Managers using Daily Business Intelligence for HRMS. It includes information on using parameters, how DBI for HRMS derives values, and how to troubleshoot dashboards and reports.

Oracle Daily Business Intelligence for HRMS Implementation Guide

This guide provides basic setup procedures for implementing and maintaining HRMS-related dashboards.

Oracle Daily Business Intelligence Implementation Guide

This guide describes the common concepts for Daily Business Intelligence. It describes the product architecture and provides information on the common dimensions, security considerations, and data summarization flow. It includes a consolidated setup checklist by page and provides detailed information on how to set up, maintain, and troubleshoot Daily Business Intelligence pages and reports for the following functional areas: Financials, Interaction Center, iStore, Marketing, Product Lifecycle Management, Projects, Procurement, Sales, Service, Service Contracts, and Supply Chain.

Oracle Daily Business Intelligence User Guide

This guide describes the common concepts for Daily Business Intelligence. It describes the product architecture and provides information on the common dimensions, security considerations, and data summarization flow. It includes a consolidated setup checklist by page and provides detailed information on how to set up, maintain, and troubleshoot Daily Business Intelligence pages and reports for the following functional areas: Financials, Interaction Center, iStore, Marketing, Product Lifecycle Management, Projects, Procurement, Sales, Service, Service Contracts, and Supply Chain.

Oracle Application Framework Personalization Guide

Learn about the capabilities of the OA Framework technologies.

Oracle Human Resources Management Systems Enterprise and Workforce Management Guide

Learn how to use Oracle HRMS to represent your enterprise. This includes setting up your organization hierarchy, recording details about jobs and positions within your enterprise, defining person types to represent your workforce, and also how to manage your budgets and costs.

Oracle Human Resources Management Systems Workforce Sourcing, Deployment, and Talent Management Guide

Learn how to use Oracle HRMS to represent your workforce. This includes recruiting new workers, developing their careers, managing contingent workers, and reporting on your workforce.

Oracle Human Resources Management Systems Payroll Processing Management Guide

Learn about wage attachments, taxes and social insurance, the payroll run, and other processes.

Oracle Human Resources Management Systems Compensation and Benefits Management Guide

Learn how to use Oracle HRMS to manage your total compensation package. For example, read how to administer salaries and benefits, set up automated grade/step progression, and allocate salary budgets. You can also learn about setting up earnings and deductions for payroll processing, managing leave and absences, and reporting on compensation across your enterprise.

Oracle Human Resources Management Systems Configuring, Reporting, and System Administration Guide

Learn about extending and configuring Oracle HRMS, managing security, auditing, information access, and letter generation.

Oracle Human Resources Management Systems Implementation Guide

Learn about the setup procedures you need to carry out in order to implement Oracle HRMS successfully in your enterprise.

Oracle Human Resources Management Systems FastFormula User Guide

Learn about the different uses of Oracle FastFormula, and understand the rules and techniques you should employ when defining and amending formulas for use with Oracle applications.

Oracle Self-Service Human Resources Deploy Self-Service Capability Guide

Set up and use self-service human resources (SSHR) functions for managers, HR Professionals, and employees.

Oracle Performance Management Implementation and User Guide

Learn how to set up and use performance management functions. This includes setting objectives, defining performance management plans, managing appraisals, and administering questionnaires.

Oracle Succession Planning Implementation and User Guide

Learn how to set up and use Succession Planning functions. This includes identifying succession-planning requirements, using talent profile, suitability analyzer, and performance matrices.

Oracle Human Resources Management Systems Deploy Strategic Reporting (HRMSi)

Implement and administer Oracle Human Resources Management Systems Intelligence (HRMSi) in your environment.

Oracle Human Resources Management Systems Strategic Reporting (HRMSi) User Guide

Learn about the workforce intelligence reports included in the HRMSi product, including Daily Business Intelligence reports, Discoverer workbooks, and Performance Management Framework reports.

Oracle Human Resources Management Systems Approvals Management Implementation Guide

Use Oracle Approvals Management (AME) to define the approval rules that determine the approval processes for Oracle applications.

Oracle Human Resources Management Systems Window Navigation and Reports Guide

This guide lists the default navigation paths for all windows and the default reports and processes as they are supplied in Oracle HRMS.

Oracle iRecruitment Implementation and User Guide

Set up and use Oracle *i*Recruitment to manage all of your enterprise's recruitment needs.

Oracle Learning Management User Guide

Use Oracle Learning Management to accomplish your online and offline learning goals.

Oracle Learning Management Implementation Guide

Implement Oracle Learning Management to accommodate your specific business practices.

Oracle Time and Labor Implementation and User Guide

Learn how to capture work patterns, such as shift hours, so that this information can be used by other applications, such as General Ledger.

Oracle Labor Distribution User Guide

Learn how to maintain employee labor distribution schedules, distribute pay amounts, encumber (commit) labor expenses, distribute labor costs, adjust posted labor distribution, route distribution adjustment for approval, and manage error recovery processes. You also learn how to set up effort reporting for Office of Management and Budget (OMB) compliance.

Other Implementation Documentation

Oracle Workflow Administrator's Guide

This guide explains how to complete the setup steps necessary for any product that includes workflow-enabled processes. It also describes how to manage workflow processes and business events using Oracle Applications Manager, how to monitor the progress of runtime workflow processes, and how to administer notifications sent to workflow users.

Oracle Workflow Developer's Guide

This guide explains how to define new workflow business processes and customize existing Oracle E-Business Suite-embedded workflow processes. It also describes how to define and customize business events and event subscriptions.

Oracle Workflow User's Guide

This guide describes how users can view and respond to workflow notifications and monitor the progress of their workflow processes.

Oracle Workflow API Reference

This guide describes the APIs provided for developers and administrators to access Oracle Workflow.

Oracle E-Business Suite Flexfields Guide

This guide provides flexfields planning, setup, and reference information for the Oracle E-Business Suite implementation team, as well as for users responsible for the ongoing maintenance of Oracle E-Business Suite product data. This guide also provides information on creating custom reports on flexfields data.

Each eTechnical Reference Manual (eTRM) contains database diagrams and a detailed description of database tables, forms, reports, and programs for a specific Oracle Applications product. This information helps you convert data from your existing applications, integrate Oracle Applications data with non-Oracle applications, and write custom reports for Oracle Applications products. Oracle eTRM is available on My Oracle Support.

Do Not Use Database Tools to Modify Oracle E-Business Suite Data

Oracle STRONGLY RECOMMENDS that you never use SQL*Plus, Oracle Data Browser, database triggers, or any other tool to modify Oracle E-Business Suite data unless otherwise instructed.

Oracle provides powerful tools you can use to create, store, change, retrieve, and maintain information in an Oracle database. But if you use Oracle tools such as SQL*Plus to modify Oracle E-Business Suite data, you risk destroying the integrity of your data and you lose the ability to audit changes to your data.

Because Oracle E-Business Suite tables are interrelated, any change you make using an Oracle E-Business Suite form can update many tables at once. But when you modify Oracle E-Business Suite data using anything other than Oracle E-Business Suite, you may change a row in one table without making corresponding changes in related tables. If your tables get out of synchronization with each other, you risk retrieving erroneous information and you risk unpredictable results throughout Oracle E-Business Suite.

When you use Oracle E-Business Suite to modify your data, Oracle E-Business Suite automatically checks that your changes are valid. Oracle E-Business Suite also keeps track of who changes information. If you enter information into database tables using database tools, you may store invalid information. You also lose the ability to track who has changed your information because SQL*Plus and other database tools do not keep a record of changes.

1

Organization Structures

Organization Management

Key Concepts for Representing Enterprises

You represent your enterprise using key organization structures in Oracle HRMS. These structures provide the framework so you can perform legal reporting, financial control, and management reporting. You can set up these organization structures yourself, or use the Configuration Workbench.

The Configuration Workbench delivers an integrated configuration management toolset for HR systems and assists in the evaluation, configuration, deployment, and maintenance of HR applications. The workbench suggests a basic structure of organizations for your enterprise based on configuration models.

See: Configuration Models for Your Enterprise Framework, *Oracle HRMS Enterprise and Workforce Management Guide*

Once the basic enterprise structure is set up, you add the additional organizations and locations t`hat exist in your enterprise. You define the internal organizations that represent your internal divisions and departments, and you define the external organizations that represent the organizations outside of your enterprise. For example, you can set up an external organization to represent the tax office for which your enterprise uses for reporting purposes.

You can use organizations to represent many levels of your enterprise, from the highest level of organization that represents the whole enterprise, to the lowest level of organization that represents a section or department.

See: Extending the Enterprise Framework, *Oracle HRMS Enterprise and Workforce Management Guide*

See: Organization Classifications, page 1-4

See: Setting Up Organizations, *Oracle HRMS Enterprise and Workforce Management Guide*

Business Group

The business group represents a country in which your enterprise operates. You create it as an organization in Oracle HRMS, but it does not represent a specific organization within your enterprise structure, and you do not include it in your organization hierarchies. A business group enables you to group and manage data in accordance with the rules and reporting requirements of each country, and to control access to data.

The critical factors for deciding when to use a separate business group, or an international business group, are based on the following factors:

• If you use Oracle Payroll

- The number of people you employ in a country

- If you require legislative support for Oracle HR

Generally the laws are so different in each country that to be compliant, there must be a different business group for each country in which an enterprise has employees.

Operating Company

An operating company represents a division or line of business within your enterprise that is legally registered for reporting in at least one country. An operating company is a holding company, a company within a company.

Ultimate Legal Entity

The ultimate legal entity represents the enterprise, and typically, the enterprise is the highest (global) level of a business organization. The ultimate legal entity is the parent company or organization for all its subsidiaries and divisions. Oracle HRMS represents the ultimate legal entity with the GRE/Legal Entity organization classification.

Legal Entity/Employer

A legal entity represents the designated legal employer for all employment-related activities. The legal authorities in a country recognize this organization as a separate employer. In an organization hierarchy, a legal entity may report to an operating company or to the ultimate legal entity.

A legal employer is a legal entity that is responsible for employing people in a particular country. Therefore, if you employ people in a country, then you must have at least one organization classified as a legal entity and a legal employer.

The Configuration Workbench classifies an organization as a GRE/Legal Entity where your enterprise operates in a country, and classifies it as an Employer if you employ people in that country also. For example, you can have a legal entity in a country where you do business, but do not employ people in that country.

Consolidated Legal Entity

A consolidated legal entity acts on behalf of multiple operating companies that are not legally registered, or simply on behalf of the enterprise in a country. You typically use the consolidated legal entity for when you have multiple operating companies in your enterprise, but for the purposes of consolidation, you group the information into one organization. For management reporting purposes, the organizations below the consolidated legal entity in an organization hierarchy, such as, your departments and sections, can report to any organization in the enterprise. However, for legal reporting purposes, they report up to the consolidated legal entity.

For information on how to model your enterprise using the key organization structures,

see: Configuration Models for Your Enterprise Framework, *Oracle HRMS Enterprise and Workforce Management Guide*

Organization Classifications

Organization classifications define the purpose of an organization and its functionality within Oracle HRMS. The classifications you assign to an organization control the additional information you can set up at the organization level. The Configuration Workbench automatically assigns the appropriate classifications to the organizations it creates.

For more information on the key organization structures you use to represent your enterprise, see: Key Concepts for Representing Enterprises, page 1-2

You can define one organization with multiple classifications or you can define separate organizations to represent different types of entity. For example, you can classify an organization as a legal entity as well as an HR organization if it's the same organization. If they are different, then you create two organizations.

> **Note:** Oracle HRMS enables you to install your own additional information types for classifications.

You can select the following classifications in the Organization window, depending on your legislation:

All Legislations

All legislations can use the following classifications:

- **Business Group**: Use this classification to group, manage, and control access to data in accordance with the rules and reporting requirements of a country.

- **Operating Company**: An operating company represents a division or line of business within your enterprise that is legally registered for reporting in at least one country.

- **GRE/Legal Entity**: Use this classification to represent the following organizations:

  - **Ultimate Legal Entity**: this represents the enterprise, and typically, the enterprise is the highest (global) level of a business organization.

  - **Legal Entity**: this represents the designated legal employer for all employment-related activities. The legal authorities in a country recognize this organization as a separate employer. In an organization hierarchy, a legal entity may report to an operating company or to the ultimate legal entity.

  - **Consolidated Legal Entity**: this organization acts on behalf of multiple

operating companies that are not legally registered, or simply on behalf of the enterprise in a country.

For Chinese users only: Your organization hierarchy must contain at least one GRE with corporate and employer information. Statutory reporting requires this information.

- **Employer:** Use this along with the GRE/Legal Entity classification to define an organization as a legal entity that is responsible for employing people in a particular country.

  For Indian users only: Your organization hierarchy must contain at least one GRE with income tax, challan bank, tax declaration and representative details. This information is used for statutory reporting.

- **HR Organization**: Use this classification for all organizations to which you want to assign employees and contingent workers.

- **Payee Organization**: Use this when defining an external organization that is the recipient of a third party payment from an employee, for example a court-ordered payment. You can then select this organization on the Personal Payment Method window when entering a third party payment method.

- **Bargaining Association**: Use this when defining an organization that is involved in negotiating a collective agreement. A bargaining association could be any organization representing the employees in negotiations, for example a trade union. The UK legislation also enables you to select a bargaining association in the Union Processing window to set up a union element.

- **Representative Body**: Use this when defining a representative body. This may be a body defined in legislation, such as a European Works Council, or may be defined by the employer, such as a Sports and Social Club.

- **Disability Organization**: Use this when defining an external organization with which employee disabilities are registered.

- **Medical Service Provider**: Use this when defining an organization that provides any medical services, such as medical assessments, to the people in your enterprise.

- **Constituency**: Use this to define a constituency to group together workers eligible to vote for particular elections.

- **Company Cost Center**: Use this to define organizations in Oracle HRMS that map to cost centers in Oracle GL. You can set up your application so that whenever a cost center is defined in GL, a corresponding organization with this classification is defined automatically.

- **Professional Body Information**: Use this to define an organization that is a

professional body. Organizations with this classification are available to assign to people in the Qualifications window.

- **Operating Unit** : Use the operating unit organization classification if you also use Multi-Org applications. You can associate an operating unit with an HR Organization. The application uses the HR Organization to find the operating unit to which a person belongs.

US Legislation

The US legislation can use the following classifications:

- **Reporting Establishment**, **Corporate Headquarters**, or **AAP Organization**: Use these when defining reporting organizations, that is, organizations required for the production of certain reports for government agencies.

- **Parent Entity**: Use this when defining an organization to be included at the top level of an establishment hierarchy. You can then use the hierarchy when producing certain reports for government agencies.

  If you are assigning this classification to a Business Group, you must assign it to your default Business Group, that is the one defined in your security profile. If you do not, then your data will not be visible when you attempt to create your hierarchy in the Generic Hierarchy window.

- **Benefits Carrier**, **Workers' Compensation Carrier**, or **Beneficiary Organization**: Use these when defining an external organization belonging in one of these classifications. You can then select the organization when defining a benefit, entering information for Workers' Compensation calculations, or recording beneficiaries employees have named for certain benefits.

  The Federal legislation can also use the **Beneficiary Organization** classification.

UK Legislation

The UK legislation can use the **Education Authority** classification to define a Local Education Authority (LEA) that is responsible for education within that council's jurisdiction.

Canadian Legislation

The Canadian legislation can use the following classifications:

- **Provincial Medical Carrier**: Use this to define a medical carrier for a province.

- **Provincial Reporting Establishment**: Use this to represent employees in the province of Quebec.

French Legislation

The French legislation can use the following classifications:

- **Company**: records one or more companies in your business group. A company is a legal entity registered to "Registre du Commerce et des Societes". You must have at least one company.

- **Establishment**: identifies the organization that serves as the legal point of contact for settling any disputes and manages the personal details of the workforce.

  > **Note:** Do not classify an organization as both a company and an establishment; create two separate organizations.

- **URSSAF Center** or **ASSEDIC Center**: specifies an external organization that is a Social Security organization. You can select the organization when entering additional organization information for an establishment. You can also select URSSAF organizations when entering additional organization information for a company.

- **Insurance Provider** or **Pension Provider**: defines an external organization that provides insurance or pensions. You can select the organization when entering additional organization information for a company or an establishment.

- **OPACIF** or **OPCA**: specifies an external organization that collects the company's yearly training contribution.

- **CPAM**: identifies an external organization as a CPAM office. You can select the organization when entering employment information in the People window.

- **Public Sector Other External Organization**: records details of the various types of external organizations with whom public-sector companies deal. Be sure to create organizations with this classification as external organizations.

- **Grouping of Employers**: identifies the employers (normally establishments) who have decided to group together to make it easier to lend each other workforce and also to list the employees, contingent workers, and employees on loan for an establishment from that grouping in the Personnel Registry report.

- **Tax Group**: defines an external tax office.

Dutch Legislation

The Dutch legislation can use the following classifications:

- **Dutch UWV Organization**: Use this to indicate if your organization is a social

insurance provider. If you enable this classification, you can enter additional information such as the type of provider in the Dutch UWV Organization window.

- **Dutch Tax Office**: Use this to define an external tax office.

- **Dutch Private Health Insurance**: Use this to define an external organization that provides private health insurance.

- **Pension Provider**: Use this to define an external organization that provides pensions to your employees.

German Legislation

The German legislation can use the following classifications:

- **Budget Plan Unit**: Use this to define internal organizations for which you can use for the budget plan structure. The budget plan structure defines the different levels of positions in your enterprise, and the budget plan units represent the different levels as organizations. You select which budget plan unit the position belongs to in the Position window.

- **German Additional Second Pension Insurance**: Use this to record information about the contributions an organization makes to a second pension.

- **German Capitalized Life Insurance Provider**: Use this to indicate if your organization is a provider of German capitalized life insurance.

- **German Mandatory Health/Special Care Insurance Provider**: Use this to indicate if your organization is a provider of German mandatory health or special care insurance. If you enable this classification, you can enter additional information using the German Social Insurance Providers window.

- **German Mandatory Pension Insurance Provider**: Use this to indicate if your organization is a provider of German mandatory pension insurance. If you enable this classification, you can enter additional information using the German Social Insurance Providers window.

- **German Private Health/Special Care Insurance Provider**: Use this to indicate if your organization is a provider of German private health or special care insurance. If you enable this classification, you can enter additional information using the German Social Insurance Providers window.

- **German Public Sector**: Use this to indicate if your organization is a public sector organization. If you set this to yes then certain public sector specific windows and fields are made available to you.

- **German Tax Office**: Use this to indicate if your organization is a tax office. If you

set this to yes then you can enter additional tax office information using the Others button.

- **German Unemployment Insurance Provider**: Use this to indicate if your organization is a provider of German unemployment insurance. If you enable this classification, you can enter additional information using the German Social Insurance Providers window.

- **German Voluntary Pension Provider**: Use this to indicator if your organization is a provider of German voluntary pensions.

- **German Work Incident Supervising Office**: Use this to indicate if your organization is a work incident supervising office.

- **German Workers' Liability Insurance Providers**: Use this to indicate if your organization is a provider of German workers' liability insurance.

Hong Kong Legislation

The Hong Kong legislation can use the **MPF Trustee Organization** classification to set up and enrol employees in an MPF Trustee. This classification allows you to record details of the trustee and details of the scheme provided by the trustee.

Mexico Legislation

The Mexico legislation must use the **legal employer** classification to define the legal entity. You can add additional organization information for your legal employer, if needed.

Use the **GRE/Legal Entity** classification to define an organization that is recognized as a separate employer by Social Security or other legal authorities. When you assign a location to a GRE, and you have not already associated them with each other in the generic hierarchy, HRMS will make the association for you.

Saudi Legislation

The Saudi legislation can use the following classifications:

- **Saudi GOSI Office**: Use this to represent the General Office of Social Insurance (GOSI) which the employer is registered. The GOSI office requires employers to make deductions for eligible employees and send all payments and reports to this office.

- **Saudi Employment Office**: Use this to represent an office to which the employer reports the status of its disabled employees.

Hungary Legislation

The Hungary legislation can use the following classifications:

- **Draft Agency**: Use this to represent an external defense organization to which you send employee military service details.

- **Company Information**: Use this to represent the organization which is legally entitled to hire employees.

- **Pension Provider**: Use this to indicate an external organization that provides pensions to your employees.

Spanish Legislation

The Spanish legislation can use the following classifications:

- **Work Center**: Use this to define an internal organization that represents a facility within your enterprise. You use these organizations for statutory reporting purposes.

- **Section**: Use this to define an internal organization that represents the place where people work. You use these organizations for internal reporting purposes only.

- **Tax Office**: Use this to indicate if the organization is an external tax office.

- **Tax Administration Office**: Use this to indicate if the organization is an external tax administration office.

- **Social Security Office**: Use this to define a social security office as an external organization. If you enable this classification, you can record the social security office details.

- **Social Security Province Office**: Use this to define an organization as an external social security office. If you enable this classification, you can enter the social security province office details.

- **Health Care Organization**: Use this to define an organization as an external health care organization. If you enable this classification, you can enter the insurance company details.

Korea Legislation

The Korean legislation can use the following classification:

- **Business Place**: Use this classification to define an organization as an employer to which you assign employees. You set up information such as the registration

number, representative information, and the health insurance number for the National Tax Service (NTS).

Indian Legislation

Your organization hierarchy should contain at least one GRE/Legal Entity (Tax Organization) and Registered Company.

The Indian legislation can use the following classifications:

- **Registered Company**: Records your company's Legal Name, Registration Number, Corporate Identity Number, Permanent Account Number (PAN) of the company and company's representative details.

- **Factory**: Records your factory's Registration Number, License Number, National Industrial Code, Production Commencement Date and factory's representative details.

- **Shops/Establishment**: Records your shops/establishment's registration number and representative details.

- **Contractor Details**: Records a contractor's details, work details, and representative details. A contractor supplies contingent workers to an enterprise and can be either an individual or an external organization.

- **ESI Organization**: Use this to define an external organization that provides Employee State Insurance (ESI) to your employees. Records your Employee State Insurance (ESI) organization's Challan Information, General Information and Representative Details. You can have multiple ESI organizations and select an employee's ESI organization in the Assignment window.

- **Provident Fund Organization**: Records your PF organization's PF challan information, PF information, and PF representative details. You can have multiple PF organizations and select an employee's PF organization in the Assignment window.

- **Professional Tax Organization**: Records your Professional Tax organization's information, Professional Tax Challan information, and Representative Details information. You can have multiple professional tax organizations and select an employee's professional tax organization in the Assignment window.

- **Income Tax Office**: Records your income tax organization's information. You can enter the location details of the income tax office. You can select the income tax organization in the GRE/Legal Entity: Income Tax Details window.

- **National Pension Scheme**: Records the National Pension office information. You can enter the corporate registration account number and the corporate branch

account number in the NPS Account Set Up window.

Polish Legislation

The Polish legislation can use the following classifications:

- **PL SII Branch**: Use this classification to represent a local branch of the Social Insurance Institute (SII), a public organization that deals with the social insurance benefits, such as sickness allowance, maternity allowance, and rehabilitation benefits. You use the SII branch information for social insurance reporting.

- **PL Statistic Office**: Use this to represent a local statistic office. You use this information in reports sent to the statistic office.

- **PL Tax Office**: Use this to define the tax office bank accounts for the employer and for the tax collected from the employees. You use this information in statutory reports.

Norwegian Legislation

The Norwegian legislation can use the following classifications:

- **Local Unit**: Use this classification to identify and report on the different work centers, within your enterprise, to which you assign employees.

- **Payee Organization**: Use this classification to define an external organization which receives third party payment from an employee

- **Social Security Office**: Use this to define external social security office organizations.

- **Pension Provider**: Use this classification to define an external organization that provides pensions to your employees.

- **Statement Provider**: Use this classification to define an external organization that provides reports on behalf of the legal employer.

- **Tax Office**: Use this classification to define an external tax organization.

Finnish Legislation

The Finnish legislation can use the following classifications:

- **Local Unit**: Use this classification to identify and report on the different work centers, within your enterprise, to which you assign employees.

- **External Company**: Use this to record details of the various types of external

organizations with whom your organization deals. Ensure to create organizations with this classification as external organizations.

- **Pension Provider**: Use this to record the basic information about pension insurance providers to which you transfer the appropriate pension insurance deductions.

- **Accident Insurance Provider**: Use this to identify organizations that provide accident insurance coverage, group life insurance, and unemployment insurance.

- **Finnish Magistrate Office**: Use this for identifying the authority responsible for processing the employee court orders.

- **Finnish Trade Union**: Use this to record the basic information about the employees' trade unions to process employee deductions.

- **Provincial Tax Office**: Use this to identify the legal employer's tax office.

Danish Legislation

The Danish legislation can use the following classifications:

- **Service Provider**: Use this classification to record details of the various types of external service providers with whom your organization deals.

- **Pension Provider**: Use this classification to define external pension providers.

Swedish Legislation

The Swedish legislation can use the following classifications:

- **Local Unit**: Use this classification to identify and report on the different work centers, within your enterprise, to which you assign employees.

- **Social Security Office**: Use this to define external social security office organizations with which you coordinate medical reimbursements for the employees.

- **Swedish Enforcement Office**: Use this to define external enforcement office organizations with which you coordinate the attachment of earnings deductions for the employees.

South African Legislation

The South African legislation can use the following classification:

- **Training Provider**: Use this to indicate if an organization is a training provider.

UAE Legislation

The UAE legislation can use the **Legal Employer** classification to define and enter additional organization information for your legal employer.

Irish Legislation

The Irish legislation can use the following classifications:

- **Legal Employer**: Use this classification to define and enter additional organization information for your legal employer.

- **Pension Provider**: Use this classification to define external pension provider.

Government Reporting Entities (GREs)

After defining one or more business groups for your enterprise, you set up a Government Reporting Entity (GRE) within each business group. The employer registered with the Government National Tax Service is the GRE/Legal Entity. This GRE is the organization that federal, state and local governments recognize as the employer who:

- Issues pay to employees.

- Withholds taxes from employees' pay and is liable for employer taxes and tax reporting.

- Provides other government-mandated reporting such as tax reports and social insurance reports.

A GRE has a unique twelve-digit number (also called the corporate registration number) issued by the Law Court. Your enterprise can have just one such number, in which case your business group and GRE are the same organization.

Large enterprises may include a number of different divisions or companies each with its own identification number from the Law Court, in which case you set up a GRE for each.

A Government Reporting Entity (GRE) with corporate information may be regarded as a corporate body. For example, the head office of your enterprise is a corporate body to which region-specific employers (your enterprise's divisions) report.

At least one organization in your organization hierarchy must have corporate information. If your organization hierarchy does not contain an organization with corporate information, you cannot define the representative information for the organization.

See: Entering Corporate Representative Information, page 1-31

Small and medium sized enterprises, owned by individuals are not issued a Corporate Registration Number. In such cases, the enterprise uses the registration number of the owner as the corporate registration number.

Enterprises with One GRE

Enterprises with only one corporate registration number need only one GRE in which to place all employees. In Oracle HRMS, the business group and the GRE are the same organization. Appearing below is an example organization chart for a business group with one GRE.

Single Company Business Group/GRE
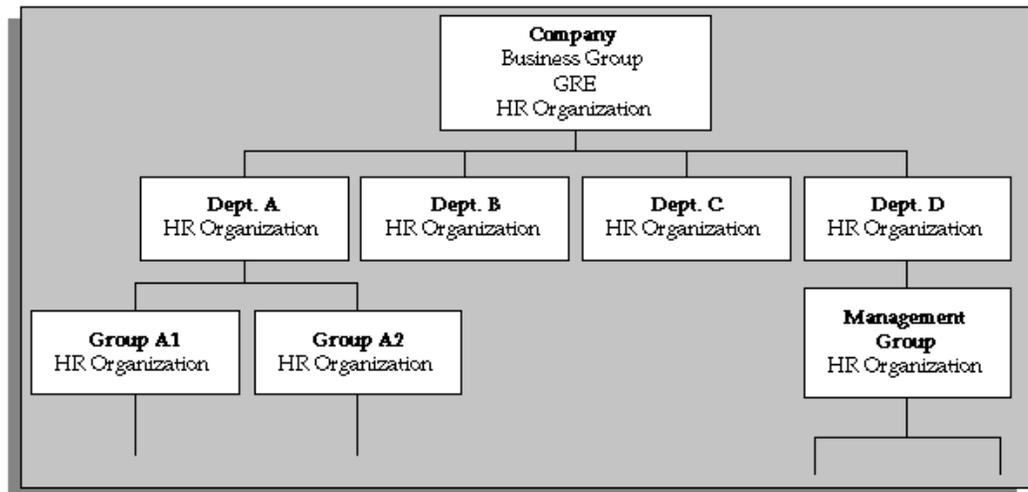
In a company like this, some employees can have assignments to the business group organization itself, if it also has the classification HR Organization. Most have an assignment to one of the various HR Organizations subordinate to the business group. All employees belong to the same GRE, which pays them, withholds their taxes, and provides reports on various matters concerning them to government agencies.

Alternative Structuring of Companies and GREs

In other large enterprises, the GREs responsible for paying groups of employees are not the same as the companies within the business group, which may be organized, for example, according to the particular types of work or projects they undertake. The figure above reflects the structure of companies in this type of enterprise. The figure below represents the employing organizations that pay employees, and have a separate structure that is independent of the companies.

In this type of enterprise, employees assigned to a particular GRE may have a work assignment to any company, constituting the enterprise, and a particular company can include employees assigned to several different GREs.

In enterprises like this, employees are clear about which company they are working in, but may be unaware of their membership in a separate GRE. As the functions of GREs relate to payroll administration and governmental reporting, they have little direct impact on employees' daily lives at work.

Creating an Organization

Use the Organization window to create:

- Business groups

- External organizations (for example, tax offices, pension providers, insurance carriers, disability organizations, benefit carriers, or recruitment agencies)

- Internal organizations (for example, departments, sections or cost centers)

- GREs/Legal Entities

If you use the Configuration Workbench to configure your enterprise structure, then you only need to create the additional internal and external organizations you require. For example, you can set up additional organizations to represent the internal divisions or departments, and external organizations for reporting or third party payments.

See: Extending the Enterprise Framework, *Oracle HRMS Enterprise and Workforce Management Guide*

To create an organization:

1. Navigate to the Organization window and click New to create a new organization.

    Note: For information about querying existing organizations, see: Finding an Organization, *Oracle HRMS Enterprise and Workforce Management Guide*

2. Enter a name for your organization in the Name field. A check is performed to see if organizations with the same name already exist.

    All Oracle applications you install share the information entered in the Organization window. Therefore organization names must be unique within a business group, and business group names must be unique across your applications network.

    You can create two organizations with the same name in different business groups but this can cause confusion later, if the HR: Cross business group profile option is set to Yes and you decide to share certain information across all business groups. If you decide to create two organizations with the same name, be sure that this will not cause you problems in the future.

3. Optionally, select an organization type in the Type field.

   Organization types do not classify your organization, you use them for reporting purposes only. The type may identify the function an organization performs, such as Administration or Service, or the level of each organization in your enterprise, such as Division, Department or Cost Center. You create the organization types you require by entering values for the Lookup Type ORG_TYPE.

4. Enter a start date in the From field. This should be early enough to include any historical information you need to enter.

   > **Note:** You cannot assign an employee to an organization before the start date of the organization.

5. Enter a location, if one exists. You can also enter an internal address to add more details such as floor or office number.

   Dutch only: If you are setting up external organizations for a tax office, a social insurance provider or a private health insurance provider, you must enter the postal address and contact details using the NL_POSTAL_ADDRESS Location EIT.

   Mexico only: When defining a GRE/Legal Entity, if you select a location here, HRMS automatically associates it with this GRE in the Generic Hierarchy.

   US only: If you are using Oracle Payroll in the US, every organization to which employees can have assignments, including business groups, must have on record a location with a complete address. This is because the system uses the location of the organization of the employee's primary assignment to determine employee work locations for tax purposes. This does not apply to GREs, because the assignment to a GRE exists in addition to the assignment to an organization.

   India only: You can define an income tax organization and enter its location details. You can then select this organization at the GRE/Legal Entity Income Tax Office.

   > **Note:** If you are an Oracle Inventory user, then you must not assign a location to more than one organization classified as an Inventory Organization.

6. Enter internal or external in the Internal or External field. You cannot assign people to an external organization.

   Examples of external organizations that may require entry are disability organizations, benefits carriers, insurance carriers, organizations that employees name as beneficiaries of certain employee benefits, and organizations that are recipients of third party payments from employees' pay.

7. Save the basic organization details.

Entering Organization Classifications

To determine the purpose and use of each organization you create, you give it one or more classifications. The setup information you enter for an organization depends in large part on its classification.

See: Organization Classifications, page 1-4

> **Note:** If you classify an organization as a business group, it is not reversible.

To enter organization classifications:

1. Enter the classification for your organization in the Name field.

2. Enable the classification by checking the Enable box. This allows you to use and enter the essential additional information for your organization.

3. Save the classification details.

4. You can either enter additional information for the classification type or enter another classification.

> **Note:** Save each classification after entering and enabling it.

Entering Additional Information

For each classification you set up you can enter additional information. This information can be different for each classification.

For business group see: Business Group, *Oracle HMRS Enterprise and Workforce Management Guide*

For HR organization see: HR Organization, *Oracle HMRS Enterprise and Workforce Management Guide*

For representative body see: Representative Body, *Oracle HMRS Enterprise and Workforce Management Guide*

For constituency see: Constituency, *Oracle HMRS Enterprise and Workforce Management Guide*

For bargaining association see: Bargaining Association, *Oracle HMRS Enterprise and Workforce Management Guide*

For company cost center see: Company Cost Center, *Oracle HMRS Enterprise and Workforce Management Guide*

For professional body information see: Professional Body Information, *Oracle HMRS Enterprise and Workforce Management Guide*

For Business Place see: Business Place, page 1-23

For GRE/Legal Entity see: GRE/Legal Entity, page 1-23

See Classification and Additional Information Types, page 1-4 if you need to check which classification to select.

To enter Business Group additional information:

1. Click on the organization classification for which you want to enter additional information.

2. Choose the Others button to open the Additional Organization Information window.

3. Select one of the following:

   - Business Group Information, see: Entering Business Group Information, *Oracle HMRS Enterprise and Workforce Management Guide*

   - Budget Value Defaults, see: Business Groups: Entering Budget Value Defaults, *Oracle HMRS Enterprise and Workforce Management Guide*

   - ER SMB Information, see: Business Groups: Entering ER SMB Information, page 1-27

   - Work Day Information, see: Business Groups and HR Organizations: Work Day Defaults, *Oracle HMRS Enterprise and Workforce Management Guide*

   - Donation Calculation, see Business Group: Entering Donation Calculation Information, page 1-27

   - Benefits Defaults, see: Business Groups: Defining a Default Monthly Payroll, *Oracle HMRS Enterprise and Workforce Management Guide*

   - PTO Balance Type, see Business Groups: Selecting a PTO Balance Type, *Oracle HMRS Enterprise and Workforce Management Guide*

   - Recruitment Information, see: Business Groups: Entering Recruitment Information, *Oracle HMRS Enterprise and Workforce Management Guide*

   - Payslip Information, see: Entering Payslip Information, *Oracle HMRS Enterprise and Workforce Management Guide*

   - Self Service Preference Information, see: Entering Self-Service Preference Information, page 1-24

- Termination Rule, see: Entering Termination Rule, page 1-28

- Type B Tax Group Info, see: Entering Type B Tax Group Information, page 1-28

- YEA Entry Period, see: Business Group and HR Organizations: Entering YEA Entry Period Information, page 1-29

- YEA Report Templates, see: Business Group : Entering YEA Report Templates, page 1-29

- YEA Simulation Info, see: Entering YEA Simulation Information, page 1-30

4. Repeat these steps to enter further information.

To enter HR organization additional information:

1. Click on the organization classification for which you want to enter additional information.

2. Choose the Others button to open the Additional Organization Information window.

3. Select one of the following:

   - Reporting Information, see: Entering Reporting Information for an HR Organization or a Company Cost Center., *Oracle HMRS Enterprise and Workforce Management Guide*

   - Costing Information, see: HR Organizations: Entering Costing Information, *Oracle HMRS Enterprise and Workforce Management Guide*

   - Parent Organization, see: HR Organizations: Entering Parent Organizations, *Oracle HMRS Enterprise and Workforce Management Guide*

   - Work Day Information, see: Business Groups and HR Organizations: Entering Work Day Defaults:, *Oracle HMRS Enterprise and Workforce Management Guide*

   - Payslip Information, see Entering Payslip Information, *Oracle HMRS Enterprise and Workforce Management Guide*

   - Self Service Preference Information, see Entering Self-Service Preference Information, page 1-24

   - Related Organizations Information, see: Entering Related Organizations Information for an HR Organization, *Oracle HRMS Enterprise and Workforce Management Guide*

- YEA Data Entry Period, see: Business Group and HR Organizations : Entering YEA Data Entry Period Information, page 1-29

4. Repeat these steps to enter further information.

To enter representative body additional information:

1. Click on the organization classification for which you want to enter additional information.

2. Choose the Others button to open the Additional Organization Information window.

3. Select one of the following:

   - Representative Body Information, see: Entering Representative Body Information, *Oracle HRMS Enterprise and Workforce Management Guide*

   - Constituency information, see: Entering Constituency Information for a Representative Body, *Oracle HRMS Enterprise and Workforce Management Guide*

4. Repeat these steps to enter further information.

To enter constituency additional information:

1. Click on the organization classification for which you want to enter additional information.

2. Choose the Others button to open the Additional Organization Information window.

3. Select one of the following:

   - Location, see Entering Location Information for Constituencies, *Oracle HRMS Enterprise and Workforce Management Guide*

   - Organization, see Entering Organization Information for Constituencies, *Oracle HRMS Enterprise and Workforce Management Guide*

   - Organization Hierarchy, see Entering Organization Hierarchy information for Constituencies, *Oracle HRMS Enterprise and Workforce Management Guide*

   - Grade, see Entering Grade information for Constituencies, *Oracle HRMS Enterprise and Workforce Management Guide*

   - Bargaining Unit, see Entering Bargaining Unit information for Constituencies, *Oracle HRMS Enterprise and Workforce Management Guide*

- Job, see Entering Job information for Constituencies, *Oracle HRMS Enterprise and Workforce Management Guide*

- Collective Agreement Grade, see Entering Collective Agreement Grade information for Constituencies, *Oracle HRMS Enterprise and Workforce Management Guide*

- Repeat these steps to enter further information.

To enter bargaining association information:

1. Click on the organization classification for which you want to enter additional information.

2. Choose the Others button to open the Additional Organization Information window.

3. Select Trade Union Information, see: Entering Trade Union Information for a Bargaining Association, *Oracle HRMS Enterprise and Workforce Management Guide*

4. Repeat these steps to enter further information.

To enter company cost center information:

1. Click on the organization classification for which you want to enter additional information.

2. Choose the Others button to open the Additional Organization Information window.

3. Select one of the following:

   - GL Company Cost Center, see: Entering GL Company Cost Center Information for a Company Cost Center, *Oracle HRMS Enterprise and Workforce Management Guide*

   - Reporting Information, see: Entering Reporting Information for an HR Organization or a Company Cost Center., *Oracle HRMS Enterprise and Workforce Management Guide*

   - Repeat these steps to enter further information.

To enter professional body information:

1. Click on the organization classification for which you want to enter additional information.

2. Choose the Others button to open the Additional Organization Information window.

3. Select Professional Body Info, see: Entering Additional Information for a Professional Body, *Oracle HRMS Enterprise and Workforce Management Guide*.

4. Repeat these steps to enter further information.

To enter GRE/Legal Entity information:

1. Click on the organization classification for which you want to enter additional information.

2. Choose the Others button to open the Additional Organization Information window.

3. Select one of the following:

   • Corporate E-file Reporting, see: GREs/Legal Entities: Entering Corporate E-file Reporting Information, page 1-32

   • Corporate Representative, see: GREs/Legal Entities: Entering Corporate Representative Information, page 1-31

   • Corporate Information, see: GREs/Legal Entities: Entering Corporate Information, page 1-30

To enter business place information:

1. Click on the organization classification for which you want to enter additional information.

2. Choose the Others button to open the Additional Organization Information window.

3. Select one of the following:

   • Business Place Registration, see: Business Place: Entering Business Place Registration Information, page 1-32

   • Business Place Representative, see: Business Place: Entering Business Place Representative Information, page 1-34

   • Bank Information, see: Business Place: Entering Bank Information, page 1-36

   • Employment Insurance Information, see Business Place: Entering Employment Insurance Information, page 1-35

- Health Insurance Information, see Business Place: Entering Health Insurance Information, page 1-35

- Income Tax Office, see: Business Place: Entering Income Tax Office Information, page 1-36

- National Pension Information, see: Business Place: Entering National Pension Information, page 1-34

- Payroll Parameters, see: Business Place: Entering Payroll Parameters Information, page 1-37

- Resident Tax Information, see Business Place: Entering Residents' Tax Information, page 1-37

- Samoojohap Information, see: Business Place: Entering Samoojohap Information, page 1-38

4. Repeat these steps to enter further information.

Entering Self-Service Preference Information

You enter self-service preference information to define whether documents such as the online payslip is available in either or both online and paper version.

> **Note:** You can also enter this information at the Person or Location level.
>
> See: Person Extra Information Types, *Oracle HRMS Workforce Sourcing, Deployment, and Talent Management Guide* and Location Extra Information Types, *Oracle HRMS Enterprise and Workforce Management Guide*
>
> These information levels are arranged in a hierarchy. If you define self-service preferences at the person level, the settings will override any other settings made at the location, business group, or HR organization level. Similarly, if you define self-service preferences at the location level, the settings override any settings at the business group or HR organization level. Settings at the HR organization level will override settings at the business group level.

To enter Self-Service Preference information:

1. In the Organization window, query the Business Group or HR Organization if it does not already appear there.

2. In the Organization Classifications region, select Business Group or HR Organization, choose Others, and select Self Service Preference.

3. Click in a field of the Additional Organization Information window to open the Self Service Preference window.

4. Select the document type for which you want to define preferences.

   Australia users: Select payslip, payment summary, or payslip modeler.

   If Payslip Modeler functionality is available, you must select the document type as Payslip Modeler.

5. Select whether you want the document to be available online.

6. Select whether you want the document to be available on paper.

7. If you are providing payslips in PDF format:.Select the appropriate localization template. If you do not select the a payslip template, then the web web-based payslip is displayed

   > **Note:** Australia, China, India, Hong Kong, Singapore, Korea, and New Zealand users should select the appropriate predefined localization template.

   - You can append custom data to the generated XML. Specify the custom package and procedure in the XML Code field as : <custom package>.<custom procedure>.

   - Specify the dates these changes are to take effect.

     > **Note:** Template, XML Code and Effective Date fields in Self-Service Preference can be configured at the Business Group, HR Organization, and Location levels.

The application generates either an Oracle Applications Framework (OAF)-based payslip or PDF payslip depending on the values entered in the Template and Effective Date fields. A PDF Payslip is generated when you select the template and enter the effective date on or before the payroll payment date.

For example, consider the effective date of PDF payslip as 01-Jun-2016:

If the payment date is prior to the effective date (31-May-2016), then the application generates an OAF payslip.

If the payment date is later than the effective date (30-Jun-2016), then the application generates a PDF payslip.

8. If payslip modelling is enabled for your localization, then select the template that you want to use for payslip modeling process to use, if you do not want the application to use the default template.

9. Select the element set for elements that you want to exclude from selection when you run a payslip modeling process.

10. **Payslip Employer Address** – Select either a GRE/Legal Entity Address or an HR Organization Address (default) to display on the payslip.

   Note: You can configure this segment only at the Business Group level.

   For Canada only – Both the OAF and PDF payslips display the HR Organization as the Employer Address.

11. **Display Payslip GRE Addr From** – If you selected GRE/Legal Entity Address for the Payslip Employer Address field, select the effective date after which the GRE address displays on the payslip.

   Note: You can configure this segment only at Business Group level.

   For Canada: – This field is not applicable.

12. **Specify the Offset Criteria** – Select either Payslip View Date or Date Paid to configure the date to be used for displaying Online Payslips. If this field is left blank or if the Payslip View Date is selected then the online payslip will be displayed based on the Payslip View Date that is defined for the payroll period. If Date Paid is selected, then the payslip will be displayed based on the Date Paid of the payroll run.

   Note: By default, Payslip View Date – Check Date for any period will be equal to the Payslip offset defined for the payroll. However, if the user manually changes these dates for any period, then the Payslip Offset for that period will be considered as the Payslip View Date – Check Date and not the Offset defined for the Payroll.

   If the Payslip View Date or the Payslip Offset is set to null, then all payslips (prior, current and future) will be available to the employee. By default, the Payslip Offset is set to zero when creating the Payroll definition.

13. Select whether you want to display the rate details section.

14. Save your work.

Business Group: Entering Donation Calculation

Use the Donation Calculation window to carry over the donation amounts if the donation is beyond the maximum limit in the current year and to set priority for the calculations of donations of previous years.

To enter donation calculation information:

1. In the Organization window, query the organization and select Business Group in the Organization Classifications region.

2. Click Others to open the Additional Organization Information window. Select Donation Calculation window.

3. To restrict the donation amount in a year select Yes in the Individual Maximum Exemption Limit per Year field.

4. Set the donation priority to Yes if you want to calculate the previous year donation amounts.

5. Click OK.

6. Save your work.

Business Groups: Entering ER SMB Information

Use this window to record if the employees of small medium business companies are eligible to receive the income exemption for employment retention.

To enter the ER SMB Information:

1. In the Organization window, query the Business Group if it does not already appear there. In the Organization Classifications region, select Business Group, click the Others, select ER SMB Information.

2. Click in a field of the Additional Organization Information window to open the ER SMB Information window.

3. Select the eligibility flag whether the employees are eligible to receive the income exemption for employee retention.

4. Save your work.

Business Group: Entering Type B Tax Group Information

Use the Type B Tax Group Information window to record the business registration number and tax group name. You require this information for calculation of post tax deductions and for display on the Earnings List by Working Place section on the YEA Tax Receipt.

To enter Type B Tax Group Information:

1. In the Organization window, query the organization and select a Business Group in the Organization Classifications region.

2. Click Others to open the Additional Organization Information window. Select Type B Tax Group Information.

3. Enter business registration number that the employee has registered to.

4. Enter tax group name.

5. Save your work.

Business Groups: Entering Termination Rule

Use this window to set the termination rule for the earnings. You can specify whether to terminate the earnings after the first pay after the termination date or the last standard process date

To enter the termination rule information:

1. In the Organization window, query the Business Group if it does not already appear there. In the Organization Classifications region, select Business Group, click the Others, select Termination Rule.

2. Click in a field of the Additional Organization Information window to open the Termination Rule window.

3. Select if the earnings must be ended on the first pay after termination date or on the last standard process date.

4. Click OK.

5. Save your work.

Business Group and HR Organizations: Entering YEA Entry Period

Use the YEA Entry Period window to set the start and end dates for a target year to enable employees and representatives to complete recording of their YEA information. Employees or Representatives cannot enter or update the YEA information on the YEA SSHR pages beyond the specified cut off end date.

You can set up default YEA Entry Period for all employees in the Business Group or in an HR Organization.

To enter YEA entry period for a Business Group/HR Organizations:

1. In the Organization window, query the organization and select a Business Group or a HR Organization in the Organization Classifications region

2. Click Others to open the Additional Organization Information window. Select YEA Entry Period to open the YEA Entry Period window.

3. Enter a target year for which employees or representatives can enter data. The current year displays by default.

4. Enter the start and end dates to enable employees and representative to enter and update the YEA information.

5. Specify an update cut-off date beyond which employees cannot update or correct their information.

   > **Note:** Employees or representatives having the "YEA Update Access" only can update YEA data beyond the end date but within cut-off date. Administrator can grant the update access using the YEA Employee Search Page.

6. Save your work.

Business Group: Entering YEA Report Templates

Use the YEA Report Templates to record the name of the custom templates for the Year End Adjustment reports submitted through SSHR. If you do not record the template names then the application uses the predefined templates for the reports.

To enter YEA Report Templates for a Business Group:

1. In the Organization window, query the organization and select a Business Group in the Organization Classifications region.

2. Click Others to open the Additional Organization Information window. Select YEA Report Templates to open the YEA Report Templates window.

3. Enter the name for the applicable templates:
   - YEA Tax Reclaim Sheet Template
   - YEA TAX Receipt Template
   - YEA Ledger Template

4. Save your work.

Business Group: Entering YEA Simulation Info

If your enterprise wants to provide a web page to simulate the YEA process results prior to running the YEA process, record the URL of your custom simulation page using the YEA Simulation Info EIT.

Employees can access this custom page only if the System Administrator has enabled the YEA Simulation button on the YEA Information Entry page using the self-service personalization. Employees can use this button to access the YEA Simulation page prior to running the YEA process.

To enter YEA Simulation Information for a Business Group:

1. In the Organization window, query the organization and select Business Group in the Organization Classifications region.

2. Click Others to open the Additional Organization Information window. Select YEA Simulation Information to open the YEA Simulation URL window

3. Enter a URL to display a web page that employees can access when they click the YEA Simulation button on the YEA Entry page.

   > **Note:** The Assignment ID and Target Year are automatically appended to the URL as URL parameters to enable the custom web page to query the required YEA Information from the database.

4. Click OK.

GREs/Legal Entities: Entering Corporate Information

Corporate information includes your enterprise's name and registration number. This information appears in statutory reports you submit to the National Tax Service.

Use the Corporate Information window to enter corporate information for your enterprise.

To enter corporate information for a GRE/Legal Entity:

1. In the Organization window, query the organization and select GRE/Legal Entity in the Organization Classifications region.

2. Click Others to open the Additional Organization Information window. Select Corporate Information to open the Corporate Information window.

3. Enter the name of your corporate enterprise.

4. Enter the registration number of your enterprise. The format is 999-99-99999.

5. Enter the name and national identity card number of the individual who represents your enterprise.

6. Enter the date your enterprise is established. This date cannot be earlier than the system date.

7. Enter the name of your enterprise's industry. You can optionally enter the subclassification body name.

8. Click OK.

GREs/Legal Entities: Entering Corporate Representative Information

Corporate information includes your enterprise's name and registration number. This information appears in statutory reports you submit to the National Tax Service.

Use the Corporate Information window to enter corporate information for your enterprise.

To enter corporate information for a GRE/Legal Entity:

1. In the Organization window, query the organization and select GRE/Legal Entity in the Organization Classifications region.

2. Click Others to open the Additional Organization Information window. Select Corporate Information to open the Corporate Information window.

3. Enter the name of your corporate enterprise.

4. Enter the registration number of your enterprise. The format is 999-99-99999.

5. Enter the name and national identity card number of the individual who represents

your enterprise.

6. Enter the date your enterprise is established. This date cannot be earlier than the system date.

7. Enter the name of your enterprise's industry. You can optionally enter the subclassification body name.

8. Click OK.

GREs/Legal Entities: Entering Corporate E-file Reporting Information

Use the Corp Representative window to enter information about the corporate representatives of your enterprise, other than the main representative.

You enter information about the main representative in the Corporate Information window. See: GREs/Legal Entities: Entering Corporate Information, page 1-30

To enter corporate representative information for a GRE/Legal Entity:

1. In the Organization window, query the organization and select GRE/Legal Entity in the Organization Classifications region.

2. Click Others to open the Additional Organization Information window. Select Corporate Representative Information to open the Corp Representative Information window.

3. Enter the name and national identity card number of the individual who represents your enterprise.

4. Repeat steps 3 and 4 for all the representatives in the GRE.

5. Click OK.

Business Place: Entering Business Place Registration Information

You enter business place information, such as the name and business registration number for your enterprise in the BP Registration window. You use this information to prepare statutory reports, and then submit the reports to the National Tax Service.

To enter registration information for a business place:

1. In the Organization window, query the organization and select Business Place in the Organization Classifications region.

2. Click Others to open the Additional Organization Information window. Select BP

Registration to open the BP Registration window.

3. Enter the name of your business place.

4. Enter the registration number of your business place. The format is 999-99-99999.

5. Select the corporate body linked to your business place.

    > **Note:** The Associated Corporation field displays only those organizations (corporate bodies) in your business group that are set up as GREs with the corporate information of the organization completed.
    >
    > You must associate a business place with a corporate body because the former contains area-specific details while the latter has other details that are not area-specific. You require both kinds of information for preparing statutory reports, such as those on income tax and statutory benefits.

6. Enter the name and national identity card number of the individual who represents your business place.

7. Enter the date your business place was established, otherwise the date defaults to today's date. You cannot enter a future date.

8. Enter the name of the industry that your business place is in. You may optionally enter the subclassification body name.

9. Select whether the organization is a venture or a non venture company. You require this information to calculate the exemption for employees for the Employee Stock Ownership Contribution based on whether it is a venture or non venture company.

10. Select the dimension for employee, to process leave either for a calendar year or a financial year.

11. In the Computerization code, select one of the following:

    *   To submit the national pension archive report for the business place in a magnetic tape format, select EDI.

    *   To submit the national pension archive report for the business place in a paper format, select Text.

12. Click OK.

Business Place: Entering Business Place Representative Information

Use the BP Representative window to enter information about all the business representatives of your enterprise, other than the main representative in your business place.

To enter information about the main representative in your business place, see: Entering Business Place Registration Information, page 1-32

To enter corporate representative information for a Business Place:

1. In the Organization window, query the organization and select Business Place in the Organization Classifications region.

2. Click Others to open the Additional Organization Information window. Select BP Representative to open the BP Representative window.

3. Enter the name and national identity card number of the individual who represents your business place.

4. Repeat steps 2 and 3 for all the representatives in your business place.

5. Click OK.

Business Place: Entering National Pension Insurance Information

Use the National Pension Info window to enter national pension insurance information. All enterprises use their own unique number, to deduct national pension insurance premium from the employees.

You use this information to prepare all the related reports and E-files like the National Pension Adjustment report.

To enter national pension insurance information for a Business Place:

1. In the Organization window, query the organization and select Business Place in the Organization Classifications region.

2. Click Others to open the Additional Organization Information window. Select National Pension Info to open the National Pension Info window.

3. Enter the national pension insurance number that is allotted to your business place.

4. Optionally, enter the branch code and branch name of the organization from where you have received this unique national pension insurance number.

5. Click OK.

Business Place: Entering Health Insurance Information

Use the Health Ins Info window to enter health insurance information like the insurance number for your business place. All enterprises use their own unique number, to deduct health insurance premium from the employees.

You use this information to prepare all the related reports and E-files like the Health Insurance Adjustment Report for leaving employees.

To enter health insurance information for a Business Place:

1. In the Organization window, query the organization and select Business Place in the Organization Classifications region.

2. Click Others to open the Additional Organization Information window. Select Health Ins Info to open the Health Ins Info window.

3. Enter the health insurance number that is allotted to your business place.

4. Optionally, enter the branch code and branch name of the organization that provided this unique health insurance number.

5. Click OK.

Business Place: Entering Employment Insurance Information

Use the Employment Ins Info window to enter employment insurance information like the insurance number for your business place, and also to prepare the related reports and E-files. All enterprises use their own unique number, to deduct employment insurance premium from the employees

To enter employment insurance information for a Business Place:

1. In the Organization window, query the organization and select Business Place in the Organization Classifications region.

2. Click Others to open the Additional Organization Information window. Select Employment Insurance to open the Employment Ins Info window.

3. Enter the employment insurance number that is allotted to your business place.

4. Optionally, enter the branch code and branch name of the organization that provided this unique employment insurance number.

5. Click OK.

Business Place: Entering Income Tax Office Information

Enter information about the income tax office where you send your employee's income tax details, using the Income Tax Office window.

To enter income tax office information for a Business Place:

1. In the Organization window, query the organization and select Business Place in the Organization Classifications region.

2. Click Others to open the Additional Organization Information window. Select Income Tax Office to open the Income Tax Office window.

3. Enter the authority code for your business place. You associate a tax type with every code that you define.

4. Enter the authority name for the authority code.

5. Optionally, select the address of the income tax office to which your business place belongs, and enter information like the department name and the name of the person in charge.

6. Enter the phone number of the income tax office.

7. Enter the sub business place sequence number.

8. Click OK.

Business Place: Entering Bank Information

Use the Bank Information window to enter the bank details for the business place. You use the bank information when you pay employees, or when you create reports on magnetic tapes.

To enter bank information for a Business Place:

1. In the Organization window, query the organization and select Business Place in the Organization Classifications region.

2. Click Others to open the Additional Organization Information window. Select Bank Information to open the Bank Information window.

3. Select the name of the bank where your business place has an account.

4. Select the type of account you have at the bank.

5. Enter the account number. The account number must be unique within a bank branch.

6. Enter the name of the bank account owner. You typically enter the business place's name as the bank account owner's name.

7. Click OK.

Business Place: Entering Payroll Parameters Information

Use the Payroll Parameters window to enter the employment insurance premium rate, if you want to override the existing rate.

To enter Payroll Parameter Information for a Business Place:

1. In the Organization window, query the organization and select Business Place in the Organization Classifications region.

2. Click Others to open the Additional Organization Information window. Select Payroll Parameters to open the Payroll Parameters window.

3. Enter the employment insurance premium rate to override the existing employment insurance premium rate.

4. Click OK.

Business Place: Entering Residents' Tax Office Information

Use the Residents Tax Office window to enter your local employees' tax office details. Set up this information if you employ Korean residents, so you can send their tax reports to the correct office.

To enter residents' tax information for a Business Place:

1. In the Organization window, query the organization and select Business Place in the Organization Classifications region.

2. Click Others to open the Additional Organization Information window. Select Residents Tax Office to open the Residents Tax Office window.

3. Enter residents' tax office information like authority code, authority name, address, and phone number in these fields.

4. Click OK.

Business Place: Entering Samoojohap Information

You must inform either the Korea Labor Welfare Organization or the Samoojohap Inc. of all the new employees, and any employee whose eligibility status has changed since their hiring date.

If you want to send the insurance requisition report (about Health Insurance, National Pension, Employment Insurance and Industrial Accident Compensation Insurance) to Samoojohap Inc., you must enter information such as the name, code, and address in the Samoojohap Information window.

To enter Samoojohap Inc. information for a Business Place:

1. In the Organization window, query the organization and select Business Place in the Organization Classifications region.

2. Click Others to open the Additional Organization Information window. Select Samoojohap Information to open the Samoojohap Information window.

3. Enter the Samoojohap code and name issued to your business place.

4. Enter the address and the phone number of Samoojohap Inc.

5. Enter the name of the employee representing the business place.

6. Enter the subcontractor control number of the unauthorized employer who submits the insurance requisition. You enter this number only for those subcontractors who are not authorized employers (for example, employers in construction).

7. Click OK.

Entering Disability Information

HRMS enables you to enter detailed disability information for the people in your enterprise.

You use the Disability window to enter this information.

> **Note:** If you want to record that a person is registered as disabled, but you do not need to hold information about that disability, you can just check the Registered Disabled check box on the Personal tab in the Person window.

See: Entering a New Person (People Window), page 8-4

To enter disability information:

1. Set your effective date early enough to handle any historical disability information that you want to enter.

    > **Note:** If you want to associate this disability record with an existing medical assessment or work incident, your current effective date must be later than the assessment and incident dates. Ask your system administrator to enable the Work Incidents and Medical Assessments windows if they are not available.

2. Select the category of disability, for example, Severely Disabled.

3. Enter into the FTE field the full-time equivalent that this person represents towards your enterprise's quota of disabled employees. If no quota scheme exists, then leave the default value as 1.00.

    > **Note:** You can enter a number that is greater than 1.00, depending on the level of disability.

    The actual figure will normally be provided by the official disability organization.

4. Select the status of this disability information.

    *   Active: This information will be included in reports. You cannot enter an Active status if the record has an end date.

    *   Inactive: This information will not be included in reports.

    *   Pending: This information is not yet complete because you entered it before you entered the medical assessment confirming this disability (where the consultation result was Disability.)

    *   Closed: This information has an end date because the person no longer has this disability.

    For Russian users only: Disability status is not applicable in Russia, so the Status field is not available to Russian users. Instead, select the type of disability. You can find this information in the disability certificate provided by the Office of Medical Examination. The application uses this information to calculate any tax benefits and deductions for the employee.

5. Select the reason for the disability, for example, Occupational Incident. If the disability was diagnosed as the result of a medical assessment, select Occupational Assessment.

6. Enter the percentage of disability as determined by the official assessment of this disability.

   For Hungarian and Spanish users only: The degree of disability depends on the category of disability. For example, if the person's disability category states that the disability decreases the work capacity by 50%, enter 50 as the percentage.

7. Select the incident that is related to, or caused, this disability. The list of incidents is limited to incidents that occurred before the current effective date of this disability. When you select an incident, its date is displayed automatically.

8. Select the medical assessment that recorded this disability.

   The list of assessments is limited to assessments that:

   • have a result of Disability

   • have a consultation date that is earlier than the current effective date of the disability

   • are not already linked to a disability record for this person

   • were linked to any incident that you selected in the previous step

   To link an incident to an assessment, see: Entering Medical Assessments, *Oracle HRMS Enterprise and Workforce Management Guide*

   This field is not datetracked.

Entering Disability Registration Information:

1. Choose the Registration tabbed region to enter the disability registration details.

2. Enter into the ID field the registration number assigned by the disability organization.

3. Select the name of the official disability organization with whom the person's disability is registered.

   You create disability organizations in the Organization window, selecting the Disability Organization classification.

   See: Creating an Organization, page 1-16

   Japanese users only: Select the confirmation method by which the disability was confirmed by the employer.

4. Enter the date on which the employee was registered as disabled with the disability organization and the date on which this registration expires.

Entering Additional Disability Information:

1. Choose the Other tabbed region to enter additional details about this disability.

2. Enter a description of the disability.

   For Russian users only: Disability description is not applicable in Russia. Instead, enter the job conditions under which the disabled employee can work. You can find this information in the disability certificate provided by the Office of Medical Examination. You can use this information to identify suitable assignments for the disabled employee.

3. Enter information about the work restrictions that the employee is subject to as a result of their disability.

4. Enter further information about this disability if the Further Information field has been set up by your Oracle localization team.

   For Hungarian users only: Record if the employee is blind. The application uses this information to calculate any additional holiday or tax benefit for the employee.

   For Indian users only: Indicate if the employee has provided proof of disability, for claiming disability benefits.

   For Korea users only: Specify the following:
   - Disability grade

   - Effective date of the disability

   - If a certificate of disability is available or not.

   - Disabled type

     You require this information when the employee is eligible for disable exemption.

   For Mexican users only: Specify the following:
   - Disability ID of any related disabilities

     The list-of-values displays all previous disabilities for your employee.

   - Number of disability days subsidized by the social security agencies

   - Type of disability

     Valid values are:
     - General Disease

- Maternity

- Risk Incident

- Result of the disability

  The Consequence field provides the following options:

  - None

  - Temporary Disability

  - Provisional Initial Assessment

  - Definitive Initial Assessment

  - Death

  - Relapse

  - Assessment after start date

  - Provisional re-assessment

  - Relapse without medical discharge

  - Definitive re-assessment

- Disability control

For Spanish users only: Record if the employee or dependent contact has a condition with reduced mobility. This information affects the employee's tax withholding rate.

For UAE users only: Indicate if the employee's disability will impact their social insurance contribution. Only one disability can be considered for calculating the social insurance contribution.

For Japanese users only: Specify the following:

You require the following information to submit the disability reports to the authorities for statutory purposes.

- Degree/Grade - select the degree if the employee is intellectually disabled and the grade if physically disabled.

- Confirmation Method - select the confirmation method by which the disability was confirmed by the employer.

- Severely Disabled - select Yes if the employee has severe physical disability or severe intellectual disability and must be counted as 2 disabled persons for reporting purposes.

- Part-time Worker - select Yes if the employee is a part-timer for reporting purposes.

The following information is required for the worker insurance report if the employee is disabled or injured as a result of work accident.

- Wa Insurance Disability Grade - select the grade for work insurance purposes.

- Insurance Injury and Sickness - select the values for the work insurance purposes.

5. Save your work.

What Next?

To set up an assessment to evaluate this disability, choose the Medical Asse. (Assessment) button.

See: Entering a Medical Assessment, *Oracle HRMS Enterprise and Workforce Management Guide* for more information.

Maintaining Disability Information

You can make changes to the disability information that you saved previously, but if your disability record includes either incident or medical assessment information, you cannot change or delete this information once you have saved it.

2

Compensation and Benefits Management

Elements

Survey of the Classifications

The survey of classifications identifies:

- The function of elements within each primary classification, *Oracle HRMS Compensation and Benefits Management Guide*

- The processing priority range, default priority, and cost type for each classification, *Oracle HRMS Compensation and Benefits Management Guide*

- A list of the predefined secondary classifications within each primary classification, *Oracle HRMS Compensation and Benefits Management Guide*

Primary Classifications

Classification	Meaning
Information	Information elements store information that is not directly used by payroll processing. The information may be used by other elements or by Fast Formulas.
Absence	Use the Absence classification for elements that store employee absences. Use the Information classification to set up PTO accruals.
Base Salary	Payments using this classification are taxable and subject to health insurance, employment insurance and national pension.
Court Order Deductions	Use the Court Order Deduction classification for elements that store deductions towards court orders in Korea.
Direct Payments	Direct Payment elements are for expenses or loans made through the payroll that are not subject to tax. They are not included in gross or net pay balances.

Non Taxable Earnings	This classification includes non-taxable earnings elements.
Taxable Earnings	This classification includes earnings subject to taxation.
Taxable Earnings in Kind	Use this classification for elements which are not fed to a payment balance. The difference between Taxable Earnings and Taxable Earnings in Kind is whether the elements are fed to a payment balance or not.
Non Taxable Earnings in Kind	Elements within this classification are not fed to a payment balance.
Pre Tax Deductions	Use this classification for pre-tax deductions such as Health Insurance Premium, Employment Insurance Premium, and National Pension Premium.
Tax Deductions	Use this classification for legal tax deductions such as income tax, resident tax and special tax.
Involuntary Deductions	Involuntary Deduction elements are for court-ordered garnishments or child support.
Voluntary Deductions	Voluntary Deductions elements are for deductions, such as union dues, that the employee authorizes the employer to make voluntarily on his or her behalf after tax.
Employer Charges	Use this classification for employer charges such as health insurance premium, employment insurance premium, and national pension premium.
Balance Initialization	Balance Initialization elements are used specifically for the loading of initial values into balances. You would mainly use these elements when transferring data from another payroll system.

Primary Classification Processing Priorities and Cost Types

The following table shows processing priority and costing details for the primary classifications supplied.

Primary Classification	Priority Range	Default Priority	Cost Type
Balance Initialization		0	N/A
Information	1 - 1000	500	N/A
Absence	10001 - 11000	10500	Debit
Direct Payments	20001 - 24000	20500	Debit
Base Salary	20001 - 24000	21000	Debit
Taxable Earnings	20001 - 24000	21500	N/A
Non Taxable Earnings	20001 - 24000	22000	Debit
Taxable Earnings in Kind	20001 - 24000	22500	Debit
Non Taxable Earnings in Kind	20001 - 24000	23000	Debit
Pre Tax Deductions	30001 - 31000	30500	Credit
Tax Deductions	40001 - 41000	40500	Credit
Involuntary Deductions	50001 - 51000	50500	Credit
Voluntary Deductions	50001 - 51000	50500	Credit
Employer Charges	60001 - 61000	60500	Credit

Predefined Secondary Element Classifications

This table shows the predefined secondary classifications supplied. You cannot update or delete these predefined classifications.

An element is automatically given any default secondary classifications defined for its primary classification.

Primary Classification	Secondary Classifications	Default
Balance Initialization	None	N/A
Information	None	N/A
Absence	None	N/A
Court Order Deductions	None	N/A
Direct Payments	None	N/A
Base Salary	None	N/A
Taxable Earnings	• Taxable Earnings Subject to Health Insurance • Taxable Earnings Subject to Employment Insurance • Taxable Earnings subject to National Pension • Taxable Earnings subject to Regular Taxation	

Primary Classification	Secondary Classifications	Default
Non Taxable Earnings	• Non Taxable Earnings Subject to Health Insurance • Non Taxable Earnings Subject to Employment Insurance • Non Taxable Earnings subject to National Pension • Non Taxable Earnings subject to Regular Taxation	
Taxable Earnings in Kind	• Taxable Earnings in Kind Subject to Health Insurance • Taxable Earnings in Kind Subject to Employment Insurance • Taxable Earnings in Kind subject to National Pension • Taxable Earnings in Kind subject to Regular Taxation	

Primary Classification	Secondary Classifications	Default
Non Taxable Earnings in Kind	• Non Taxable Earnings in Kind Subject to Health Insurance • Non Taxable Earnings in Kind Subject to Employment Insurance • Non Taxable Earnings in Kind subject to National Pension • Non Taxable Earnings in Kind subject to Regular Taxation	
Pre Tax Deductions	None	N/A
Tax Deductions	None	N/A
Involuntary Deductions	None	N/A
Voluntary Deductions	None	N/A
Employer Charges	None	N/A

Predefined Elements

The following table lists the predefined elements used in Oracle HRMS for Korea:

Predefined Elements

Element Name	Description
Annual Leave Reimb subj to Avg Sal	Annual Leave Reimbursement subject to Average Salary
Average Salary	Average Salary

Element Name	Description
Calculated Tax	Calculated Tax
Dependent Tax Exemption	Dependent Tax Exemption
Earnings Subject to EI PT	KR Employment Insurance Process
Earnings Subject to EI UC	KR Employment Insurance Summary Process
Earnings subj to National Pension Actual	Earnings subjected to National Pension Actual
Employment Ins Exception Info	KR Employment Insurance Exception Information
Employment Ins Prem	Employment Insurance Premium Calculation
Employment Ins Adj for Employee	Employment Ins Adjustment for Employee
Employment Insurance Adjustment Upload	Uploaded premium information received
Employment Insurance Premium Upload	Element to store uploaded premium information
Excluded Month For Non Statutory Separation Pay	Excluded Month For Non Statutory Separation Pay
Executive Sep Pay Information	Executive Separation Pay Information
Exceeding Executive Sep Pay	Exceeding Executive Separation Pay
Health Ins Prem	Health Insurance Premium Calculation
Health Ins Prem Adj Employee Charge	Health Insurance Premium Adjustment (Employee)
Health Ins Prem Adj Employer Charge	Health Insurance Premium Adjustment (Employer)
Health Ins Prem Adj in Installments	Health Insurance Premium Adjustment Installment Calculation

Element Name	Description
Health Ins Prem Employee Charge	Health Insurance Premium (Employee)
Health Ins Prem Employer Charge	Health Insurance Premium (Employer)
Health Insurance Adjustment Upload	Uploaded premium information received by NHIC
Health Insurance Premium Upload	Element to store uploaded premium information
Health Ins Prem Adj in Installments	Health Insurance Premium Adjustment Installment Calculation
Income Exemption	Income Exemption
Income Tax	Income Tax
Income Tax Adjustment	Income Tax Adjustment
KR Normal Hours	KR Normal Hours
Long Term Care Ins Prem	Long-term Care Insurance Premium
Long Term Care Ins Prem Employee Charge	Long-term Care Insurance Premium Employee Charge
Long Term Care Ins Prem Adj Employee Charge	Long-term Care Insurance Premium Adjustment Employee Charge
Long Term Care Ins Adjustment Upload	Uploaded premium information received by NHIC
Long Term Care Ins Prem Upload	Long-term Care Insurance Premium
Long Term Care Ins Prem Adj Employer Charge	Long-term Care Insurance Adjustment Employer Charge
Long Term Care Ins Prem Employer Charge	Long-term Care Insurance Premium Employer Charge
Monthly Earning subj to Avg Sal	Monthly Earning subject to Average Salary

Element Name	Description
Monthly Earning subj to Avg Sal Add	Monthly Earning subject to Average Salary Additional
National Pension Prem	National Pension Premium Calculation
National Pension Prem Employee Charge	National Pension Premium (Employee)
National Pension Prem Employer Charge	National Pension Premium (Employer)
National Pension Prem Fund Reimb	National Pension Premium Fund Reimbursement Calculation
National Pension Upload	Upload Pension Information received from NPA
Net Pay	Net Pay Calculation
Non Statutory Separation Pay Calculated Tax	Non Statutory Separation Pay Calculated Tax
Non Stat Sep Pay Post Tax Brk	Non Stat Separation Pay Post Tax Break
Non Statutory Separation Pay	Non Statutory Separation Pay
Overriding Amounts Other Than This Bonus	Overriding Amounts Other Than This Bonus
Overriding Bonus Periods	Overriding Bonus Periods
Payment_Days	Payment Days
Previous Employer Info	Previous Employer Information
Previous Employer Separation	Previous Employer Separation Pension Details
Previous Employer Separation	Separation Pension Lump Sum Amount for Previous Employer
Previous Employer Info2	Separation Pay for Previous Employer
Previous Employer Sep Pension Lump Sum Non Taxable Amt	Separation Pension Lump Sum Non Taxable Amount for Previous Employer

Element Name	Description
Previous Employer Info2	Previous Employer Information
Resident Tax	Resident Tax
Resident Tax Adjustment	Resident Tax Adjustment
Sample Override WKPD	Sample Override Working Period
Sample Ovr ALR subj Avg Sal	Sample Override Annual Leave Reimbursement subject to Average Salary
Sample Ovr ME subj Avg Sal	Sample Override Monthly Earning subject to Average Salary
Sample Ovr ME subj Avgl Add	Sample Override Monthly Earning subject to Average Salary Additional
Sample Ovr YBON subj Avg	Sample Override Yearly Bonus subject to Average Salary
Sample WTPT Process	Sample Weighting Point Process
Separation Insurance	Separation Insurance
Separation Pay	Separation Pay
Separation Pay Overseas Tax	Separation Pay Overseas Tax
Sep Pay Post Tax Break	Separation Pay Post Tax Break Exception Flag
Separation Pension Details	Calculation of Separation Pension
Separation Pension Account Details	Information for IRA account
Separation Pension Lump Sum Amount	Taxable Separation Pension Amount
Separation Pension Lump Sum Non Taxable Amount	Non Taxable Separation Pension Amount
Separation Pay Tax Deferring Details	Separation Pay Tax Deferring Details

Element Name	Description
Separation Tax Conversion Info	Tax Conversion Calculation Amounts
Service Period and Separation	Service Period and Separation Pay Income Exemption
Separation Pay Overseas Tax	Separation Pay Overseas Tax
Separation Pay Tax Deferring Details	Separation Pay Tax Deferring Details
Special Separation Allowance	Special Separation Allowance
Special Tax	Special Tax
Special Tax Adjustment	Special Tax Adjustment
Statutory Sep Pay Post tax Brk	Statutory Separation Pay Post tax Break
Tax	Tax (Income Tax, Resident Tax) Calculation
Tax Break	Tax Break
Tax Exemptions	Tax Exemptions
WG Adjustment	Wage Garnishment Adjustment for Obligation Release of Provisional Attachment
WG Attachable Earnings	Attachable Earnings for Wage Garnishments for Korea
WG Balance Initialization	Element for Wage Garnishment Balance Initialization for Payroll Purge process
WG Deposition Info	Wage Garnishment Deposition Information Element
WG Redistributed Amount	Re-distributed wage garnishments amount after obligation release of provisional attachment
WG Results	Information element to store Interest, Principal and Court Fees Information

Element Name	Description
Wage Garnishments	Wage Garnishments for Korea
Working Days	Working Days for National Pension Adjustment Process
Working Period	Working Period
Working Period for Non Statutory Separation Pay	Working Period for Non Statutory Separation Pay
YEA	Year End Balance Adjustment Information
Yearly Bonus subj to Avg Sal	Yearly Bonus subject to Average Salary

Salary and Grade Related Pay and Progression

Grade/Step Progression

Grade/Step Progression is a business process that enables you to move large numbers of employees from one grade or grade step to the next, in an automated, bias-free way.

You do this by defining how employees become eligible for progression and the details of the grade or step to which they are eligible to progress (including the rate of pay associated with the proposed step or grade). Then, you run a pre-process to check which employees are eligible for progression according to your rules. This triggers a post-process that either progresses eligible employees automatically, or identifies them as eligible so that you can approve their progression manually (depending on how you set up Grade/Step Progression). If you have set up Grade/Step Progression to apply automatic salary updates, the application makes these salary changes and passes them to your payroll.

In order to understand Grade/Step Progression, you need to understand the following key concepts:

- Grade Ladder

- Salary Rates

- Progression Rules

Grade Ladder

At the centre of grade/step progression is the *grade ladder*. You use the grade ladder to:

- Define, categorize and group your grades and steps in the sequence in which your employees typically progress. For example, you might decide to create three grade ladders for your enterprise: one for technical grades, another for management grades, and a third for administrative grades.

- Define the rules that determine an employee's eligibility for progression, and optionally add scores to the eligibility criteria to define the employees most eligible to progress, as guidance for manual approvals

- Specify pay administration rules for the grades and steps on the grade ladder. For example, define how salaries are updated and passed to payroll when an employee progresses from one grade to the next.

- Vary grade and step pay according to employees' individual circumstances.

- Determine the type of approval (manual or automatic) required to progress an

eligible employee.

The graphic below illustrates the types of progression the grade ladder supports:

The Grade Ladder: Types of Progression
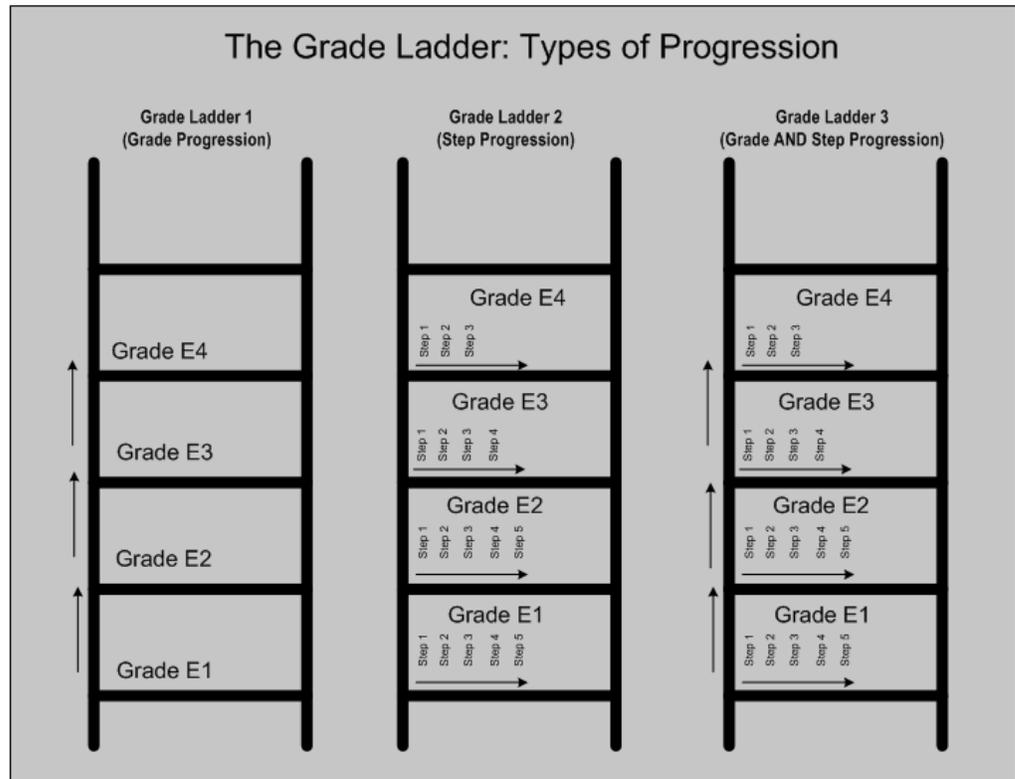
As shown in this graphic, you can set up a grade ladder to progress employees in one of the following three ways:

- From one grade to another. Example: Grade E1 to Grade E2.

- From one grade step to another grade step (on the same grade). Example: Step 3 on Grade E2 to Step 4 on Grade E2.

- From one grade step to another grade step (on another different grade). Example: Step 5 on Grade E2 to Step 2 on Grade E3.

    Note: You can only progress employees within the same grade ladder, and not across different grade ladders.

You set up the grade ladder using the Total Compensation Setup Wizard. This wizard guides you through the Grade Ladder setup pages and the tasks you must perform to create the grade ladder.

French Users

For a public sector type organization, you set up the grade ladder using the French Public Sector Corps business area in the Total Compensation Setup Wizard. When you create a grade ladder, Oracle HRMS creates a corps with the same name as that of the grade ladder. You can then set up the corps details.

> **Note:** In a public sector type organization, the grade ladder is the corps and you can progress employees within and across different grade ladders.

Salary Rates

Grade/Step Progression enables you to record the pay rates associated with grades and steps (and to make the necessary salary changes when an employee progresses from one grade or step to the next.)

If you are using Grade/Step Progression, these pay rates are known as *salary rates*. You can enter two types of salary rate:

- Default salary rates

- Criteria salary rates

Default Salary Rates

Default salary rates represent a single set of values for one grade. For example, if you enter minimum, maximum, and mid-value default salary rates for the grades on your grade ladder, the rate for every assignment on that grade must fall within the specified range. Or, if you are using grade steps, the default salary rate you define for each step applies to every assignment on that step.

Criteria Salary Rates

Criteria salary rates represent different sets of values for the same grade or step. If your enterprise compensates its employees using a group pay model (but without a common pay scale), then you can use criteria salary rates to vary the rates that you pay employees on the same grade.

See: Recognizing Your Grade Implementation Model, *Oracle HRMS Compensation and Benefits Management Guide*

For example, your enterprise may use the same grades and steps in all its office locations. However, differences in cost of living mean that you pay your employees different amounts depending on where they work.

To enable you to vary grade and step pay in this way, you use *criteria sets* and *criteria salary rates*. If your enterprise varies pay by location only, you could create one criteria set for each location (for example, one for Melbourne, one for Sydney, and one for Perth). Each criteria set would include just one criterion (the location name). You can use any of the following criteria in your criteria sets:

- Bargaining Unit

- Full Time/Part Time

- Job

- Location

- Organization

- Performance Type (including Rating Type information)

- Person Type

- Rule

- Service Area

See: Eligibility Profile Criteria, *Oracle HRMS Compensation and Benefits Management Guide* for more information about these criteria

> **Important:** You can use the above criteria only to create criteria sets for use in Grade/Step Progression. If you use other criteria, the variable rate profile is available as a criteria set in the Total Compensation Setup Wizard, but it contains no criteria.

Having defined unique criteria sets, you can enter the salary rates for each grade and/or step that use different rates of pay.

The application identifies employees who are on the grades (or grade steps) that meet the criteria in your criteria sets. If they meet the criteria, they are eligible for the criteria salary rate. If they do not meet the criteria (for example, they work in the Auckland office, where grade pay does not vary by location), they are eligible for the default salary rate.

If your organization does not use variable rates of pay for the same grade, you need to use only default salary rates and do not need to define criteria salary rates.

Reuse of Existing Grade Rates and Scale Rates

You can upload grade rate and scale rate values created in the Grade Rate and Scale Rate windows to create default salary rates. However, once you have uploaded any existing rates, we recommend that you use the Total Compensation Setup Wizard to maintain salary rates for use in Grade/Step Progression.

> **Note:** If you are not using Grade/Step Progression, you can define grade and scale rates using the Grade Rate and Scale Rate windows only.

French Users

In a public sector type organization, Oracle HRMS derives salary rates from the pay scales that you define. It calculates the salary using the Grade and Step Rate method that uses the index values in the Global Table of Indices - Gross Index (IB) and Increased Index (INM). For a grade, the application derives the salary rates from the increased index in the Global Table of Indices and the legal indemnity rates, in case of legislative pay scales. It uses the salary rate directly, in case of exception pay scales.

As you create the pay scales and then define the grade steps from the progression points, you do not have the option of using progression points for the grade ladder.

Progression Rules

To progress employees using Grade/Step Progression, you need to define how a person becomes eligible for progression. You do this using *eligibility profiles*, which you can attach at grade ladder, grade, or step level:

- Grade ladder profiles apply to every grade or step in this grade ladder.

- Grade profiles apply to this grade (and its step, if used) in this grade ladder.

- Grade step profiles apply to this grade step in this grade ladder.

> **Note:** When you attach an eligibility profile to a grade, you can specify if you want the profile to apply to this ladder only, or to every other grade ladder using this grade. You can only attach step-level profiles to the selected grade ladder.

A profile contains one or more criteria that an employee must meet to become eligible for progression. If their current grade or step is associated with multiple profiles, they must meet the criteria in any mandatory profiles and at least one of the optional profiles

For example, you may want to specify that anyone on this grade ladder must have been on their current grade or step for at least two years before they are eligible for progression, and each grade has additional rules for progression. To address this, you could define the following two rules:

- A grade ladder profile that specifies the employee must have been on their current grade or step for a minimum of two years.

- Grade level profiles for rules that are specific to each grade.

You can reuse the same eligibility profiles in other grade ladders, grades and steps. You can define eligibility profiles using either the Participation Eligibility Profiles window or directly from the Total Compensation Setup Wizard, then attach them to grade ladders, grades, or steps in the Total Compensation Setup Wizard.

If you set up your grade ladder to rank employees on the basis of the eligibility criteria

they satisfy, you must assign scores to the eligibility criteria, using the Participation Eligibility Profiles window. The application computes scores for people, on the basis of applicable eligibility criteria, to arrive at a rank for each person.

Manual Approval

An employee may be eligible for progression to one or more grades or steps. Based on the progression rules you defined, the application progresses the employee automatically to the appropriate grade or step.

If your grade ladder uses manual approval, and the employee is eligible for more than one grade or step, the application proposes the default progression and marks it on the Approvals page.

If you have set up your grade ladder to rank employees to determine the people you want to progress from a group of eligible employees, the application displays the ranks and the computed scores of employees of that grade ladder in the Approvals page.

If you have enabled Workflow for a grade ladder that uses manual approval, the application notifies the managers of the employee for approval of the proposed progressions.

The Grade/Step Progression process determines the default grade or step by applying the following rules:

- If you have not assigned a grade ladder to an employee and the employee's current grade is attached to the default grade ladder for the business group, then it uses the default ladder.

- If the employee has no current grade associated with their assignment, the process stops.

- If the default grade ladder uses both grade and step progression, the process proposes a step based on the Progression Style defined for the grade ladder. The proposal may be to the lowest step in the grade, the next grade (but no step), or to the step with the lowest increase in salary.

- If the default grade ladder uses grade progression, the process proposes the next grade in the grade ladder for which the employee is eligible. When grade ladders are set for automatic progression, the Grade/Step Progression process flags the proposed progression so that the post-process can complete this progression. If this grade ladder requires manual approval for all progressions, the default grade or step is shown on the Approvals page for you to reject or approve the progression.

French Users

In a public sector type organization, you can define progression within corps and across corps based on the career path and using the appraisal scores, ranks, and quota restrictions. You can move civil servants across corps if they satisfy all the eligibility conditions for the corps, and the seniority requirements defined for the career path.

Korean Grades and Grade Points Overview

Recording seniority and grade related information is a common business practice for many organizations in Korea that enables employers to manage an employee's assignment history.

In order to understand Grades and Grade Points, you need to understand the following key concepts:

- Seniority

- Job Title

- Second Grades and Points

Seniority

You define Seniority on the basis of length of service so that your employee is assured of certain entitlements. Oracle HRMS supports seniority levels and a hierarchical structure within seniority levels.

Oracle HRMS delivers the lookup type, KR_SENIORITY with the value set, PER_KR_SENIORITY and the following predefined values:

- Sawon (after graduate university)

- Daerie (after 3 years work experience)

- Kwajang (after 5 or 6 years work experience)

- Chajang

- Pujang

- Director

You can also define your own lookups and values to determine the structure of your organization.

See: Adding Lookup Types and Values, *Oracle HRMS Compensation and Benefits Management Guide*

Job Title

When you finish defining your Job Flexfield, you use it to define individual job titles by combining different level and discipline segment values. For example, you can combine segment values to define job titles such as Senior Engineer, Staff Scientist, and so on. You prepare separate allowance schemes for each job title.

Oracle HRMS provides the lookup, KR_JOB_TITLES with the value set, PER_KR_JOB_TITLE. You can also define your own lookups and values.

See: Adding Lookup Types and Values, *Oracle HRMS Compensation and Benefits Management Guide*

Second Grade and Points

Second grade and points relate to organizations that base the grade structure for their employees on performance. The number of these second grades and their descriptions can vary according to the organization structure.

Oracle HRMS enables you to record additional grade related information using the Second Grade and Points window.

See: Defining Second Grades and Points, page 2-21

Defining Second Grades and Points

You define second grades and points in the Second Grade and Points window.

If you intend to load historic assignment details into Oracle HRMS, make sure you enter valid start dates for your second grades and points. You cannot assign an assignment to a second grade before the start date of the second grade.

To define second grades:

1. In the Grades region, enter your grades in a sequence number order.

   The sequence number can be any number from 1 upwards. The number indicates the rank order of the grade; 1 indicates the highest grade.

   This is the sequence in which the grades appear to users in lists of values. Consider sequencing each grade at intervals of 10 or more, to accommodate any future changes to grades.

2. Enter a unique name for the grade.

3. Enter a start date early enough to handle any historical information you want to enter. Enter the end date for the grade.

4. Select the check box, Enabled.

5. In the Grade Amount region, enter an amount for the grade. Enter the start date and end date through which this amount is valid.

6. Save your work.

To define second grade points:

1. In the Grade Points region, enter your grade points in a sequence number order.

2. Enter a unique name for the grade point

3. Enter a start date early enough to handle any historical information you want to enter. Enter the end date for the grade point.

4. Select the Enabled option.

5. In the Grade Point Amount region, enter an amount for the grade point. Enter the effective dates through which this amount is valid.

6. Select the coordination check box to enable the automatic query for the detail records (Grade Point and Amount).

7. Save your work

Deleting Second Grades and Points

To remove a grade and grade point:

1. In the Second Grades and Points window, enter an end date against the grade or the grade point.

To delete a grade and grade point entirely from the system:

1. Reassign anyone already assigned to the grade to another grade.

2. Highlight the grade in the Second Grade and Points window and choose Row Delete.

   If you have historical records using the grade, you cannot delete it. You can only enter an end date to prevent further assignments to this grade.

Statutory Deductions

Statutory Deductions Overview

Oracle Payroll enables employers to calculate and deduct the statutory contributions to be paid by employees and employers as mandated by the state and federal statutes. Oracle Payroll supports the following three types of deductions for both the employees and employers:

- Health Insurance Premium (payable to National Health Insurance Corporation)

- National Pension Premium (payable to National Pension Corporation)

- Employment Insurance Premium (payable to Labor Welfare Corporation)

Rules for Statutory Deductions

There are specific rules affecting the statutory deductions. There are employees who are exempt (partially or fully) from statutory deductions and employees with specific contribution rules.

Exception Cases

Oracle Payroll enables you to handle employment insurance ineligible and exception cases, and national pension exception cases during the payroll run. Employees who do not qualify for these monthly deductions can be determined using the predefined extra information type flexfields in the People window. You may add other types of exception reasons if required, along with the effective dates using the Extra Person Information window.

See: Person Extra Information Types, page 8-2

Health Insurance Adjustment Types

Oracle HRMS supports Health Insurance Adjustments types such as Annual Earnings Health Insurance Adjustments and Separation/Termination Health Insurance Adjustments.

National Pension Requisition or Loss Report

Oracle Payroll enables you to print a Requisition or Loss of National Pension report for all workers whose eligibility status has changed (typically by death, termination, qualifying for old-age pension). Employees whose names appear in this report are exempted from National Pension deductions.

Setting Up Statutory Deductions

Oracle Payroll enables you to deduct national pension premiums and health insurance premiums from employees' salaries, before deducting taxes.

Follow these steps to set up and process these premiums:

1. Link the appropriate element to one or more payrolls using the Element Link window.

   See: Defining Element Links, *Oracle HRMS Compensation and Benefits Management Guide*

2. Link the extra information type to your responsibility using the Information Type Security window.

   See: Setting Up Extra Information Types For a Responsibility, *Oracle HRMS Compensation and Benefits Management Guide*

3. Oracle Payroll enables you to handle employment insurance exceptions by defining your elements and formulas, and you do not need to enter these exceptions using the (Employment Insurance Exception and National Pension Exception) EITs. You define your elements and formulas for handling the exceptions when you cannot determine and manually enter the exception information without processing the payroll.

   See: Defining Employment Insurance Exceptions Using Formulas, page 2-26

4. Before processing the deductions in a payroll run, ensure that you have entered SME values for all your assignments, and entered the exception types for your employees, where appropriate.

   See: Managing Statutory Deductions, page 2-24

Managing Statutory Deductions

Follow these steps to manage your statutory deductions after it has been set up in Oracle HRMS.

To set up the Statutory Deductions, see: Setting Up Statutory Deductions, page 2-24.

1. **Entering SME manually or uploading the E-file**
   Enter the Standard Monthly Earnings (SME) value for all your employees. You can upload this information from an E-file received from the National Health Insurance Corporation or National Pension Corporation, or you can enter the value manually for each assignment using the Information for Payroll Calculation window.

   To enter the value manually, see: Defining Element Links, *Oracle HRMS Compensation and Benefits Management Guide*

2. To upload the E-file, see: Uploading the Statutory Deduction Adjustment Information, page 2-35

3. **Entering Exceptions**

   Oracle Payroll enables you to record exceptions of statutory deductions (for example, for health insurance or national pension), for those employees who do not qualify. Use the (Employment Insurance Exception and National Pension Exception) Extra Information Types to record these exceptions.

   See: Person Extra Information Types, page 8-2

   > **Additional Information:** Note: Some employment insurance exceptions are handled by a formula during the payroll run and you do not need to enter these exceptions using the EIT. Refer to your local procedures or management to find out whether this applies in your implementation.

4. **Running Statutory Deduction Reports and Processes**

   Employers must report the details of all statutory deductions to National Health Insurance Corporation (NHIC) and National Pension Corporation (NPC) once during the financial year. Oracle Payroll currently supports the following reports and processes:

   You first run a process to store information about the employees' previous year's earnings, and the number of months worked. The application produces an E-file that is sent by the enterprise to NHIC or NPC. These organizations then use this information to recalculate the deductions and notify the enterprise about the new deductions due for the current year.

   See: Running the Health Insurance Premium Adjustment Annual Earnings Archive Process, page 2-32

   See: Running the National Pension Adjustment Annual Earnings Archive Process, page 2-33

5. You run a process to upload the adjustment information received from NHIC or NPC.

   See: Uploading the Statutory Deduction Adjustment Information, page 2-35

6. Before running the upload process, run the Health Insurance Adjustment Report for Leaving Employees report for all the employees leaving the enterprise and send the report to NHIC. The report contains information such as the employees' previous year's income and the number of months the employee was employed in the enterprise.

   NHIC uses this information to calculate and adjust the premium amount a employee must pay before leaving the enterprise.

See: Running the Health Insurance Adjustment Report for Leaving Employees, page 2-32

7. Before running the upload process, run the National Pension Adjustment report for all the employees who have had an eligibility change (such as newly hired employees, terminated employees and so on) since the submission of the previous monthly report, and then send the report to the NPC.

NPC uses this information to calculate and adjust the new premium amount the employees must pay.

See: Running the National Pension Adjustment Report, page 2-34

Defining Employment Insurance Exceptions Using Formulas

Oracle Payroll enables you to handle employment insurance exceptions by defining your elements and formulas.

To define elements and formulas for employment insurance exceptions, follow the given steps:

1. Define a recurring element, with the primary classification as Information, using the Element window. You must ensure that the processing priority of your element is lower than the priority of the seeded element, Employment Ins Exception Info, so that the application creates correct indirect results.

   See: Defining an Element, *Oracle HRMS Compensation and Benefits Management Guide*

2. Link the defined element to one or more payrolls using the Element Link window.

   See: Defining Element Links, *Oracle HRMS Compensation and Benefits Management Guide*

3. Create a formula to specify whether the application should calculate the employment insurance payment for an assignment, rather then using the standard rate held as a global value. Ensure that the formula returns 0 to calculate the payment and 1 to use the global value

   See: Writing or Editing a Formula, *Oracle HRMS Compensation and Benefits Management Guide*

4. Attach the formula processing rule to the element, using the Formula Result Rules window. Select the appropriate formula result type as Indirect Result, and select the name of the element to which you want to pass the formula result as Employment Ins Exception Info. Pass the return value to input value - Excluded Earnings.

   See: Defining Formula Processing and Result Rules, *Oracle HRMS Compensation and Benefits Management Guide*

   Ensure that the balance, Earnings Subject To Ins Exception is fed by the element,

Employment Ins Exception Info. The application while processing the payroll formula, EI_PREM, checks the balance, Earnings Subject To Ins Exception. The application calculates the exemption amount if the balance is 0, and does not calculate the exemption amount if the value is 1

Entering Statutory Deduction Information

Use the Assignment window to enter statutory deduction information for individual employees. Oracle Payroll uses this information to calculate the statutory deduction payments that an employee and employer must contribute.

To enter Income Tax information:

1. Query your employee in the People window, and navigate to the Assignment window.

2. Click Income Tax, SI. The Information for Payroll Calculation window opens.

3. Click the Income Tax tab.

4. In the Employee Tax Information section, select the Non-Resident check box, if the employee is a non-resident. The application uses this information for tax purposes.

5. Select the Foreign Residency check box, if the employee owns a residence in another country. The application uses this information for tax purposes.

6. The application automatically fills the effective dates for the employee for tax purposes.

> **Additional Information:** In the Effective Date From and Effective Date To fields, the application fills the effective dates through which employee deduct the taxes. The dates cover the entire tax year period to ensure that when the payroll is run for an employee's assignment, the application uses this income tax information to avoid any inconsistent payroll calculations.

7. Enter the withholding percentage whether 80%, 100%, or 120%. This value updates the date-tracked TAX element input value Withholding Percentage and is displayed in the Tax Receipt for information purposes.

8. In the Tax Payment section, select the Installment check box, if the employee pays tax in installments. This field is recorded and reported in the YEA reports and the YEA e-File for information purposes only and has no impact on payroll calculations.

9. In the Foreign Worker section, select the Fixed Rate check box, to calculate tax deductions for foreign workers with high salary using a fixed rate. Select the Dispatched check box to record the eligibility for dispatched foreign workers with high salary. The eligibility information must be recorded and reported on YEA reports and e-files The application calculates the tax deductions for dispatched foreign workers using the fixed rate.

10. The Employee Dependents Information section automatically displays the information such as contact type, name, spouse, female exemption and single parent information.

    You can also choose to enable the following options for a dependent to determine tax exemptions for an employee.

    - basic exemption

    - age exception

    - additional child

    - disabled dependent

    - select the disabled type

    - health insurance - if the contact is a dependent according to Health Insurance Law

    - spouse exemption - if the spouse is an income tax dependent. This is a read-only field.

    - birth/adopted - if the dependent is own child or adopted.

    - female exemption - if the employee is married or has a dependent spouse. You cannot update this field.

    - house holder - if an employee is single and has dependents

    - single parent exemption - if an employee is a single parent and has dependents

    - the number of total dependents. You cannot update this field.

    Enter the expenses information for dependents. The application uses this information to determine tax exemptions for an employee.

    - Personal Insurance (NTS and Others)

    - Disabled Insurance (NTS and Others)

    - Medical (NTS and Others)

- Education (NTS and Others)

- Card (NTS and Others)

- Cash (NTS)

    Note: The Card (NTS) and Card (Other) fields are enabled if
    dependent is child, parent, spouse or spouse's parent and if you
    have set Yes in Dependent (Income Tax Law) field in the
    Further Contact Relationship Information DFF.

- Donation (NTS and Others)

    Note: The Donation (NTS) and Donation (Others) fields are
    enabled for child and spouse only.

- TM (Traditional Market) Credit (NTS)

- TM Credit (Other)

- TM Cash (NTS)

- TM Direct (NTS)

- TM Direct (Other)

- Tuition GIRO (Other) - This is disabled from 2013.

- PT (Public Transportation) Credit (NTS)

- PT Credit (Other)

- PT Cash (NTS)

- PT Direct (NTS)

- PT Direct (Other)

- BP Credit (Other)

- BP Cash (NTS)

- BP Direct (NTS)

- BP Direct (Other)

11. Select the Engaged in Religion check box if the employee is engaged in religion. You require this information for reporting in the Tax Receipt.

12. Save your work.

To enter Health Insurance information:

1. Query your employee in the People window, and navigate to the Assignment window.

2. Click Income Tax, SI. The Information for Payroll Calculation window opens.

3. Click Health Insurance. The application automatically fills the standard rates and effective dates for the employee and employer.

> **Additional Information:** In the Effective Date From and Effective Date To fields, the application fills the effective dates through which the employer and employee contribute the Health Insurance Premium. The dates cover the entire tax year period to ensure that when the payroll is run for an employee's assignment, the application uses the correct Health Insurance information to avoid inconsistent payroll calculations.

4. In the Basic Information section, enter the employees' previous year's standard monthly earnings. You do this only if you have not uploaded the value using the E-file received from National Health Insurance Corporation.

   To upload the E-file into the system, see Uploading the Statutory Deduction Adjustment Information, page 2-35.

5. The application fills in the effective dates for the standard monthly earnings.

6. Save your work.

To enter National Pension information:

1. Query your employee in the People window, and navigate to the Assignment window.

2. Click Income Tax, SI. This opens the Information for Payroll Calculation window.

3. Click National Pension. The application automatically fills the standard rates and effective dates for the employee and employer.

> **Additional Information:** In the Effective Date From and Effective

Date To fields , the application fills the effective dates through which the employer and employee contribute the National Pension premium. The dates cover the entire tax year period to ensure that when the payroll is run for an employee's assignment, the application uses the correct National Pension information to avoid inconsistent payroll calculations.

4. In the Basic Information section, enter the employees' previous year's standard monthly earnings, only if you have not uploaded the value using the E-file received from National Pension Corporation.

   To upload the E-file into the system, see Uploading the Statutory Deduction Adjustment Information, page 2-35.

5. The application fills in the effective dates for the standard monthly earnings.

6. Save your work.

To enter Employment Insurance information:

1. Query your employee in the People window, and navigate to the Assignment window.

2. Click Income Tax, SI. This opens the Information for Payroll Calculation window.

3. Click Employment Insurance. The application automatically fills the standard rates and effective dates for the employee.

   Additional Information: In the Effective Date From and Effective Date To fields , the application fills the effective dates through which the employee contribute the Employment Insurance. The dates cover the entire tax year period to ensure that when the payroll is run for an employee's assignment, the application uses the correct Employment Insurance information to avoid inconsistent payroll calculations.

4. In the Basic Information section, enter the employees' previous year's standard monthly earnings, only if you have not uploaded the value using the E-file received.

5. The application fills in the effective dates for the standard monthly earnings.

6. Save your work.

Running the Health Insurance Premium Adjustment Annual Earnings Archive Process

You run the Health Insurance Premium Adjustment Annual Earnings Archive process to store information about the employees' previous year's earnings and the number of months worked in the previous year, and to produce an e-file that will be sent to the National Health Insurance Corporation (NHIC).

You run the Health Insurance Premium Adjustment Annual Earnings Archive process from the Submit Request window.

To run the Health Insurance Premium Adjustment Annual Earnings Archive process:

1. In the Name field, select KR Health Insurance Premium Adjustment Annual Earnings Archive. The Parameters window opens.

2. Enter the date to process the archive and create an e-file for all employees from January 1 of that year till the specified date.

3. Enter a name for the magnetic tape file. If you leave the field blank, the application uses the request ID as the file's name.

4. Enter a name for the report. If you leave the field blank, the application uses the request ID as the report's name.

5. Select the health insurance number to produce an e-file for only those employees who are assigned to the business places with the selected health insurance number.

   To enter the health insurance number, use the Additional Organization window. See: Additional Organization window, page 1-35.

6. Select a characterset from the list of values to design and run the report as a character report, as per the layout requirements.

7. Click Submit.

Running the Health Insurance Adjustment Report for Leaving Employees

You must run the Health Insurance Adjustment for Leaving Employees report for all the employees leaving the enterprise and send the report to National Health Insurance Corporation (NHIC). The report contains information such as the employees' previous year's income and the number of months the employee was employed in the enterprise.

NHIC uses this information to calculate and adjust the premium amount an employee must pay before leaving the enterprise.

You run the Adjustment Health Insurance for Leaving Employees report from the Submit Request window.

To run the Adjustment Health Insurance for Leaving Employees report:

1. In the Name field, select Adjustment Health Insurance for Leaving Employees. The Parameters window opens.

2. Select the health insurance number to produce a report only for separated employees who are assigned to the business places with the selected health insurance number.

   To enter the health insurance number, use the Additional Organization window, page 1-35.

3. Enter the separation date to process the report for employees leaving the enterprise on that date. If you leave the field blank, the application will default to the system date.

4. Select the assignment number to process. If you leave the field blank, the application will process the report for all the separated employees in the business place.

5. Select the report mode:

   • In the Test mode, the application will process these employees again, the next time you run this report. Use this mode for testing.

   • In the Production mode, the application will not process these employees again the next time you run this report. Use this mode for creating a final report to send to NHIC.

6. Select the business place name to be printed in the report.

7. Use the Sort Order fields to order the run report by Health Insurance Card Number Within Business Place and Retire Date. If you do not select any sort order, the application sorts the report by the assignment number.

8. Click Submit.

Running the National Pension Adjustment Annual Earnings Archive Process

You run the National Pension Adjustment Annual Earnings Archive process to store information about the employees' earnings and the number of months worked in the previous year, and to produce an e-file that will be sent to the National Pension Corporation (NPC)

NPC uses this information to recalculate the pension and notify the enterprise about the new pension due for the current year.

You run the National Pension Annual Earnings Archive process from the Submit Request window.

To run the National Pension Adjustment Annual Earnings Archive process:

1. In the Name field, select KR National Pension Adjustment Annual Earnings Archive. The Parameters window opens.

2. Enter the date to process the archive and create an e-file for all employees from January 1 of that year till the specified date.

3. Enter a name for the magnetic tape file. If you leave the field blank, the application uses the request ID as the file's name.

4. Enter a name for the report. If you leave the field blank, the application uses the request ID as the report's name.

5. Select the business place. If you do not select the business place, the application will run the report for all employees.

6. Select the national pension number to produce an e-file for only those employees who are assigned to the business places with the selected national pension number.

   To enter the national pension number, use the Additional Organization window. See: Additional Organization window, page 1-35.

7. Click Submit.

Running the National Pension Adjustment Report

You must run the National Pension Adjustment report for all the employees whose status has changed (newly hired or terminated workers) since the last report, and then send the report to the National Pension Corporation (NPC).

The NPC uses this information to calculate and adjust a new premium for the worker.

You run the National Pension Adjustment report from the Submit Request window.

To run the National Pension Adjustment report:

1. In the Name field, select KR National Pension Adjustment Report. The Parameters window opens.

2. Select the national pension number to produce a report for only those employees who are assigned to the business places with the selected national pension number.

To enter the national pension number, use the Additional Organization window. See: Additional Organization window, page 1-35.

3. Select the employee number to process the report only for the specified assignment. If you leave the field blank, , the application processes the report for all employees in the business place.

4. Enter the reporting date to process the report for only those employees whose requisition or loss date equals the reporting date. If you leave the field blank, the application will print information for all requisition or loss dates.

5. Select the employee's eligibility type:

    • If you select the eligibility type as loss, the application will process the report for only those employees who have a loss code. The employee whose name appears in this report will not appear the next time you run the archive process.

    • If you select the eligibility type as requisition, the application will process the report for only those employees who have a requisition code.

6. Select the report mode:

    • In the Test mode, the application will process these employees again, the next time you run this report. Use this mode for testing.

    • In the Production mode, the application will not process these employees again the next time you run this report. Use this mode for creating a final report to send to NPC.

7. Select the business place name to be printed in the report.

8. Click Submit.

Uploading the Statutory Deduction Adjustment Information

You must upload payroll adjustment information sent by the National Pension Corporation (NPC) and the National Health Insurance Corporation (NHIC). These agencies send your enterprise these details as a text file.

To do this, you must upload the text file and place it in a directory where it can be read by the upload process. The application reads the data and loads into the Batch Element Entry (BEE) tables.

You can view and modify this batch file with its batch lines in the Batch Element Entry (BEE) Forms. You can also validate and transfer the lines into element entries from the BEE tables.

You run the Upload process for Health Insurance Adjustment Information and National

Pension Adjustment Information from the Submit Request window.

To upload the Statutory Deduction Adjustment Information:

1. In the Name field, select one of the options:

   • Select KR Upload National Pension Info to upload national pension information

   • Select KR Upload Health Insurance Info to upload health insurance adjustment information

   The Parameters window opens.

2. Enter the name of the text file.

3. Enter the delimiter that separate fields in the text file.

4. Select the action that the application must take if the element entry already exists.

   • **Insert** - Use this option to create a new entry if multiple entries of the element are allowed by the element definition.

   • **Update** - Use this option to modify the existing entry by either correcting or updating it.

   • **Reject** - Use this option to reject the new entry.

5. If you selected Update in the previous field, then select the type of date effective change the application makes in these recurring entries.

   • **Correct** - Use this option to correct the existing entry from its start date through its end date. Any future-dated changes remain unchanged.

   • **Update/Change Insert** - Use this option to modify the existing entry from the effective date, but preserve the previous information. If there are future-dated changes to the existing entry, the process inserts the change before the next scheduled change.

   • **Update/Override** - Use this option to modify and replace the existing entry from the effective date.

6. Enter the batch name to create a BEE batch.

7. Choose the Submit button.

Related Topics

See: Transferring a BEE Batch, *Oracle HRMS Compensation and Benefits Management Guide*

Third Party Payments

Third Party Payments

Oracle Payroll enables you to make both single and recurring deductions from worker salary for third party payments, and to specify either corporate bodies or individuals as payees. The deductions you can make include third party payments and union dues.

You need to define payment methods for third party payments and enter these for your payrolls.

How you pay third parties is determined by the Third Party Payment check box on the Element window when you define the deduction. If this check box is unchecked, you must pay third parties outside Oracle Payroll through Accounts Payable. If it is checked, you can pay third parties through Oracle Payroll, using a third party payment method that you have defined.

Third Party Payments Overview

Third party payments is also known as Wage Attachments, Wage Garnishments, and Court Orders in different localizations, and your legislation may already have predefined elements to support each of these types of deduction.

Third party payments are deductions from earnings incurred by court debts or fines. For example, payments of maintenance, child support or other legally incurred obligations. Oracle Payroll enables you to process these deductions from worker wages. Third party payments in Oracle payroll are rule-driven, so you can tailor them to meet your business needs.

Oracle Payroll provides a robust answer to administering third party payments, a type of involuntary deduction. Like other features in Oracle HRMS, third party payments are rule-driven so that you can tailor the software to fit your business requirements.

Oracle Payroll features for third party payments enable you to:

- Create third party payments

- Determine which earnings are eligible for third party payments

- Administer fees for recouping processing costs of third party payments (if administrative fees are payable for your legislation)

- Establish the priority of payments if a worker has several third party payment obligations that cannot be met in a single pay period

- Stop making third party payments when your worker has discharged the obligation

Handling third party payments

Oracle Payroll handles third party payments using:

- Elements and input values

- Formulas

- Balances and balance feeds

Legislative Differences

Depending on the country in which you operate, third party payments are either provided for you, along with their associated elements, balances, balance feeds and formulas, or you can create your own. To create your own, enter some of the information you require into a template, and let Oracle Payroll generate the elements, balances and balance feeds for you. You create North American third party payments using this second method.

You can only use one of the two methods, depending on your legislation, and not a mixture of both.

Elements

Each third party payment is represented by one element. For example, the third party payment of Court Order is represented by the element called Court Order.

Once you have created a third party payment, or selected one of the third party payments provided, you record all changes by entering input values for the third party payment element.

Third Party Payment Processing Sequence

You determine when to deduct each third party payment from a worker's earnings using element classifications and processing sequences.

For example, you may need to ensure that Oracle Payroll always processes court orders before other deduction types. You may also need to prioritize the court orders further to ensure that Oracle Payroll always processes child support deductions before education loans. In this example, these third party payments belong to an element classification with a low-numbered processing sequence. This ensures that they are processed before all other deductions.

Then, to ensure that Oracle Payroll always processes your child support payments before education loans, you could determine a secondary processing sequence. You do this in the Element Entries window.

If you don't specify a secondary processing sequence, third party payments are

processed in date order.

During payroll processing, the appropriate formula calculates the deduction from the worker's wages, and considers the correct percentage of the balance which stores the worker's net income.

Korea users only: While processing your third party payment, use only the KR Monthly Payroll, KR Bonus Payroll, and KR Separation Pay Payroll processes. If you use QuickPay Run, the third party payment will not be properly processed because you cannot specify its payout date.

Formulas

You can use the predefined formulas to determine how third party payments are processed in your organization. For example you can do the following:

- Determine the amount of pay that is liable for third party payment deduction. For example, the worker's take home pay after tax and other deductions, and the amount that is protected or exempt from third party payment deductions. During payroll processing, a formula calculates the deduction from the worker's wages. During calculation, 50 percent of the Attachable Earnings balance is considered; this balance stores the worker's net income. Irrespective of the payroll run type, only 50 percent of Attachable Earnings will be considered.

- Calculate the amount to withhold. The third party payment court order provides the amount to be withheld per pay period and a total amount due. If you do not enter a pay period, Oracle Payroll defaults to the maximum amount allowed by law. The amount withheld can also include any arrears owing or any fees payable to the employer for setup and administration of the deduction.

- Verify the amounts withheld. After Oracle Payroll has calculated all third party payments for a worker, the relevant formula checks that all rules and limits applicable to these payments are accounted for. If it finds any violations, the formula makes adjustments to the previously calculated amounts, prorating them and creating arrears amounts if necessary.

See: Formulas and Payroll Run Results, *Oracle HRMS Compensation and Benefits Management Guide*

Balances

Oracle Payroll uses balances to record the amount of third party payments paid or amount remaining. Depending on your legislation, Oracle Payroll either provides the balances and balance feeds that you need for predefined third party payment elements, or it generates them automatically.

The amount of court order debt paid at any time is held in an Inception-to-date (ITD) balance. For those elements that have multiple occurrences, this balance exists at element level, reflecting the need to keep track of how much has been paid for each

separate occurrence. Otherwise the balance exists at assignment level.

The amount of the debt still outstanding is the difference between the amount in the ITD balance dimension and the Initial Debt input value.

For Assignment level ITD balance dimensions, you must ensure that, once the total debt has been repaid and the element has been given an end date for processing, that the balance is cleared back to 0.00. If you do not do this and a new element entry is given to the worker for the same court order type element, the formula finds the 'old' balance and the element is not processed correctly.

The attachable pay balances Run and Period balance are referenced within the formulas because of the possibility of there being more than one run in a period.

How Oracle Payroll Manages Deductions

You enter the initial debt. The system then manages the deductions automatically and ends the process when the debt is cleared. If you do not enter a value for the debt the system continues to process the deductions each pay period as ongoing maintenance payments.

Protected Earnings

Local legislation determines the amount and type of earnings from which third party payments can be deducted. Typically, there is a minimum amount of earnings below which you cannot deduct third party payments. Similarly, there is a proportion of a worker's earnings that are considered liable to third party payment deductions.

Managing Different Third Party Payments

You can use Oracle Payroll to manage both kinds of third party payment:

• Where the total amount of the deduction is known in advance, for example, a fine.

• Where the total amount is not fixed, but you must make a deduction from each salary payment, for example, child maintenance orders.

Ending Third Party Payments

Depending on the third party payment, and whether the deduction is ongoing or a diminishing balance, you can set a deduction end date. Alternatively you can set up the deduction so that Oracle Payroll stops processing it when the full balance has been paid.

You can also override these settings, for example, if you want to stop maintenance payments immediately before reaching the end date.

Preparing Third Party Payment Information at the End of Employment

If a worker's third party payment is still being processed after the worker has left the organization, then you must manually enter deposition-related information into the Deposition Info predefined element. This element is for informational purposes only. Your company will request the court that has mandated the third party payment to stop the process, and the court will be sent the information contained in the element.

Third Party Payment Deductions

The third party payments that you can process depend on the specific third party payments that apply to your legislation. Examples of third party payments include child support payments, educational loans, taxes to local authorities, alimony, and bankruptcy orders.

The following table lists the deductions you can make using Oracle Payroll.

Third Party Payment	Legislation
Credit Debt/Garnishments	US
Bankruptcy Order	US
Federal Tax Levy (Local Tax Levies are not supported by Oracle Payroll)	US
State Tax Levy	US
Federal DCIA Order	US
Spousal Support Order, Child Support Order, and Alimony	US
Educational Loan	US
Employee Requested Payment	US
Court Orders and Arrestments	UK
Council Tax Attachments	UK
Court Orders	France

Third Party Payment	Legislation
Maintenance Orders	Ireland
Variation Orders	Ireland
Interim Orders	Ireland
Compensation Orders	Ireland
Social Welfare Orders	Ireland

What Happens When a Provisional Attachment Becomes an Actual Seizure and Collection

When a provisional-attachment judicial decision statement is followed by another judicial decision statement of the actual seizure and collection or actual all attachment processing type, then you must assign the worker the Third Party Payments element once more in the Element Entries window. This time, the new processing type is selected in the Processing Type field of the Entry Values window. In the Previous Case Number field of the Further Element Entry Information window, the case number for the previously issued judicial decision statement must be selected.

If the third party payment has an interest base, in the new Third Party Payments element, you must enter the same principal base, court fee base, and interest base that you entered for the old Third Party Payments element. Oracle Payroll will transfer the paid debt to the WG Deductions balance for the new Third Party Payments element.

If the third party payment has interest bands, then in the Entry Values window for the new Third Party Payments element, you must enter the same principal base and court fee base that you entered for the old Third Party Payments element. Oracle Payroll will not consider the interest paid on the third party payment when it was of the provisional-attachment processing type; that is, the real attachment total for the new Third Party Payments element will include only interest calculated after the processing type changed. When you set up interest bands for the new Third Party Payments element, begin with the interest band within which your next payroll-processing date will fall. The start date of this interest band must be the last payout date for the third party payment (before the processing type changed) so that interest is not calculated twice for the period before the last payout date.

When Oracle Payroll processes the newly entered Third Party Payments element, the entry for the previously entered Third Party Payments element will be automatically end dated in the Element Entries window.

The only exception to this requirement of assigning a new Third Party Payments

element is the obligation-release processing type. When the processing type of a judicial decision statement changes to obligation release, then, in the Entry Values window for the Third Party Payments element, you make a selection in the Obligation Release field and enter a date in the Obligation Release Date field.

What Happens When a Provisional-Attachment Judicial Decision Statement is Released

Oracle Payroll assigns the worker the predefined element, WG Adjustment when a provisional-attachment judicial decision statement is followed by an obligation-release judicial decision statement. The KR_WAGE_GARNISHMENTS formula creates indirect results for the following input values of this element:

- **Total Amount:** This input value stores the amount that is released from provisional attachment.

- **Undistributed Amount:** This input value stores the amount that remains after redistribution of the released amount among other third party payments presently being processed against the worker. This amount is given to the worker.

Oracle Payroll assigns the predefined element, WG Redistributed Amount the worker for each third party payment presently being discharged against the worker. Oracle Payroll also calculates and stores the amount allocated to a third party payment because of redistribution, as an indirect result in the Pay Value input value of the corresponding WG Redistributed Amount element.

Oracle Payroll assigns the worker the WG Adjustment and WG Redistributed Amount elements only when a provisional-attachment judicial decision statement is followed by an obligation-release judicial decision statement; redistribution is not performed in other cases.

Entering Third Party Payment Information

Information about each Third Party Payment that must be discharged against your worker is stored in a separate third party payment element.

Third party payments can include Wage Attachments, Wage Garnishments, and Court Orders and your legislation may already have predefined elements to support each of these types of deduction.

Use the Element Entries window to assign your worker a Third Party Payment element.

To enter Third Party Payment for a worker:

1. Query your employee in the People window, and set your effective date to the day on which the third party payment should commence for your worker.

2. In the Element Entries window, select the third party payments element .

3. Enter costing information in the Cost Allocation KF window or choose Cancel.

4. Choose the Entry Values button to open the Entry Values window.

5. Enter the unique attachment sequence number of the third party payment.

   You must supply a unique attachment sequence number for your third party payment; otherwise, your payroll run will fail. After your payroll run is successfully processed, in the Result Values window, you can identify the Results element created for your third party payment by its attachment sequence number.

6. Enter the time you received the third party payment and the unique case number assigned by the court administering the third party payment.

7. Select the third party payment's processing type.

8. Enter the third party payment's sub-processing type and administering court's name. The sub-processing type is used by the system only for information and is not considered during calculation or administration of the third party payment.

9. Enter the principal base and court fee base for the third party payment.

10. If the third party payment has an interest base, enter it. Enter the start and end dates for the interest base. The start and end dates for a third party payment that has an interest base are only for information and have no bearing on administration or calculation.

11. Indicate whether or not a judicial decision statement of the obligation-release processing type has been received for the third party payment and the date of such receipt. To set the Obligation Release field to Yes, you must update the field.

    When the third party payment's processing type changes to obligation release from any other processing type, you must select Yes in the Obligation Release field. You do not need to assign a new third party payments element to the employee

12. Select the third party creditor for the court order from the list of values in the Payee Details field.

13. Save your work.

To enter interest bands:

If the third party payment has interest bands, then you need to specify them in the Further Element Entry Information window:

1. Click in the Further Entry Information field to open the Further Element Entry Information window.

2. Specify the start date, end date, base, and rate of each interest band. You can specify a maximum of five interest bands. A interest band is invalid if it does not have a start date. If an end date is not specified, the system uses the next applicable payout date.

3. Save your work.

To change processing type from provisional attachment to actual seizure and collection, actual all attachment:

Some localizations enable you to specify whether a third party payment is a provisional attachment, an actual seizure and collection, or an actual all attachment.

When the processing type of the third party payment changes from provisional attachment to actual seizure and collection or actual all attachment, you must assign a new third party payments element to the employee in the payroll-processing period in which the processing type changes.

1. In the Element Entries window, enter information pertaining to the new judicial decision statement.

2. If the third party payment uses an interest base, enter the same values for the principal base, court fee base, and interest base that you entered for the old third party payments element.

3. If the third party payment uses interest bands, enter the same values for the principal base and court fee base that you entered for the old third party payments element. While setting up interest bands, begin with the interest band within which the next payroll-processing date will fall. The start date of this band should be the last payout date for the old third party payments element.

4. Select the case number for the old judicial decision statement for the third party payment in the Further Element Entry Information window.

5. Save your work.

Entering a WG Deposition Info Element

If a wage garnishment is partially discharged against your worker when they leave the company, your company can depose before the court administering the wage garnishment. In the deposition, the company can request to be relieved of the responsibility of administering the wage garnishment.

Use the Element Entries window to assign your worker a WG Deposition Info element.

To enter WG Deposition Info element:

1. Query your employee in the People window, and set your effective date to the day on which your company filed the deposition.

2. Select the WG Deposition Info element in the Element Entries window..

3. Enter costing information in the Cost Allocation KF window or choose Cancel.

4. Choose the Entry Values button to open the Entry Values window.

5. Enter information pertaining to the deposition for the wage garnishment.

6. Save your work.

Entering Net Income for Wage Garnishment Administration

Use the WG Attachable Earnings element to enter a worker's net income for discharge of wage garnishments. Oracle Payroll considers fifty percent of the amount in the Pay Value input value of this element during a payroll run.

Use the Element Entries window to manually enter net income for your worker for wage-garnishment administration.

To manually enter net income for a worker:

1. Query your worker in the People window, and ensure that your effective date falls within the payroll-processing period for which you want to specify net income for wage-garnishment administration.

2. Select the WG Attachable Earnings element in the Element Entries window.

3. Enter costing information in the Cost Allocation KF window or choose Cancel.

4. Choose the Entry Values button to open the Entry Values window.

5. Enter the employee's net income for wage-garnishment administration in the Pay Value field.

6. Save your work.

3

Payrolls

Payrolls Overview

Using Oracle HRMS, you can set up payrolls to pay all your employees accurately and at the correct time.

Payrolls in Oracle HRMS

A payroll is a set of employees whose pay you process with a single frequency, for example, weekly or monthly. You can define as many payrolls as you require to meet the pay policies of your enterprise. You put an employee on a payroll by making an assignment to the payroll.

You can also assign employees to other employee groups: for example, groups to indicate membership of a union or employment based sports club.

Key Concepts

To enable you to set up payrolls correctly, you need to understand these key concepts:

*   Consolidation sets, *Oracle HRMS Payroll Processing Management Guide*

*   Assignment sets, *Oracle HRMS Payroll Processing Management Guide*

*   Element sets and distribution sets, *Oracle HRMS Compensation and Benefits Management Guide*

Reporting on Payrolls

See Reports and Processes in Oracle HRMS, *Oracle HRMS Configuring, Reporting, and System Administration Guide*

Defining a Payroll

Use the Payroll window to define a payroll, including its calendar and valid payment methods.

To define a new payroll:

1. Set your effective date to a date early enough to handle any historical information you want to enter. Your effective date must be on or before the first period start date of the payroll calendar.

2. Enter the payroll's name and select its period type from the list.

3. Enter the end date of the payroll's first period, and the number of years for which the system should initially generate the payroll's calendar. You can increase this number later to generate additional years.

> **Note:** Be aware that some processes require the calendar to extend into the future. For example, the PTO Carry Over process requires payroll periods extending to the end of the new accrual term.

When you enter the First Period End Date, make sure that the corresponding start date of the first period is after the start date of the payroll.

4. In the Date Offset region, you can change the zero default to a negative or positive number of days before or after the period end date. For example, for a semi-monthly payroll, the Cut Off date can be 3 days before the period end date (-3), while the Scheduled Run and Check dates can be 5 and 7 days after this date, respectively. You can also set the Payslip offset to determine when employees can view payslip information.

- The Check Date, sometimes called Pay Date, is the date of constructive receipt of pay, on which paychecks become negotiable.

- The Scheduled Run Date is the date scheduled for the Regular run of this payroll each period.

- The Cut Off date, included for your reference, is the final date for entering or changing payroll information before a run.

- A payslip offset, reckoned from the completion date for your payroll processes is always a positive number to enable you to prevent employees from viewing payslips before the official payment date. For example, if the payroll processes complete on 15th May, and employees do not receive payment until 20th May, you can enter an offset of 5 to align the payslip date to the payment date.

> **Note:** Australia, China, Hong Kong, India, Japan, Korea, Singapore, and New Zealand users: You can set the payslip offset to determine when employees can view their payslip information.

These offsets are the defaults for the calendar. You can manually make date changes in the calendar (such as when an offset date falls on a weekend or holiday, by choosing Period Dates).

5. Select a default payment method for employees who have no valid personal payment method. You cannot select a method using magnetic tape because this requires information about employees' bank accounts.

6. Select a default consolidation set for this payroll. One consolidation set is created automatically when you define your Business Group. Oracle Payroll users can create other consolidation sets for payroll processing.

7. In the Costing region, you can enter information about the ledger and suspense account holding costing information for this payroll.

   The information you enter here depends on the setup of your Cost Allocation key flexfield.

   See: Setup of the Cost Allocation Key Flexfield, *Oracle HRMS Enterprise and Workforce Management Guide*

8. Check the Negative Payment Allowed check box if you want the PrePayments process to include negative payments. If you leave the box unchecked, the PrePayments process ignores negative payments.

9. Check the Multiple Assignment check box if you want an employee to receive a single payment, for multiple assignments carried out within your organization. However, if a PrePayments process, which runs prior to your effective processing date, already exists you cannot go back and change the Multiple Assignment check box. This box is only visible if the functionality is enabled for your localization.

   > **Note:** If you check the Multiple Assignment check box, make sure it remains checked throughout your payroll processing. Oracle Payroll reports in error if some of your payroll processes support multiple assignment processing and others do not.

10. If you are an Oracle Payroll user, enter the Statutory Information field to open the Statutory Information window.

    Your Oracle localization team may have created fields in this window.

> **Note:** The Statutory Information field is not visible if your HR:User Type profile option is set to HR User.

11. If the Payslip Modeler is enabled for your localization, then you can set locking period for payslip modeling. This restricts users from making updates to payroll information while modeling their payslip during a mock payroll run during the specified period.

12. Specify the number of days prior to and after a specified date when can you make changes for modeling the payslips.

    You can specify the Availability Rules whether to disable the functionality days after the period start and days prior to the End date or enable the functionality between the days from start and before the period end date.

    > **Note:** You cannot make any changes beyond the days specified here for payslip modeling.

13. **For Korea users only**: Click in the Further Payroll Information field and specify the exemption amounts.

    By default, the application uses the TRUNC function for tax calculations. Specify Yes if you want the application to use ROUND function instead of TRUNC function for tax calculations.

    Specify if you want to adjust the amounts for standard tax breaks.

    Specify if you want to enable reprioritization of pension related amounts as the last priority within the calculation category.

    For Japan users only:

    Click in the Further Payroll Information field and specify the following information

    - income tax dependent reference type

    - social insurance premium collection type

    - user defined year end adjustment formula

    - Hi Wp Monthly Remuneration Synchronous

    - Geppen Santei Process Date (MMDD)

    - Print Personal Number

14. Save your work.

15. Choose the Period Dates button to view the calendar generated for your payroll. In the Period Dates window:

- You can view the default offset dates for every period, and you can manually override any of these dates in any record.

- You can change the payroll's default *Open* status in any period to *Closed* to prevent further element entries. You can also reopen the period if necessary.

  > **Important:** Use this feature with caution. When you perform certain important tasks in Oracle HRMS, the system may automatically create or delete element entries. These tasks include hiring and terminating people, and updating assignments. You cannot change any element entries that span a closed payroll period, and so you may be prevented from performing these tasks.

16. Choose the Valid Payment Methods button to add valid payment methods for this payroll.

In the Valid Payment Methods window, the default payment method for the payroll appears automatically. You can add other methods. First set your effective date to the date you want the method to become valid.

> **Note:** An employee assigned to this payroll can have any number of personal payment methods chosen from those you enter here for the payroll.

See: Entering Payment Methods for an Employee Assignment in *Oracle HRMS Workforce, Sourcing, Deployment, and Talent Management Guide*

4

Payroll Management

Year End Adjustment Processing Overview

The Year End Adjustment (YEA) processing in Oracle Payroll calculates the annual tax to be paid by an employee at the end of year. This calculation adjusts the pre-paid taxes deducted from the employee's monthly payroll, and is based on the annual taxable earnings that has already been paid by the employee in the same calendar year.

This process creates mMedia files (magnetic tape files) and sends the files to the National Tax Service (NTS) as per the mandatory legislative requirement.

The following are some of the business advantages of having a Year End Adjustment process:

- Employers can comply with the requirements of National Tax Office reporting.

- Oracle Payroll provides a process that captures the necessary data, and performs validation to make sure that the data is in the correct format before you forward it to the tax office. This validation avoids costly and time-consuming errors.

The YEA process involves the following activities:

1. Entering YEA Data

2. Generating the YEA Employee Reclaim Sheet Report

3. Processing YEA Batch Balance Adjustment and Archive

4. Querying YEA Results

5. Generating YEA E-File and Other YEA Reports

Complete each Year End Adjustment processing phase in the correct order.

Normal Year End Adjustment Process

Process the Normal YEA at the beginning of each calendar year for all employees in your enterprise.

Interim Year End Adjustment Process

Run the Interim YEA process during the year, for those employees who leave the enterprise without completing a year's service. You run this process after running the final monthly payroll, but before you calculate the employee's separation pay.

You add the resulting balance to the employee's total earnings. The next enterprise that employs the employee will complete this process. You can include the interim YEA result in the same magnetic tape file as the YEA calculation.

The Interim YEA and Normal YEA are mutually exclusive: you can only run one process on a payroll in a calendar year for an assignment. To readjust the tax amount for an assignment after running the Normal YEA process, run the Re-YEA process.

Re-YEA Process

If the NTS informs your enterprise that some employees have invalid YEA balances, you rerun the YEA process for those employees to recalculate their YEA.

Processing YEA

Oracle Payroll enables you to process Year End Adjustments (YEA) by managing and adjusting balances, and archiving employee and employer data for a specific year and Government Reporting Entity (GRE). Once archived, this data is available for end of year reporting, and for regenerating year end reports.

The Year End Adjustment process consists of the following two steps:

1. YEA Balance Adjustment and Archive

2. Rollback

See Also:Running the YEA Balance Adjustment and Archive Process, page 5-14

See Also:Running the Rollback Year End Adjustment, page 5-15

Adjusting and Retrying Records

You do not need to rerun the entire process. If an employee's record changed after you ran the YEA process, you can rerun the YEA process for that employee. In instances where multiple employees' balances changed, it may be easier to roll back the YEA process and rerun it to include the balance updates.

If a GRE does not have any employees in it, then the application archives the enterprise's data when you run the Year End Adjustment Process for that GRE. In this case, you cannot re-archive this data through the Retry Payroll Process. You must roll back the process, and rerun the Year End Adjustment Process.

Extracting YEA Data

Using the NTS produced PDF, Oracle enables authenticating, extracting, and uploading the YEA data as XML data on to the system. Administrators or employees can access NTS web service using self-service to import the YEA information as PDF files, upload to temporary tables and make changes, if required. The PDF files are then validated internally and used for YEA processing. This process minimizes manual entries and errors.

Extracting the YEA Data as XML files involves:

- Employees or YEA administrators import the original YEA information as PDF from the NTS locally on their systems.

- The application internally validates the generated XML data and associates with correct assignment and target year. This process involves validating the PDF and generating the XML Data from the PDF with NTS Java API.

- Employees or administrators upload the XML Data to either KR YEA temporary table (Interim Temp Data for self-service) or Assignment EIT YEA calculation to perform YEA processing. The generated E-files are later submitted to NTS.

- Using the KRYear End Adjustment PDF Upload SS process, users can extract the XML data from PDF file and upload into tables.

Payroll Payment and Distributions

You can use Oracle Payroll to calculate the payments and distributions for all your employees

Can you verify that payments have been made?

Yes. Oracle Payroll is fully integrated with Oracle Cash Management. This enables you to use Oracle Cash Management to verify that payments have been cashed. Reconciliation can be applied to payroll checks/cheques and third party checks/cheques. You can identify which checks/cheques have been cleared and the date on which they were cleared. You can also view a reconciliation report which shows if voided checks/cheques appear to have been cashed.

Can Oracle Payroll handle different pay frequencies?

Yes--you can set up different pay frequencies, for example weekly or monthly, so that you can pay different sets of employees at different intervals. Each payroll can only have a single pay frequency and you must set up at least one payroll for each pay frequency that you define.

Multiple payrolls in a Business Group
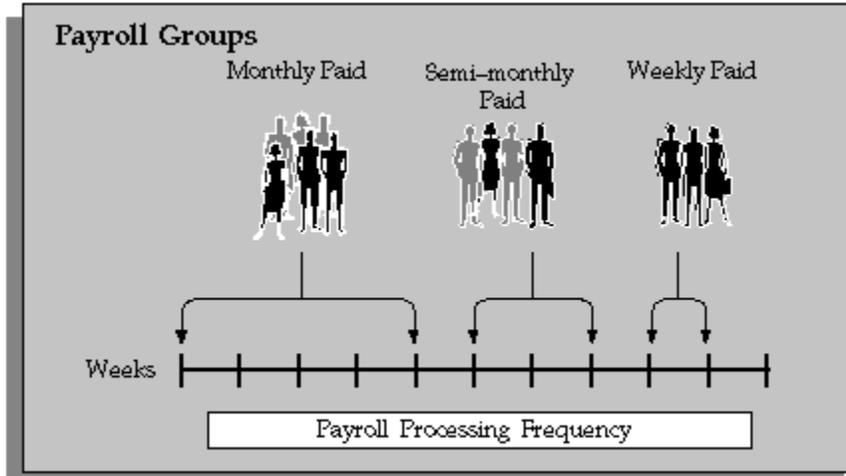
Note: Semi-monthly is not a valid frequency for UK payroll users.

Can you group employees according to payroll categories in your organization?

You can assign people to any work structure such as an employment category or a particular location. You can also define a special grouping for your organization. For example, you can create a group to indicate membership of a union.

Can you set up a payroll to process multiple assignments for an employee?

Yes. If the Multiple Assignment Prepayments has been enabled for your localization, you will see the Multiple Assignment check box on the Payroll window. The process is activated by selecting the Multiple Assignment check box.

Do you have flexible control over payment methods?

You can define a payroll to include different types of payment method - for example, payment by bank transfer, payment by check/cheque, and so on. When you process the payroll you can then pay the set of employees for that payroll in any of the following ways:

- All employees receive payment by a single default payment method for their payroll.

- Employees receive payment by a combination of the payment methods that you have defined for their payroll.

- Individual employees receive payment that can be distributed between the defined payment methods in proportions different from those applying to other employees belonging to the same payroll.

Can you model your payslip?

Yes, you can model your payslip, if the Payslip Modeling functionality is enabled for your localization. Please contact your system administrator to check if this functionality is available for your localization.

Employees and payroll administrators can model a paycheck/payslip by running a mock payroll run.

Payment and Distributions

Cash Management and Oracle Payroll

Oracle Cash Management manages and controls the enterprise cash cycle. The Cash Management auto reconciliation matches Oracle Payroll against bank statement lines if the transaction meets the following criteria:

- The Oracle Payroll payment number matches the statement line payment number.

- The Oracle Payroll payment amount matches the statement line payment amount.

Cash Management accesses a view of payments generated by Oracle Payroll and compares it against the information on the bank statement. This process generates error messages on mismatched transactions.

Each time a new payment method is created, the bank details transfer to Oracle Accounts Payable. When defining a payment method, you must enter the GL Cash Account field to work with Cash Management.

> **Important:** Because payment method details are passed to Accounts Payable from Payroll, it is important to ensure that you are entering this information correctly. If you inadvertently enter incorrect details, you could end up with reconciliation issues later.

Cash Management is available only for the Payroll payment methods of checks/cheques and electronic fund transfers (such as NACHA in the U.S, Direct Deposit in India).

> **Important:** If you want to use Cash Management fully, you must install Oracle Accounts Payable and Oracle Accounts Receivable due to the interdependency of the products. All accounting functions take place in Accounts Payable and Accounts Receivable, and Cash Management provides the engine for reconciliation and forecast.

Running the Bank Transfer Report

Run the Bank Transfer report to produce a deposit advice in the correct format. Once you transfer the advice to the bank, the bank deposits the payments directly into the worker's account.

You run the Bank Transfer report from the Submit Requests window.

To run the Bank Transfer report:

1. In the Name field, select KR Bank Transfer. The Parameters window opens.

2. Select the name of the payroll that you want to include in the deposit advice, otherwise leave this field blank to include all payrolls in the consolidation set in the deposit advice.

3. If you did not select a payroll in the previous step, select a consolidation set. If you selected a specific payroll, you can either accept the default consolidation set, or select another one.

4. Enter the effective start and end dates for the time span that the deposit advice must cover.

5. Select the default payment method, Direct Deposit.

6. Enter the transaction or the direct deposit date. This date appears on the magnetic tape that you send to the bank.

7. Select the appropriate character set to display the report in the format you require.

8. Choose the Submit button.

Running the Payslip Report

Run this report to generate a pay advice for all workers for a specified payroll and period. You run it after completing the pre-payments process for a payroll.

You run the Payslip report from the Submit Requests window.

To run the Payslip report:

1. In the Name field, select Payslip (Korea). The Parameters window opens.

2. Select the payroll to process.

3. Enter the period and the run type for which you want to generate the pay advice.

4. Select the business place to generate a pay advice for only those workers who belong to the selected business place. If you leave the field blank, the application will generate a pay advice for workers in the all the business places.

5. Enter a worker's assignment number to generate a pay advice for the specific worker assignment, otherwise leave the field blank to generate multiple pay advices for all worker assignments.

6. Use the Sort Order fields to order the run report by Business Place and Full Name.

7. Choose the Submit button.

5

Payroll Statutory Deductions and Reporting

Entering Year End Adjustment Information

Use the Year End Adjustment Information window to collect and store an employee's information so that the enterprise can report this information to the NTS. You must enter this information before running the YEA process.

The following types of YEA information is displayed in the Year End Adjustment Information window:

- Resident Information

- Primary Address - this is recorded in the Address window

- Dependent Information

- Information for Exemption and Tax Break

To enter insurance premium and housing information:

1. Select the Special Tax Exemptions tab.

2. In the Insurance Premium region, enter insurance information such as health, employment, personal, and disabled insurance premium amounts. The Health Insurance Premium and Employee Insurance Premium fields display the balance amounts for HI_PREM_EE_ASG_YTD and EI_PREM_ASG_YTD balances.

3. Enter the purchase dates and loan amount in case of an institution loan in the Housing region.

4. Enter the applicable dates and loan paid amount in case of a private loan.

5. Enter the interest amount that you have repaid towards the long term loan in the applicable fields.

6. Select the house holder exception check-box if the employee is not a householder but is eligible for Housing Expenses exemption.

To enter medical expense information:

In the Medical Tax Exemption tab, you store the details of the invoices submitted as evidence for medical exemptions. This includes the details of evidence submitted for the medical expense incurred by the:

- employee

- dependents

- aged

- disabled person

- HICE (Health Insurance Calculation Exception

- Fertilization expenses

- Postnatal expenses

1. Select the Medical Tax Exemption tab.

2. Select the Medical Expense Details Required check box to enter the medical expenses in the Medical Expense Details region. If you leave the check box blank, you can only enter the details in the Total Medical Expense region.

3. Select the Medical Expense Totals and Details check box to enter the medical expenses in the Total Medical Expense and Medical Expense Details regions. If you leave the check box blank, you can only enter the details in the Medical Expense Details region.

   If you leave both check boxes blank, you can enter the values in the Total Medical Expense Region only. If you leave the Medical Expense Totals and Details check box blank, then you can enter the values either in the Total Medical Expense Region or the Medical Expense Details but not both.

4. In the Medical Expenses Details region, enter the following information:
   - In the Paid Date field, enter the date on the invoice, which you have submitted as evidence. If you are making a consolidated entry for a number of invoices, this date can represent any one of the invoices.

     Ensure that the date you enter is in the same year for which you are entering the Year End Adjustment data.

     You can choose to pay the medical expenses either through cash or card or

both.

- In the Paid Amount field, enter the exemption amount you paid for your current expense cash or/and card. This amount is the total amount against which you have submitted medical invoices as evidence for medical exemption.

- In the No. of Payments field, enter the number of invoices you are submitting.

- Specify the source code.

- In the Expense Type field, enter the type of medical expense you have incurred.

- In the Provider Name field and Provider Reg No field, enter the name of the medical service provider and the registration number of the provider in the format NNN-NN-NNNNN.

- In the Relationship field, select the relationship with the employee.

- In the Resident Reg No. field, enter the registration number of the employee.

- In the Exception Type field, select from the list of values - aged, disabled, or Health Insurance Calculation Exception. Employees are eligible for certain exemptions depending on the values selected.

- In the Expense Type field, enter the type of medical expense you have incurred.

- Enter if you have incurred any expenses towards fertilization procedures, select the check box Expense Type Fertilization. Employees are eligible for certain tax exemptions for such expenses, if applicable.

- If any expenses incurred towards postnatal procedures, then select the Postnatal check box. Employees are eligible for certain tax exemptions for such expenses.

5. In the Total Medical Expense region, enter the total expense that the employee incurs for themselves, their dependents, the aged, the disabled and for fertilization expenses, if applicable.

   If you have already entered the details in the Detailed Medical Expense region, you must delete these details before entering the total medical expenses.

6. Enter the details in the cash or card section as applicable.

To enter donation information:

1. Select the Donations tab. You can record the donation exemption information for resident, spouse, child, parent, and brother/sister.

2. Select the Donation Details Required check box, to enter the donation expenses in the Details region. If you leave the check box blank, you can only enter the information in the Totals region.

   The exemption rates differ for each donation type and the value you enter here gets automatically displayed in the Total region.

3. In the Details region, enter the following:
   - select the type of donation

   - select the description if money or in kind

   - donation date within the current financial year

   - recipient name

   - recipient's registration number (in the DDD-DD-DDDDD or NI format) and name

   - total amount

   - amount subject to tax break

   - NTS/Oher – if the donation is for NTS or Others

   - grant request amount to grant the full benefit of donation to the donation recipient instead of employees receiving the YEA tax break for the donation.

   - number of donations - this is mandatory

   - resident registration number, enter the registration number of the employee or dependent.

   - relationship - enter if employee or dependent contributes.

   - category and summary of the donation expenses

   - receipt number

   - remarks

   When you save, the application displays or updates the total values in the Totals region.

4. If you have not enabled the Donation Details Required check box, you can enter the following in the Totals region:
   - In the Statutory (10) field, enter the amount donated and that is hundred

percent exempted from tax.

- In the Political (20) field, enter the amount donated towards the support of district committee.

- In the Specified (40) field, enter the amount donated that is ten percent exempted from tax.

- In the Religious(41), enter the amount donated towards religious activities that is ten percent exempted from tax.

- In the ESOA(42) field, enter the amount contributed to the Employee Stock Ownership Association (ESOA).

- Not Exempted (50)

5. The Donation Carry Over Details region displays the following:
   - type
   - business registration number
   - donated year
   - donated amount
   - exempted balance
   - amount subjected to exemption
   - exemption during tax period
   - obsolete amount
   - carry over amount

To enter education and dependent expense information:

1. Select the Education Expenses tab.

2. In the Education Expense region, enter any amount that the employee has incurred on self education, special education for disabled or on applicable occupational training.

3. In the Dependent region, enter the name of the dependents, relationship, schooling information, NTS/Others and the amount of expenses incurred by you for your dependents.

To enter pension, employee stock ownership, investment partnership financing expense information:

1. Select the Other Tax Exemptions tab. Use this tab to enter the pension, employee stock ownership, investment partnership financing expense information.

    1. In the Pension region, enter the amount that you have paid towards National Pension Premium. This amount should not include the amount that has already been processed in the monthly payroll.

    2. Enter the premium amounts that you have paid towards personal pension and personal pension savings.

    3. Enter the amount paid towards the corporate pension premium.

    4. Enter the amount towards employment law and scientific technician.

    5. In the National Pension Premium balance field, the application displays the social insurance amount processed in the payroll (from the NP_PREM_EE_ASG_YTD balance). You require this information for employee purposes only.

    6. The Investment Partnership Financing (IPF) region is a read-only region. It is auto populated from the values entered in the Financing of Investment region of the Pension Saving tab.

    7. In the Employee Stock Ownership Plan (ESOP) region, enter the amount that you have contributed for ESOP.

    8. In the Small Business Installment region, enter the installments paid for running a small business before joining the company in the tax year. You require this information for claiming tax exemption.

    9. Enter the days worked in the current and previous years in the Employment Retention SMB (Small Medium Business) Info field. You require this information for claiming tax exemption.

2. In the Pension region, enter the following values if applicable. You can record the Other Pension Premium Deductions in the following fields:

    *   Civil worker pension premium

    *   Military pension premium

    *   Post office pension premium

    *   Private school pension premium

The application displays the balance values.

To enter expenses for credit card, traditional market, and public transportation

1. Select the Card Expenses tab. Employees can claim exemptions on all these amounts for themselves and their dependents. The application displays the values entered in the Income Tax window for the credit card, debit card and cash receipt amounts.

2. The Card Expense region displays the employee and dependent expenses, if applicable.

3. The Book and Performance expenses, if applicable are displayed and used for reporting on YEA Tax Receipt.

4. The expenses for Traditional Markets. Employers must record this information for tax calculations and reporting on YEA Tax Receipt.

5. The expenses for public transportation for employee and dependents. You require this information for the exemption purposes.

To enter house rent and contract details:

1. Select the Rent, Private Loan tab.

2. In the Housing Rent Expense region, select the following details:

    *   Contract details such as the start date and the end date

    *   Enter the name and resident registration number of the person who leases the house.

    *   Record the address of the leasing house and details such as size and type.

    *   Enter the total monthly rent.

    *   Specify the contract date in the target year.

    *   Enter the amount eligible for exemption.

3. In the Private Loan Contract Details, enter the following details of the lender:

    *   lessee name and resident registration number

    *   contract start and end date

    *   interest rate, principal and amount paid for the interest. The total amount and

the exempted amount are calculated by the application and displayed.

You require this information for Deposit Lease Interest Repay exemption purposes.

4. In the Rent Contract details region, enter the following details as required for YEA and e-file reporting purposes

- lessor name and resident registration number

- contract start and end date

- type of house and its size, address of the leasing house

- deposit amount for reporting purposes

To enter pension saving details:

1. Select the Pension, Saving tab.

2. Record the saving information such as the priority, type, financial institute, account number, and contributed amount for each saving type. This information is display on the Tax Receipt Report.

- Pension Saving

- Housing Saving

  Additionally, you can record the year for this contribution in the Opened Year field.

- Long Term Mutual Investment Stock Saving

- Financing of Investment

  Additionally, you must record the year for this contribution in the Year field.

To enter tax breaks information:

1. Select the Tax Breaks tab.

2. In the Tax Break region, enter the interest amount that you have paid towards your housing loan.

3. In the Foreign Worker Tax Break region, enter the following information if the employee is a foreign worker.

- Select the purpose of the foreign worker's immigration from the list of values.

- the start date of the contract.

- the expiry date of the contract.

- the application date for the foreign workers' tax break If you leave the field blank, the application will default to the system date.

- the submission date for the foreign workers' tax break. If you leave the field blank, the application will default to the system date.

4. In the Overseas Tax Break region, enter tax break information for employees working overseas. Enter information such as the date the tax was paid, tax break rate, additional taxable information, overseas location, overseas work period, and overseas responsibility.

5. Select the country where the overseas tax was paid.

6. Select the currency of the overseas tax.

7. The Overseas Earnings Processed field displays the value of your overseas balance.

8. Enter any additional overseas taxable earnings that have not been included in the monthly payrolls in the current year.

9. The Total Taxable Earnings (KRW) field displays the sum of overseas earnings processed and additional taxable earnings (KRW).

10. Enter the tax break rate.

11. The Tax (Foreign Currency) field displays the tax break value in foreign currency.

12. Enter the tax paid in Korea Won, which is subject to overseas tax break.

13. Enter the date of application for foreign worker tax break.

14. Enter the date of submission for foreign worker tax break.

15. Enter the period and responsibility of overseas work.

To enter previous employer's information:

If your employee has joined the enterprise sometime during the current year and should be included in the YEA processing, then enter the following previous employer information:

1. Select the Previous Employers tab.

2. Enter the hire date, termination date, name of the enterprise where you were

previously working, and the enterprises' business registration number of the previous employer.

Follow this process to enter details of all your previous employers in the current year.

3. In the Earnings/Deductions region, enter information about the various deductions and earnings that you have incurred during your previous employments. You enter information like monthly taxable earnings and bonus, stock purchase option executive earning , health insurance premiums, non-taxable overseas earnings and non-taxable overtime earnings, birth raising allowance, foreign worker exemption, separation pension, pension premiums, and compensation for employee invention, income tax, annual tax, other non-taxable earnings in this region.

To enter tax reductions information:

1. Select the Tax Reductions tab.

2. Enter the following information for tax exemption purposes for medium-size business recruited young employees, Teachers by Tax Treaty (who are foreigners).

3. In the SMB Recruited Young Employees region, specify the start and end dates of the tax reduction. The start date is defaulted to the hire date.

4. In the Teachers by Tax Treaty region, specify the following:

   - start date. This is defaulted to the hire date.

   - end date of tax reduction. This is the last day of the month in which the entered end date (leaving date) falls in.

   - submission date for information purposes only and displayed on YEA Reclaim Sheet.

   - application date for information purposes only and displayed on YEA Reclaim Sheet.

5. In the Marine Resource Development region, specify the following:

   - start date and end date of tax reduction

   - confirmation date from the Ministry

   - submission date

   You require this information for tax exemption purposes and displaying on the Reclaim Sheet.

   This is a read-only region. You cannot enter details effective from 01-Jan-2014.

To enter Type B Tax Group information:

Enter the Type B Tax Group Information to calculate the post- tax deductions.

1. Enter the business registration number of the Type B Tax Group to which the employee has registered. This is mandatory.

2. Enter the name of the tax group to which the employee belongs.

3. Specify the working period and tax break period. This is mandatory.

4. Enter the amount subject to taxable earning for Type B Tax Group. If the taxable earning is not eligible for Type B Tax Group, then enter the applicable amount in the appropriate fields:
   - monthly taxable earning
   - bonus amount
   - special irregular bonus amount
   - exceeding executive separation pay
   - stock purchase option execution earning
   - ESOP withdrawal
   - overtime earnings
   - birth raising allowance
   - foreign worker income exemption

5. Enter the income tax, local tax, and special tax amounts, if applicable.

6. Enter the taxable earning amount in the Taxable Compensation for Employee Invention, if applicable.

To enter non-taxable earnings information:

1. Select the Non Taxable Earnings Information tab. You require this information for reporting purposes.

2. Select the non-taxable earnings code from the list of values.

3. Select the business registration number specified at the business group level.

4. Enter a value for the non-taxable earning.

5. Save your work.

To enter employee expenses information:

1. Select the Employee Expenses tab.

2. In the Expenses Detail region, enter the NTS value for the various expenses that employees incur to avail themselves of tax exemptions. When you enter the NTS value, the application automatically calculates and displays the value in the Other field as a difference between the Total Amount and NTS value. You require this information to calculate exemptions in YEA processing. The application consolidates the employee amount and dependent amount (from the Tax window) and calculates the exemption on the consolidated amount.

Enter the following expenses:

- Insurance Expenses

- Medical Expenses

- Education Expenses

- Credit Card Expenses

- Donation Payments

- Cash

  You record only the NTS value for Cash.

- Credit (TM) (TM is Traditional Market)

- Direct (TM)

- Cash (TM)

- Credit (PT)

- Direct (PT)

- Credit (BP)

- Direct (BP)

- Cash (BP)

3. Save your work.

To enter other expense information:

1. Select the Obsolete tab.

2. Enter the housing expenses such as house rent paid by an employee.

3. Enter the education expenses for a dependent.

4. In the Marriage, Funeral, and Relocation region, enter the number of times these events have taken place if the employee is eligible for these exemptions.

5. The donation amounts towards promotion funds (100%), political activities is displayed.

6. Enter the company related expenses.

7. Enter the amount contributed under investment partnership financing until 2006, from 2007 to 2008, and from 2009 until 2011.

8. Enter the loan amount interest paid for the number of years as applicable.

9. Enter the long term stock fund amounts for the first, second and third years.

10. Enter the amounts towards exempted from tax break under the long term stock saving option. Enter the loan amount interest paid for the number of years applicable.

11. Enter the total amount excluded from cards exemption - When you run the YEA process, the application calculates the total amount excluded from cards exemption and displays the value.

    The medical expenses amount excluded from double exemption is equal to the total medical expense amount paid in cards – (the medical expense paid (both cards and cash) but not included in medical expense exemption – the medical expense paid in cards for the dependents who are not eligible for basic exemption).

12. Record the employee's medical expense paid in cards. - If you had entered the amount for the Medical Expenses Paid in Cards in the Extra Assignment Information, then the application displays amount here.

13. Select the Calculate A and B option, if you want the application to calculate the amounts in the Medical Expenses Paid in Card Not Eligible for Basic Exemption and Total Amount Paid Towards Medical Expenses.

    If you leave the Calculate A and B option blank, then you can enter the values in the Medical Expenses Paid in Card Not Eligible for Basic Exemption and the Total Medical Expenses Paid in Cards.

14. Save your work.

To enter other expense information:

1. Select the Obsolete2 tab.

2. The Long Term Stock Saving region displays the priority, financial institute, account number, year, and contributed amount.

Running the Year End Adjustment Reclaim Sheet

Run this report to generate a record with details about YEA tax exemptions and deductions. Oracle Payroll bases this information on the date you enter in the Year End Adjustment Information window. Your enterprise uses it to claim YEA and keeps the record as documentation for National Tax Services. You must run this process before you run the YEA process, and after you enter data for YEA in the Year End Adjustment Information window.

You run the Year End Adjustment Reclaim Sheet process from the Submit Requests window.

To run the Year End Adjustment Reclaim Sheet process:

1. In the Name field, select KR Year End Adjustment Reclaim Sheet. The Parameters window opens.

2. Select the business place to process the report for only those employees who belong to the selected business place.

3. Enter the year for which you want to generate the reclaim sheet.

4. Select an employee to generate the reclaim sheet only for the individual employee. If you leave the field blank, the application will generate the reclaim sheet for all the employees in the selected business place and year.

5. Choose the Submit button.

Running the YEA Balance Adjustment and Archive Process

Use the YEA Result window to view the detailed results of YEA calculations for each employee.

To view the Year End Adjustment Results:

1. Select the name of the worker, assignment number, status of the employee, and the YEA process.

2. Choose the Find button.

The YEA results appear in the following tabbed regions:

- Income Details

- Income Tax Exemption

- Tax Details

Viewing the Year End Adjustment Results

Use the YEA Result window to view the detailed results of YEA calculations for each employee.

To view the Year End Adjustment Results:

1. Select the name of the worker, assignment number, status of the employee, and the YEA process.

2. Choose the Find button.

The YEA results appear in the following tabbed regions:

- Income Details

- Income Tax Exemption

- Tax Details

Rolling Back the Year End Adjustment

When you roll back the Year End Adjustment process, you remove all archived data on yearend balances from the system. If you have generated any of the magnetic media reports, you must roll them back, before rolling back the Year End Adjustment process.

You roll back the Year End Adjustment process from the Submit Requests window.

To roll back the Year End Adjustment process:

1. In the Name field, select KR Rollback Year End Adjustment. The Parameters window opens.

2. Select the payroll process that you want to roll back.

3. Select an assignment set to process. If you leave the field blank, the application will roll back the process for all employees originally processed in the payroll.

See: Creating an Assignment Set, *Oracle HRMS Payroll Processing Management Guide*

4. Choose the Submit button.

Running the Year End Adjustment e-File Report

Oracle Payroll can generate a report about Year End Adjustment, based on the year end balance adjustment and archive process. You can view, and print the report, and store it on magnetic tape, and send the generated magnetic file to the local tax offices upon their request.

You run the Year End Adjustment e-File report from the Submit Requests window.

To run the Year End Adjustment e-File report:

1. In the Name field, select KR Year End Adjustment E-File report. The Parameters window opens.

2. Enter a name to store the report on a magnetic tape file.

3. Enter a name for the report, to view and print immediately. If you leave the field blank, the application uses the magnetic file name as the report's name.

4. Select the primary business place to print the report for all the business places within the business group, to which the specified primary business place belongs. The application prints the report with the primary business place followed by all the other business places.

5. Select the organization level at which you want to print the report:

   - All Organizations - the report prints all the employees within the business places under the business group

   - Specified Organization - the report prints all employees in the specified business place

   - Include All Sub-Organizations - the report prints all the employees within the selected primary business place and the subordinate organizations within the primary business place.

6. Do one of the following:

   - If you want the print the report only for Normal and Interim actions, leave the fields Payroll Action and Report type blank.

   - If you want to print the report for all the assignments in a specific payroll action, select the specific payroll action and leave the report type field blank.

- If you want to print the report for all the assignments with the specified report type, select the specific report type and leave the payroll action field blank.

- If you select a payroll action, the report type displays only one value that supports the selected payroll action. Select both the Payroll Action and Report type fields to print the E-file for all the assignments in the selected payroll.

7. Enter the date you are submitting the report. The default reporting date is the system date.

8. Enter the year for which you want to run the report.

9. Select a characterset from the list of values to print the report as a character report, as per the layout requirements.

10. If you selected the primary business place, the application automatically completes the following fields:
    - tax reporting organization
    - tax reporter
    - contact number of the tax reporter

    You may override these entries by entering new information.

11. If you entered the home tax ID of the tax reporter in the organization in the Corporate E-File Reporting window, this field is automatically completed with the data. You can also provide the information in this field.

    See: GREs/Legal Entities: Entering Corporate E-file Reporting Information, page 1-32

12. Click Submit.

Running the Year End Adjustment Ledger Report

You must run this report to generate the YEA Ledger using Oracle Reports for all three YEA types, Normal, Interim and Re. You can generate the ledger using three different criteria:

- Business Place

- Payroll Action

- Assignment Action

You run the Year End Adjustment Ledger reports from the Submit Requests window.

To run the Year End Adjustment Ledger (Business Place) report:

Use this criteria to generate the ledger for a selected business place.

1. In the Name field, select KR Year End Adjustment Ledger (Business Place) report. The Parameters window opens.

2. Select the business place to process.

3. Select an assignment set. If you leave the field blank, the application will print the ledger for all assignments in the business place.

4. Enter the dates for which you want to generate the ledger in the Effective Date From and Effective Date To fields.

   If you set the effective dates such that they cross over multiple calendar years, the application generates multiple ledgers (1 ledger per calendar year) for each assignment.

5. Choose the Submit button.

To run the Year End Adjustment Ledger (Payroll Action) report:

Use this criteria to generate the ledger for multiple business places.

1. In the Name field, select KR Year End Adjustment Ledger (Payroll Action) report. The Parameters window opens.

2. Select the payroll action as either Year End Adjustment or Interim Year End Adjustment.

3. Select an assignment set. If you selected a payroll action associated with the assignment set, the application will select the field automatically. If you leave the field blank, the application will print the ledger for all assignments in all the business places.

4. Choose the Submit button.

To run the Year End Adjustment Ledger (Assignment) report:

Use this criteria to generate the ledger for a selected employee.

1. In the Name field, select KR Year End Adjustment Ledger (Assignment) report. The Parameters window opens.

2. Select the Business Place to which your employee belongs to shorten the search list. If you leave the field blank, the application will search for the employee in all the business places.

3. Select the employee number to print the ledger only for the selected employee.

4. Select an assignment action. If you selected an employee number associated with the assignment action, the application will select the field automatically.

5. Choose the Submit button.

Running the Year End Adjustment Tax Receipt Report

Run this report to generate a YEA tax receipt with details like housing pre-tax deduction and insurance exemption for a particular payroll action, business place or an assignment set.

You run the Year End Adjustment Tax Receipt reports from the Submit Requests window.

To run the Year End Adjustment Tax Receipt (Business Place) report:

Use this criteria to generate the tax receipt for a selected business place.

1. In the Name field, select KR Year End Adjustment Tax Receipt (Business Place) report. The Parameters window opens.

2. Select the business place to process.

3. Select an assignment set. If you leave the field blank, the application will print the tax receipt for all the assignments in the selected business place.

4. Enter the date you are submitting the report. The default reporting date is the system date.

5. Enter the dates for which you want to generate the tax receipt in the Effective Date From and Effective Date To fields.

   If you set the effective dates such that they cross over multiple calendar years, the application generates multiple tax receipts (1 tax receipt per calendar year) for each assignment.

6. Select the type of report that you want to print as either tax receipt report or tax claim report.

7. Select the title of the report.

8. Choose the Submit button.

To run the Year End Adjustment Tax Receipt (Payroll Action) report:

Use this criteria to generate the tax receipt for multiple business places.

1. In the Name field, select KR Year End Adjustment Tax Receipt (Payroll Action) report. The Parameters window opens.

2. Select the payroll action as either Year End Adjustment or Interim Year End Adjustment.

3. Select an assignment set. If you leave the field blank, the application will print the tax receipt for all the assignments in all the business places.

4. Enter the date you are submitting the report. The default reporting date is the system date.

5. Select the type of report you want to print as either tax receipt report or tax claim report.

6. Select the title of the report.

7. Choose the Submit button.

To run the Year End Adjustment Tax Receipt (Assignment) report:

Use this criteria to generate the tax receipt for a selected employee.

1. In the Name field, select KR Year End Adjustment Tax Receipt (Assignment) report. The Parameters window opens.

2. Select the business place to which your employee belongs to shorten the search list. If you leave the field blank, the application searches for the employee in all the business places.

3. Select the employee number to print the tax receipt only for the selected employee.

4. Select an assignment action. If you selected an employee number associated with the assignment action, the application will select the field automatically.

5. Enter the date you are submitting the report. The default reporting date is the system date.

6. Select the type of report that you want to print as either tax receipt report or tax claim report.

7. Select the title of the report.

8. Choose the Submit button.

Running the Year End Adjustment Tax Summary Report

Run this report to view the summarized YEA tax details for a business place and period.

You run the Year End Adjustment Tax Summary report from the Submit Requests window.

To run the Year End Adjustment Tax Summary report:

1. In the Name field, select KR Year End Adjustment Tax Summary. The Parameters window opens.

2. Select the business place to process.

3. Enter the date you are submitting the report. The default reporting date is the system date.

4. Enter the year for which you want to run the report. The default target year is the current year.

5. Choose the Submit button.

Running the Year End Adjustment Medical Expense E-file Report

Generate an E-file report that includes detailed medical expenses of those employees whose medical expenses are KRW 2,000,000 or more. Your enterprise can view, and print the report, and store it on magnetic tape, and send the generated magnetic file to the National Tax Service upon their request.

You run the Year End Adjustment Medical Expense E-file report from the Submit Requests window.

To run the Year End Adjustment Medical Expense E-file report:

1. In the Name field, select KR Year End Adjustment Medical Expense E-file report. The Parameters window opens.

2. Select the primary business place to print the report for all the business places within the business group, to which the specified primary business place belongs. The application prints the report with the primary business place followed by all the other business places.

3. elect the organizational level at which you want to print the report:

   • All Organizations - the report prints all the employees within all business

places under the business group

- Specified Organization - the report prints all employees in the specified business place

- Include All Sub-Organizations - the report prints employees within the selected primary business place and the subordinate organizations within the primary business place

4. Enter a name to store the report on a magnetic tape file.

5. Enter a name for the report. You can now view and print the report immediately. If you leave the report name blank, the application uses the magnetic file name as the report's name.

6. Enter the effective date.

7. Do one of the following:

- To print the report only for Normal and Interim actions, leave the fields Payroll Action and Report type blank.

- To print the report for all the assignments in a specific payroll action, select the specific payroll action and leave the report type field blank.

- To print the report for all the assignments with the specified report type, select the specific report type and leave the payroll action field blank.

- If you select a payroll action, the report type displays only one value that supports the selected payroll action. Select both the Payroll Action and Report type fields to print the E-file for all the assignments in the selected payroll.

8. Enter the date you are submitting the report. The default reporting date is the system date.

9. Enter the year for which you want to run the report.

10. Select a characterset from the list of values to print the report as a character report, as per the layout requirements.

11. If you entered the home tax ID of the tax reporter in the organization in the Corp E-file Reporting window, this field is auto populated with the data. You can also provide the information in this field.

See: GREs/Legal Entities: Entering Corporate E-file Reporting Information, page 1-32

12. Click Submit.

Running the Year End Adjustment Donation e-File Report

Generate an e-File report that includes detailed donation expenses of those employees whose donation exemptions are more than the specified limit. You can view, print, and store the report on magnetic tape, and send the generated magnetic file to the National Tax Service upon request.

You run the Year End Adjustment Donation e-File report from the Submit Request window.

To run the Year End Adjustment Donation e-File report:

1. In the Name field, select KR Year End Adjustment Donation eFile report. The Parameters window opens.

2. Select the primary business place to print the business place registration number of the submitter.

3. Select the organizational level at which you want to print the report:

    •   All Organizations - the report prints all the employees within all business places under the business group

    •   Specified Organization - the report prints all employees in the specified business place

    •   Include All Sub-Organizations - the report prints the employees within the selected primary business place and the subordinate organizations within the primary business place

4. Enter a magnetic tape file and report name. The name defaults to the business place registration number.

5. Do one of the following:

    •   If you want to print the report for all the assignments in a specific payroll action, select the specific payroll action and leave the assignment set field blank.

    •   If you want to print the report for all the assignments with the specified assignment set, select the specific assignment set and leave the payroll action field blank.

    •   If you want to print year end adjustment or interim year-end adjustment report, select the type of report.

6. Enter the date you are submitting the report. The reporting date defaults to the system date.

7. Enter the year for which you want to run the report. The reporting year defaults to the previous year.

8. Select a characterset from the list of values to print the report as a character report, as per the layout requirements.

9. If you entered the home tax ID of the tax reporter in the organization in the Corp E-file Reporting window, this field automatically populates with the data. You can also update this field.

    See: GREs/Legal Entities: Entering Corporate E-file Reporting Information, page 1-32

10. Click Submit.

Running the KR Year End Adjustment PDF Import Process

Run the KR Year End Adjustment PDF Import process to import NTS PDF files from NTS web service on to the Oracle HCM system. After running the Import program, the files are stored in fnd_lobs table.

You run this program from the Submit Request window.

To run the KR Year End Adjustment PDF Import Process:

1. In the Name field, select KR Year End Adjustment PDF Import Process to open the Parameters window.

2. Select the target year for which you want to process the employees. This is mandatory.

3. Select the business place to which the employees belong to process.

4. Select the assignment set to process.

5. Click Ok and Submit.

Running the Year End Adjustment PDF Upload Process

Run the KR Year End Adjustment PDF Upload process to upload the NTS PDF files either to Self Service or Extra Information Type.

You run this program from the Submit Request window.

To run the KR Year End Adjustment PDF Upload Process:

1. In the Name field, select KR Year End Adjustment PDF Upload Process to open the

Parameters window.

2. Select the target year for which you want to process the employees. This is mandatory.

3. Select the business place to which the employees belong to process.

4. Select the assignment set to process.

5. Click Ok and Submit.

Running the Year End Adjustment PDF Import and Upload Process

Run the KR Year End Adjustment PDF Import and Upload process to import and upload together. Users who do not use self-service function can use this option.

You run this program from the Submit Request window.

To run the KR Year End Adjustment PDF Import and Upload Process:

1. In the Name field, select KR Year End Adjustment PDF Import and Upload Process to open the Parameters window.

2. Select the target year for which you want to process the employees. This is mandatory.

3. Select the business place to which the employees belong to process.

4. Select the assignment set to process.

5. Click Ok and Submit.

Running the KR Simple Earnings Report Archive Process

You run this process to archive the earnings information to generate the Simple Earnings Report to submit to the NTS.

You run the Simple Earnings Report Archive Process from the Submit Requests window.

To run the Simple Earnings Report Archive Process :

1. In the Name field, select KR Simple Earnings Report Archive process. The Parameters window opens

2. Select a primary business place for which you want to report.

3. Select a payroll.

4. Optionally, select an assignment set if you want to restrict the data.

5. The target year is displayed by default in the Target Year field.

6. The reporting period is displayed by default. You can change the report period by selecting from the list of values.

7. Click OK and then Submit.

Running the KR Simple Earnings Report E-File

You run the KR Simple Earnings Report E-file for biannual reporting of employee's earnings to the NTS.

You run the report from the Submit Requests window.

To run the KR Simple Earnings Report E-File:

1. In the Name field, select KR Simple Earnings Report E-File. The Parameters window opens.

2. Select a primary business place for which you want to report.

3. The target year for which you are reporting is displayed by default in the Target Year field.

4. Select a payroll action if you have already run the archive for a primary business place.

5. The system date is displayed by default as the report date.

6. Select the tax reporting organization you want to report. The name of the organization responsible for tax (e-File) reporting.

7. Select the person who is responsible for tax (e-File) reporting in the Tax Reporter field.

8. Enter the phone number of the contact person who is responsible for tax (e-File) reporting.

9. Enter the home tax ID. The ID used in Home Tax service, if applicable.

10. Click OK and then Submit.

6

Payroll Processing and Analysis

Payroll Processing and Analysis

Separation Payments Overview

Oracle Payroll enables employers to calculate and pay the separation pay that employees receive when they leave the enterprise. This amount is taxable. Once you have calculated the results, you or someone from your enterprise needs to sends these results to the National Tax Service (NTS).

You can run the separation process in the following types in Oracle Payroll:

- **Interim Separation Pay Process** – You run this process while your employee is employed with the enterprise, and so that you can pay the employee the separation pay amount in advance. Oracle Payroll calculates this amount from the date the employee joined the enterprise to the date on which you are running this process.

  You must also run the Separation Pay Process to make the final payment to the leaver.

- **Separation Pay Process** – You run this process when your employee leaves, or after your employee has left the enterprise. You calculate this final pay using their start and end dates.

Ensure that at any point of time in a year, you only run either the Interim Separation Pay process or the Separation Pay process for the employee.

When you roll back the Separation Pay process, you must roll back all archival files (if you have generated any) before you roll back the Separation Pay process.

See: Rolling Back a Process from the Submit Requests Window, *Oracle HRMS Payroll Processing Management Guide*

Processing Separation Payments

Once you are notified of a termination, you must terminate the employee using either the People window, or the Separation Pay Data Control window.

You process the separation payments for leavers in your enterprise by using either of the two windows:

- Submit Request window

- Separation Pay Data Control window

If you are running the Separation Pay Payroll Process from the Submit Request window, ensure that you create an assignment set for the employees leaving the enterprise before you run the process.

Separation Pay Archive Process

You run the Separation Pay Archive process to store information about the employee's separation pay. You must run the archive process before you run the Separation Pay reports.

Viewing and Checking the Separation Pay Results

You use the Separation Pay History window to view and check the results of separation pay for each leaver before you produce the magnetic tape to ensure that the data is correct.

Running the Separation Pay Reports

Employers run the separation pay reports each time an employee leaves the enterprise. Oracle Payroll currently supports the following reports and processes:

- **Separation Pay Payslip report** - You run this report to generate a pay slip. The pay slip contains summarized information about the separated employees' earnings and deductions.

- **Separation Pay Tax Receipt report** - You run this report to generate a tax receipt, and send the report to NTS. The report contains detailed information of the earnings, deductions ad tax calculations of the separated employee.

- **Separation Pay E-file report** - You run this report to generate a magnetic report that is to sent to NTS. NTS uses this report to upload data into their system.

- **Non-Statutory Separation Pay Tax Receipt Report** - You run this report to generate a tax receipt, and send the report to NTS. The report contains information about non-statutory payments made by the employee.

- **Non-Statutory Separation Pay E-File** - You run this report to generate a magnetic report that is sent to NTS. NTS uses this report to upload data into their system. This report details all non-statutory separation payments for the employee.

Separation Pension Overview

Employers contribute a specified amount as pension for employees throughout their employment and pay the pension amount either as a lump sum or in parts when they leave the enterprise. Employees over 50 years of age are eligible to claim the pension as a lump sum. Employees can also voluntarily contribute towards pension, referred to as Personal Contribution. From 1-Jan-2006, the separation pension received as a lump sum amount is included as a part of the separation pay tax calculation process.

Types of Separation Pension

When joining the organization, employees must select one of the following pension types :

- Defined Benefit - Employee receive a fixed amount and the monthly or regularly-contributed amount differs according to the pension fund management. Employees cannot receive lump sum amount in Interim Separation Pay for this defined type.

- Defined Contribution - The monthly or regularly-contributed amount is fixed and the amount the employee receives, differs according to the pension fund management. Employees can receive lump sum amount in Interim Separation Pay for this defined type. The withholding separation pay tax calculation is required.

Separation Pension Account

Employees receiving the corporate or separation pension require an Individual Retirement Account (IRA) account. Employers use this account to deposit the pension amount. This account holds the financial institution details that pays the amount, the account number, and the start date of the employee's corporate pension.

Separation Pension Elements

Oracle provides the following elements for running the Separation Pension process. You must create element values before you run the Separation Process.

- Separation Pension Details

- Separation Pension Account Details

After a payroll run, the application creates the run results related to separation pension for the following elements. Optionally, you can also manually enter these elements, if you do not intend to use the predefined formula that Oracle provides to create the run results.

- Separation Pension Lump Sum Amount

- Separation Pension Lump Sum Non Taxable Amount

- Separation Tax Conversion Info

Separation Pension Details

Use the Separation Pension Details to record the various amounts to calculate the separation pension. You record the following for the separation pension details.

- Total amount paid to the employee as Separation Pension

- Estimated pension amount and its interest provided by the financial institution

- Employee's personal contribution, if any

- Corporate pension exemption received by the employee in the YEA process

- Expected amount the employee receives as lump sum or pension or both

- Number of months excluded from separation pay calculation for reporting purpose only

- Working year for pension to calculate the service period of the employee

Attach the predefined formula KR_SEPARATION_PENSION to the element as Standard processing rule to calculate the taxable and non-taxable components of the Separation Pension and create indirect results. Alternatively, you can create your own formula and processing rule.

The taxable components (Separation Pension Lump Sum Amount) feed the balance Separation Pension Lump Sum Amount and the non-taxable component feed the balance Separation Pension Lump Sum Non Taxable Amount. The application uses the Separation Pension Lump Sum Amount balance value in the TAX formula to calculate income tax.

> **Note:** Process the Separation Pension Details element only in the separation payrolls such as Interim Separation Pay, Separation Pay, and Separation Liability.

Separation Pension Account Details

Use this element to record the separation pension information to calculate the lump sum amount and income tax. Create the element entry to record the Individual Retirement Account (IRA) account details.

Separation Pension Lump Sum Amount

The indirect results from the formula KR_SEPARATION_PENSION populate this element. The Pay Value input of this element holds the Separation Pension Lump Sum amount.

Separation Pension Lump Sum Non Taxable Amount

The indirect results from the formula KR_SEPARATION_PENSION populate this element. The Pay Value input of this element holds the Separation Pension Lump Sum Non Taxable amount.

Separation Tax Conversion Info

The indirect results from the formula - TAX populate this element when employee receives a part of the pension as Separation Pension. The run results for this element do not get created unless tax conversion is required. The element holds the different

amounts calculated during tax conversion.

Separation Pension for Previous Employers

Oracle HRMS for Korea enables you to record, maintain, calculate, and process Separation Pension for previous employers and display these details within the Separation Pay Tax Receipts.

The following predefined elements are available to record the separation pension taxable and non taxable amounts for previous employers:

• Previous Employer Separation Pension Lump Sum Amount

• Previous Employer Sep Pension Lump Sum Non Taxable Amt

The input values of the element Separation Tax Conversion Info record the run result values for Non Statutory Total Lump Sum Amount and Receivable Separation Pay.

The application uses the formula KR_PREV_EMP_SEP_PENSION to calculate the Separation Pension Lump and Separation Lump Sum Non Taxable Amount for previous employer.

For information on how to process Separation Pension for previous employer, see: Processing Separation Pension for Previous Employers, page 6-13

Post Tax Deductions

Oracle HRMS includes the post tax deduction calculations within the Statutory and Non-Statutory Separation Pay (except Interim Separation Pay). These are effective from 01-Jan-2009 to 31-Dec-2009.

Oracle provides the element Sep Pay Post Tax Break with the following input values:

• Exception

• Eligibility for Post Tax Deduc

• Reason For Separation Pay

• Override Stat Post Tax Deduc

• Override NonStat PostTax Deduc

To avoid the calculation of the post tax deduction for Separation Pay, specify Yes in the Exception Flag. The eligibility for the current employer Separation Pay for post tax deduction is determined by the Eligibility for Post Tax Deduction flag value. If you want the current employer to be eligible for Separation Pay post tax deduction, specify Yes.

You can override the calculations and enter values using the input values Override Statutory Post Tax Amount and Override Non Statutory Post Tax Amount. You can also

indirectly feed this element using a custom formula.

The input value Eligibility for Post Tax Deduction within the Previous Employer Info element records the eligibility of the Previous Employer Separation Pay amount for the Post tax deduction calculations. Default value is No.

The input value for the Final Interim Sep Pay Date within the Previous Employer Info element calculates the Statutory and Non Statutory Separation Pay Periods.

Oracle provides the elements Non Stat Sep Pay Post Tax Brk, Statutory Sep Pay Post tax Brk to display the Non Statutory Post tax Deduction and Statutory Post Tax Deduction in reports.

Oracle provides the balances Separation Pay Post Tax Deduction to calculate the Total Post Tax Deduction of Statutory and Non Statutory Separation pay. The TAX formula calculates the post tax deduction amount for the Statutory and Non-Statutory Separation Pay.

Setting Up Separation Payments

Oracle Payroll enables you to set up the separation elements and plans, before you make the separation payments to the employee. You can also set up the separation pension elements and information to pay the separation pension to employees.

Follow these steps to set up and process these premiums: The steps 1- 4 outline the setting up of Separation Payment information while the steps 5 - 8 guide you through the setting up of the Separation Pension information.

1. Link the following predefined elements to one or more payrolls using the Element Link window.

    • Separation Pay

    • Special Separation Allowance

    • Separation Insurance

    • Working Period

    • Average Salary

    • Previous Employer Info

    See: Defining Element Links, *Oracle HRMS Compensation and Benefits Management Guide*

2. Use the predefined formula called TAX to calculate the separation pay. You can also create a formula to calculate the average salary and working period, using the Formula window.

See: Writing or Editing a Formula, *Oracle HRMS Compensation and Benefits Management Guide*

3. Attach the formula to the elements, average salary and working periods using the Formula Result Rules window.

    See: Defining Formula Processing and Result Rules, *Oracle HRMS Compensation and Benefits Management Guide*

4. Before processing the separation payments, ensure that you terminate the employee, or create an assignment set for your employees, wherever appropriate.

    See: Managing Separation Payments, page 6-12

5. To enable you to select the financial institution that pays the separation pension to employees, you must add the list of financial institutions within the lookup type PAY_KR_PENSION_FINANCIAL_INST.

    See: Adding Lookup Values

6. To calculate the lump sum amount, you can use the predefined sample formula KR_SEPARATION_PENSION.

    Sample Formula for Processing Separation Pension, page 9-18

    In instances, where you cannot use the sample KR_SEPARATION_PENSION formula, you can create your own formula and formula results to create the correct indirect results as given in the table below:

Name	Description
Element	Separation Pension Details
Processing Rule	Standard
Formula Name	<specify a formula name>

To validate the separation pension details input values, you can create message type formula results. If the validation fails, the payroll process errors out. You require these error messages to avoid generating incorrect results.

The following table provides the formula results. If you choose to use your own formula, ensure that your formula creates the following results.

Name	Type	Element	Input Value	Message Severity
O_INCORRECT _TOTAL_RECE IVED	Message			Fatal
O_INCORRECT _PRN_AND_IN TEREST	Message			Fatal
O_INCORRECT _PENSION_EX EM	Message			Fatal
O_INCORRECT _PERS_CONTR IBUTION	Message			Fatal
O_LUMP_SUM _AMOUNT	Indirect result	Separation Pension Lump Sum Amount	Pay Value	
O_NON_TAXA BLE_AMOUNT	Indirect result	Separation Pension Lump Sum Non Taxable Amount	Pay Value	

7. Link the following elements to one or more payrolls using the Element Link window.

- Separation Pension Details

- Separation Pension Account Details

- Separation Pension Lump Sum Amount

- Separation Pension Lump Sum Non Taxable Amount

- Separation Tax Conversion Info

Defining Element Links, *Oracle HRMS Compensation and Benefits Management Guide*

8. Create element entries for the Separation Pay and additionally create element entries required for Separation Pension:

- Separation Pension Details

- Separation Pension Account Details

See:Defining Element Links, *Oracle HRMS Compensation and Benefits Management Guide*

9. To calculate the Previous Employer lump sum amount, you can use the predefined sample formula KR_PREV_EMP_SEP_PENSION.

Sample Formula for Processing Separation Pension, page 9-18

10. In instances, where you cannot use the sample KR_PREV_EMP_SEP_PENSION formula, you can create your own formula and formula results to create the correct indirect results as given in the table below:

Name	Description
Element	Previous Employer Separation Pension Details
Processing Rule	Standard
Formula Name	<specify a formula name>

To validate the separation pension details input values, you can create message type formula results. If the validation fails, the payroll process errors out. You require these error messages to avoid generating incorrect results.

The following table provides the formula results. If you choose to use your own formula, ensure that your formula creates the following results.

Name	Type	Element	Input Value	Message Severity
O_INCORRECT _TOTAL_RECE IVED	Message			Fatal
O_INCORRECT _PRN_AND_IN TEREST	Message			Fatal

Name	Type	Element	Input Value	Message Severity
O_INCORRECT_PENSION_EXEM	Message			Fatal
O_INCORRECT_PERS_CONTRIBUTION	Message			Fatal
O_INCORRECT_DEFINED_TYPE	Message			Fatal
O_PREV_LUMP_SUM_AMOUNT	Indirect result	Previous Employer Separation Pension Lump Sum Amount	Pay Value	
O_PREV_NON_TAXABLE_AMOUNT	Indirect result	Previous Employer Sep Pension Lump Sum Non Taxable Amt	Pay Value	

11. Link the following elements to one or more payrolls using the Element Link window.

- Previous Employer Separation Pension Details

- Separation Pension Account Details

- Previous Employer Separation Pension Lump Sum Amount

- Previous Employer Sep Pension Lump Sum Non Taxable Amt

- Separation Tax Conversion Info

Defining Element Links, *Oracle HRMS Compensation and Benefits Management Guide*

12. Create element entries for the Separation Pay and additionally create element entries required for Previous Employer Separation Pension:

- Previous Employer Separation Pension Details

- Separation Pension Account Details

Defining Element Links, *Oracle HRMS Compensation and Benefits Management Guide*

Managing Separation Payments

Follow these steps to manage your separation payments after it has been set up in Oracle HRMS.

To set up the Separation Payments, see: Setting Up Statutory Deductions, page 6-7.

1. **Terminating an Employee**

   Terminate an employee if they haven't been terminated by your HR department already, otherwise go to Step 2.

   - To terminate the employee using the People window, see: Ending Employment, *Oracle HRMS Workforce Sourcing, Deployment, and Talent Management Guide*.

   - To terminate the employee using the Separation Pay Data Control window, see: Processing Separation Pay from the Separation Pay Data Control window, page 6-14.

2. **Processing the Separation Pay**

   Process the separation payments for employees in your enterprise by using either of the two windows:

   - Submit Request window

     See: Processing Separation Pay from the Submit Request window, page 6-16

   - Separation Pay Data Control window

     See: Processing Separation Pay from the Separation Pay Data Control window, page 6-14

3. **Separation Pay Archive Process**

   Run the Separation Pay Archive process to store information about the employee's separation pay.

   See: Running the Archive Process for Separation Pay, page 6-17

4. **Viewing and Checking the Separation Pay Results**

   Use the Separation Pay History window if you want to view and check the results of separation pay for each leaver before you produce the magnetic tape to ensure that the data is correct.

   Viewing and Checking the Separation Pay Results, page 6-15

5. **Running the Separation Pay Reports**

   Run the reports each time an employee leaves the enterprise.

- You run the Separation Pay Payslip report to generate a pay slip.

- You run the Separation Pay Tax Receipt report to generate a tax receipt, and send the report to National Tax Service (NTS).

- You run the Separation Pay E-file report to generate a magnetic report that is to sent to NTS.

Processing Separation Pension for Previous Employers

Follow these steps to set up and process these the separation pension for previous employers:

1. Use the Formula Result window to attach the formula KR_PREV_EMP_SEP_PENSION to the predefined elements with Standard processing rule.

   - Previous Employer Separation Pension Lump Sum Amount

   - Previous Employer Sep Pension Lump Sum Non Taxable Amt

   See: Defining Formula Processing and Result Rules, *Oracle HRMS Compensation and Benefits Management Guide*

2. Create Formula Results for the return values:

   - o_prev_lump_sum_amount

   - o_prev_non_taxable_amount

   See: Defining Formula Processing and Result Rules, *Oracle HRMS Compensation and Benefits Management Guide*

3. Link the new elements or re-link the existing elements if you have changed the input values.

   See: Defining Element Links, *Oracle HRMS Compensation and Benefits Management Guide*

4. Before processing the separation pension, ensure that you terminate the employee, or create an assignment set for your employees, wherever appropriate.

5. Attach Separation Pay and Separation Pension elements.

Defining Element Links, *Oracle HRMS Compensation and Benefits Management Guide*

6. Run Separation Pay.

   See: Processing Separation Pay from the Submit Request window, page 6-16

7. Run Separation Pay Archive process.

   See: Running the Archive Process for Separation Pay, page 6-17.

8. Run Statutory and Non Statutory Separation Tax Receipt.

   See: Running the Separation Pay Tax Receipt Report, page 6-18

Processing Separation Pay from the Separation Pay Data Control window

Use the Separation Pay Data Control window to complete separation pay processes for leavers in your enterprise like terminating an employee, creating element entries, processing the Separation Pay, archiving, and viewing the results. You run this process to make final payments to the leavers, and ensure that all payments such as any outstanding bonus, leave and such are included in the leavers pay cheque.

To enter the separation pay process:

1. Select the Interim Separation Pay as the run type if you want to pay the leavers the separation pay amount in advance, otherwise select Separation Pay to pay the leavers the final pay amount when they leave the organization.

2. Select the payroll name and assignment set name to process.

   If you do not have an existing assignment set, you create it by selecting the Include check box against each employee in the Status region, specifying the assignment set name, and choosing the Amend button.

3. Select the consolidation set to process. If you selected a payroll associated with a consolidation set, the application will select this field automatically.

4. Select the earned date and paid date for all leavers from the leaver's start date till the system date.

5. Select the process type depending on your requirement.

   For example, if you select the process type as Process & Archive, the application will process the separation pay and archive the separation pay details. You can run the Archive process only after you have run the Separation Pay process.

6. If you have already created an element set, then select from the list of existing element sets and choose the Create Entries button. The application will use this element set to assign all the elements defined in the element set to the employee(s).

You can also attach elements to your employees independently. Choose the Entries button to open the Element Entries window. You use this window to assign elements to employees.

See: Making Manual Element Entries, *Oracle HRMS Compensation and Benefits Management Guide*

7. Use the Status region to view the list of all separated employees assigned to the selected payroll. The region is divided into three sections, the first displays a list of employees, the second displays a list of elements that you have attached to the selected employee, and the third section displays the corresponding input values of the selected element.

8. Choose the History button to view the results of the separation pay and archive process.

See: Viewing and Checking the Separation Pay Results, page 6-15

9. Choose the End Employment button to open the End Employment window. You use this window if the employee is not already terminated.

See: Ending Employment, *Oracle HRMS Workforce Sourcing, Deployment, and Talent Management Guide*

10. Choose the Process button to run the Separation Pay process.

11. Save your work.

Viewing and Checking the Separation Pay Results

Oracle HRMS maintains a complete history of separation pay results such as taxable earnings, hiring date, and leaving date for the employees who have left the organization.

Use the Separation Pay History window to view and check the results of separation pay for each leaver before you produce the magnetic tape to ensure that the data is correct.

To view the separation pay results:

1. Select an employee and choose the Find button. The Separation Pay History window opens.

> **Note:** You need to query the employee only if you navigate to the Separation Pay History window from Fastpath in the Navigator.

2. Select the type as Run.

3. Choose the Sep Result button and the appropriate tab to view the separation pay results.

- **Entry** - to view information like element entries, their priorities, and the classification names that you have attached.

- **Result** - to view information like element entries, their priorities, and the classification names for the run results.

- **Balance** - to view information like the balance names, dimension names and the element feeds.

- **Slip** - to view information like working period, monthly earning, and yearly bonus of the separated employee.

- **Tax** - to view information like taxable earnings, and the tax due of the separated employee.

- **Net Pay** - to view information like voluntary and involuntary deductions, income tax, resident tax of the separated employee.

To check the separation pay results:

1. Select the process type as Magnetic Report, and choose the Archive Result button. In the Separation Archive window that opens, you can view the separation pay archive results.

2. Select the process type as Magnetic Report, and choose the Message button. In the View Run Messages window that opens, you can view the messages for the assignment process.

Processing Separation Pay from the Submit Request window

Oracle Payroll enables you to run separation payroll process for employees who left your enterprise. You run this process to make final payments to the leavers, and ensure that all payments such as any outstanding bonus, leave and such are included in the leavers pay cheque.

Run the Separation Pay Payroll process from the Submit Request window.

To run the Separation Pay Payroll process:

1. In the Name field, select KR Separation Pay Payroll. The Parameters window opens.

2. Select the payroll to process.

3. Select the consolidation set to process. If you selected a payroll associated with a

consolidation set, the application selects this field automatically.

4. Select the earned date and paid date to process the separation pay for all employees from the leaving employee's start date till the system date.

5. Select the element set to assign all the elements defined in the element set to the employee(s).

6. Select the assignment set to process. If you leave the field blank, the application will process the separation pay for all employees originally processed in the payroll.

7. Select the Interim Separation Pay as the run type if you want to pay the leavers the separation pay amount in advance, otherwise select Separation Pay to pay the leavers the final pay amount when they leave the organization.

8. Choose the Submit button.

Running the Archive Process for Separation Pay

You run the Separation Pay Archive process to store information about the leaver's pay. You run the archive process after you have run the Separation Pay process, and before you run the Separation Pay reports.

Run the Separation Pay Archive process from the Submit Requests window.

To run the Separation Pay Archive process:

1. In the Name field, select KR Separation Pay Archive. The Parameter window opens.

2. Enter the start date and effective date to process the archive for all leavers from the start date till the system date.

3. Select the business group and payroll to process.

4. Choose the Submit button.

Running the Separation Pay Slip Report

Run this report to generate a pay slip with the earnings and deductions summary for all employees who left your enterprise, for a specified payroll and period. You submit the generated pay slip report to the National Tax Service (NTS).

You run the Separation Pay Slip report from the Submit Requests window.

To run the Separation Pay Slip report:

1. In the Name field, select KR Separation Pay Slip. The Parameters window opens.

2. Select the payroll to process.

3. Select the business place to process the report for only those employees who belong to the selected business place.

4. Enter the dates for which you want to generate the report in the Effective Date From and Effective Date To fields. This will select all employees who have left the organization in this period.

5. Enter the employee numbers to generate pay slips for specific employees (you can select a maximum of ten employees at a time), otherwise leave all the fields blank to generate pay slips for all leavers.

6. Choose the Submit button.

Running the Separation Pay Tax Receipt Report

Run this report to generate the separation pay tax receipt for all employees who left your enterprise, for a specified payroll and period. You submit the generated report to the National Tax Service (NTS). The report contains detailed information like income tax and resident tax for received payments at the time the employee leaves the enterprise.

Run the Separation Pay Tax Receipt report from the Submit Requests window.

To run the Separation Pay Tax Receipt report:

1. In the Name field, select KR Separation Pay Tax Receipt report. The Parameters window opens.

2. Select the title of the report.

3. Select the payroll to process.

4. Select the business place to process the report for only the leavers who belong to the selected business place.

5. Enter the date you are submitting the report.

6. Enter the year the employee left the enterprise.

7. Optionally, enter the Paid Date, to limit the report to archived entries from that date and year.

8. Optionally enter the payroll action. Only assignments listed under the specified payroll action are displayed in the report.

9. Optionally enter an assignment set. If you specify an assignment set, the report will restrict the list of employees to those listed in the assignment set.

10. Click Submit.

Running the Separation Pay e-file Report

Oracle Payroll can generate a report about separation pay, based on the Separation Pay Archive. You can view, and print the report, and store it on magnetic tape to send to National Tax Service (NTS).

Run the Separation Pay e-file report from the Submit Requests window.

To run the Separation Pay e-file report:

1. In the Name field, select KR Separation Pay e-file. The Parameters window opens.

2. Enter a name to store the report on a magnetic tape file. If you leave the field blank, the application uses the request ID as the file's name.

3. Enter a name for the report, to view and print immediately. If you leave the field blank, the application uses the magnetic file name as the report's name.

4. Select the business place to process.

5. Select the organizational level at which you want to print the report:
   - All Organizations - the report prints all the employees within the business places under the business group

   - Specified Organization - the report prints all employees in the selected business place

   - Include All Sub-Organizations - the report prints the employees within the selected primary business place and the subordinate organizations within the primary business place.

6. Enter the date you are submitting the report. The default date is the system date.

7. Enter the year for which you want to run the report.

8. Do one of the following:
   - If you want to print the report for all the assignments in a specific payroll action, select the specific payroll action and leave the assignment set field blank.

   - If you want to print the report for all the assignments with the specified

assignment set, select the specific assignment set and leave the payroll action field blank.

> **Note:** If you do not select a payroll action or assignment, the application prints all assignments that match the criteria that you have selected in the previous steps.

9. Enter the tax reporting organization. The tax reporting organization must be an HR organization in the business group.

10. Enter the name of the tax reporter. Ensure that the tax reporter is an employee in the business group.

11. Enter the contact number of the tax reporter. Ensure that the number is not more than fifteen characters.

12. Enter the Home Tax ID of the tax reporter in the organization. If you leave the field blank, the information will not appear in the report.

13. Click Submit.

Running the Non-Statutory Separation Pay E-file Report

Oracle Payroll can generate a report about separation pay, including non-statutory payments, based on the Separation Pay Archive. You can view, and print the report, and store it on magnetic tape to send to National Tax Service (NTS).

Run the Non-Statutory Separation Pay E-file report from the Submit Requests window.

To run the Non-Statutory Separation Pay E-file report:

1. In the Name field, select KR Non-Statutory Separation Pay E-file to open the Parameters window.

2. Select the business place to process.

3. Select the organizational level at which you want to print the report:

   - All Organizations - the report prints all the employees within all business places under the business group

   - Specified Organization - the report prints all employees in the specified business place

   - Include All Sub-Organizations - the report prints all employees within the specified primary business place and the subordinate organizations within the

primary business place.

4. Enter a name for the magnetic tape file. If you leave the field blank, the application uses the request ID as the file's name.

5. Enter a name for the report, to view and print immediately. If you leave the field blank, the application uses the magnetic file name as the report's name.

6. Enter the year for which you want to run the report.

7. Do one of the following:

   • If you want to print the report for all the assignments in a specific payroll action, select the specific payroll action and leave the assignment set field blank.

   • If you want to print the report for all the assignments with the specified assignment set, select the specific assignment set and leave the payroll action field blank.

     > **Note:** If you do not select a payroll action or assignment, the application prints all assignments that match the criteria that you have selected in the previous steps..

8. Enter the date you are submitting the report.

9. Enter the tax reporting organization. The tax reporting organization must be an existing HR organization in the business group.

10. Enter the name of the tax reporter. Ensure that the tax reporter is an employee in the business group.

11. Enter the contact number of the tax reporter. Ensure that the number is not more than fifteen characters.

12. Enter the Home Tax ID of the tax reporter in the organization. If you leave the field blank, the information will not appear in the report.

13. Click Submit.

Running the Non-Statutory Separation Pay Tax Receipt Report

Run this report to generate the non-statutory separation pay tax receipt for all employees who leave your enterprise, during a specified payroll and period. You submit the generated report to the National Tax Service (NTS). The report contains information about the non-statutory payments the employee has contributed and

received, at the time the employee leaves the enterprise.

Run the Non-Statutory Separation Pay Tax Receipt report from the Submit Requests window.

To run the Non-Statutory Separation Pay Tax Receipt report:

1. In the Name field, select KR Non-Statutory Separation Pay Tax Receipt report, to open the Parameters window opens.

2. Select the title of the report.

3. Select the payroll to process.

4. Select the business place to process the report for the leavers from the selected business place only.

5. Enter the date you are submitting the report.

6. Enter the year the employee left the enterprise.

7. Optionally enter the Paid Date. If you enter a date, only archived entries for the date entered and the target year appear in the report.

8. Optionally enter the payroll action. Only assignments listed under the specified payroll action appear in the report.

9. Optionally enter an assignment set. If you specify an assignment set, the report will restrict the list of employees to those listed in the assignment set.

10. Click Submit.

7

Recruitment and Hiring

Appointments

Appointments and the Hiring Process

The appointment process takes the applicant from the recruitment process to employee administration where the initial tasks include entering terms and conditions and payroll information.

If you are an Oracle US Federal HRMS user, you use the Request for Personnel Action (RPA) to appoint employees.

If you are using Oracle SSHR, you can use the Candidate Offers functionality to generate offer letters.

Hire Dates and Future-Dated Changes

Oracle HRMS enables you to make future-dated changes to a person's details.

If you make future-dated changes to an applicant's details, such as changing their name, and you subsequently hire the person, the earliest hire date you can enter is the day following the date of the last change. The hire date can, of course, be a future date (providing it is at least 1 day after the date of the last change). For example, if you received an application on January 10th and you changed the applicant's details using future dates, say on January 22nd and February 10th, and you subsequently hire the applicant, the earliest hire date you can enter is February 11th (the date of the **last** change plus one day).

Alternatively, you could hire the applicant (change their person type to Employee), and then make the changes to their details with the status of Employee.

Back-to-Back Employment and Placements

Back-to-back employment and placements occur when a previous period of employment or a previous placement ends 1 day before a new period of employment or a new placement begins.

Oracle HRMS supports back-to-back employment and placements even where there is a difference in person types. That is, an ex-employee can begin a placement on the day following termination of their employment, and an ex-contingent worker can begin employment on the day following the end of their placement.

An ex-employee starting new employment or a placement on April 1st must have an actual termination date **and** a final processing date (for payroll processing) for their previous employment of March 31st. (If your enterprise does not have Oracle Payroll, the final processing date automatically defaults from the actual termination date).

An ex-contingent worker starting employment or a new placement on April 1st must

have an actual termination date of March 31st for their most recent placement.

In both cases, there can be no future-dated changes.

> **Note:** You cannot change the hire date of any back-to-back employment. Instead, you must cancel the employment and rehire the employee.

Earliest Hire Dates

- An applicant's earliest hire date is either 1 day after you accept the application or the day after the last of any future-dated changes, whichever is later.

- An ex-employee's earliest hire date is either 1 day after the final process date for the previous employment or the day after the last of any future-dated changes, whichever is later. For back-to-back employment, the final process date must be the actual termination date, and there can be no future-dated changes.

  > **Note:** Australia, Canada, China, Denmark, Hong Kong, India, Ireland, Korea, Kuwait, Mexico, New Zealand, Norway, Saudi Arabia, Singapore, South Africa, Russia, UK, US, United Arab Emirates, and International Payroll users can rehire ex-employee before the final process date. See: Rehire Before Final Process Date, page 7-3

- An ex-contingent worker's earliest hire date is either 1 day after the actual termination date of the most recent placement or the day after the last of any future-dated changes, whichever is later. For back-to-back hiring, there can be no future-dated changes.

Rehire before Final Process Date

Australia, Canada, China, Denmark, Hong Kong, India, Ireland, Korea, Kuwait, Norway, Mexico, New Zealand, Saudi Arabia, Singapore, South Africa, Russia, UK, US, United Arab Emirates, and International Payroll Only: To provide greater flexibility in the hiring process, Oracle HRMS enables you to rehire a terminated employee before the Final Process (and after the Last Standard Process) date for their previous period of service.

Rehire before Final Process Date
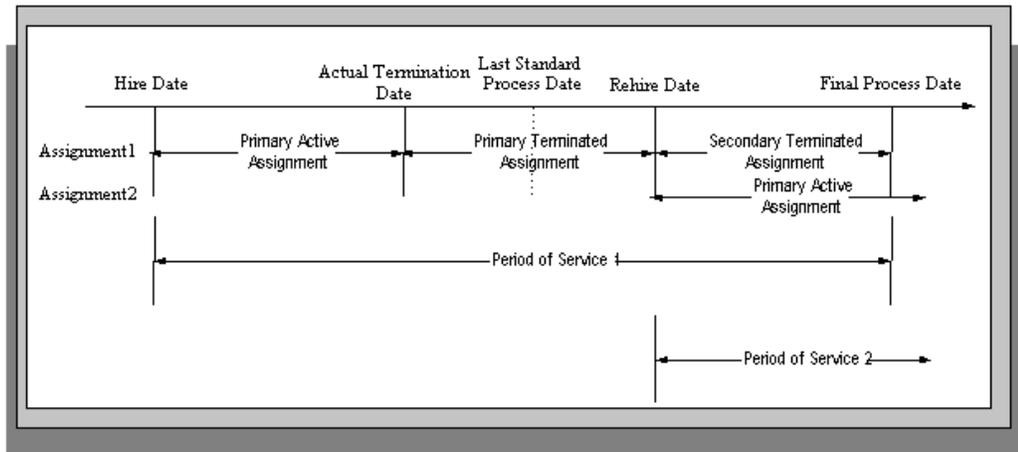
As illustrated in the diagram, when you complete the rehire, the application changes the existing, terminated assignment into a secondary assignment. The new, active assignment becomes the primary. You can then process payments from both assignments during the overlapping periods of service.

> **Note:** When you cancel the rehire, the application changes the secondary terminated assignment back to a primary terminated assignment. The application however retains the date changes to the primary terminated assignment even after a cancellation. For example, if the actual termination date is 20 April, the final process date is 31 April, and you rehire the person on 25 April, the application updates the primary terminated assignment for the period 21 April to 24 April and creates a new one for the period 25 April to 31 April. If you subsequently cancel the rehire, then the application retains the primary terminated assignment for the period 21 April to 24 April as well as the one for the period 25 April to 31 April.

When you rehire before the final process date, the employee has overlapping periods of service between the rehire date and the final process date. The Terminate window displays the service dates for all the overlapping periods of service. The latest period of service appears by default. You can scroll down to view the earlier periods of service.

Valid Person Types for Applicants

You can convert an applicant to an employee but not to a contingent worker. However, an applicant can become a contingent worker (a Contingent Worker.Applicant) while their application for employment remains active. Subsequently, you can either cancel the application, and allow the contingent worker placement to continue, or end the contingent worker placement prior to hiring the applicant.

8

People Management

People Management

Person Extra Information Types

You can define as many Extra Information Types (EITs) as you require to hold information about people.

There are also some predefined person EITs. The information in these EITs is not datetracked.

> **Note:** To be able to access predefined EITs, you must link them to your responsibility.

See: Setting Up Extra Information Types For a Responsibility, *Oracle HRMS Workforce Sourcing, Deployment, and Talent Management Guide*

The predefined person EITs are:

- Donation Totals – the total amount of the donation contributed by the employee and their dependents such as parents, brother/sister.

- Employment Insurance Information - the eligible code, eligible start date, requisition job group code, requisition job group description, initial monthly channel, recruitment channel, report date for loss, loss date, loss code, loss job group code, loss job group description, unemployment compensation report, hiring plan for substitution, and employment insurance reported.

> **Note:** Use this EIT to store information on your employee that needs to be passed on to the Korea Labor Welfare Corporation (KLWC). You need to notify the KLWC when your employee joins or leaves your company.

- Graduation Information - the graduation status, effective start date, and effective end date

> **Note:** The information stored by this EIT is used in insurance-related reports.

- Health Insurance Information - the certificate number, qualified (change) date, retirement reason, eligibility changed date, and HIA reported.

> **Note:** Use this EIT to store information on your employee that

needs to be passed on to the Health Insurance Association (HIA). You need to notify the HIA when the employee joins or leaves your company.

- Military Service Information - the discharge type, exemption reason, rank, service part, special service, period from, and period to.

- National Pension Information - the initial monthly earning, requisition code, requisition date, special job code, loss code, loss date, and national pension reported.

    Note: Use this EIT store information regarding the employee that needs to be passed on to the National Pension Corporation (NPC). You need to notify the NPC when the employee joins or leaves your company.

- Previous Employment History Information - the company name, job, from and to dates, job title, seniority, currency, annual salary, career year, and business registration number.

- Veteran / Patriot Information - the period ID, type, name, relation, and authority name.

- YEA related Information - the double harness, resident status, and house holder.

- Oracle Student System (OSS) Person Details - records OSS identification data for the student employee. The field Synchronize OSS Data controls synchronization of student employee address and telephone information between HRMS and OSS.

Special Information Types

Basic information is handled in a fairly standard way from enterprise to enterprise. However, other types of information are recorded and used in quite different ways. Examples include training records, disciplinary records, competence, and medical records. Oracle HRMS does not restrict you to any predefined format for holding this information. You can set up your own user-defined fields for recording, analyzing, and reporting on whatever special information you require.

In Oracle HRMS, you use the *Personal Analysis key flexfield* to define any special information not provided by the main system that you want to hold about people, jobs and positions, and training activities. Alternatively you can define Extra Information Types to record this information,

See: Extra Information Types (EITs), *Oracle HRMS Configuring, Reporting, and System Administration Guide*

You can define any number of instances of the Personal Analysis key flexfield. Each instance is called a Special Information Type. For example, you might set up types to hold performance reviews or medical details. You can enter a person's information under these sorts of headings in the Special Information window.

Each Special Information Type can have up to thirty fields (where each field is a segment of the flexfield). You can set up cross-validation to ensure that users enter correct combinations of segments. You can also speed up data entry and minimize errors by defining an alias for common combinations of segment values.

When you enable special information types for your Business Group, you select how you plan to use each type. In Oracle Human Resources, you can use them for:

- Job requirements

- Position requirements

- Personal information

In Oracle Learning Management, you can use them for:

- Skills provided by training activities

Each Special Information Type can be used for one or more of these purposes. The options you select controls the windows in which each appears.

In Oracle Human Resources, you can also configure the windows that handle special information types to restrict them to just one Type, such as medical records. This is useful if you want to restrict access to particular types of information for security reasons, or to aid users' efficiency by giving them access to just the information they require for a particular task.

Entering a New Person (People Window)

Use the People window to enter and maintain basic personal information for all person types, including employees and contingent workers.

> **Note:** You can also use one of the template windows such as Entering Employees or Entering Contingent Workers to enter new people.

The minimum information to enter for all categories of people is name and action type. In addition, for employees you must enter gender, employee number (if your enterprise uses manual number entry), and date of birth (for assignment to a payroll). Your localization may require additional mandatory information.

To enter a new person:

1. Set your effective date to the appropriate date for adding the person to the application. If you are entering an employee, this should be their hire date.

2. Enter the person's name and other details in the Name region. Only the last name is required for most legislations, but some legislations require a first name too.

For UK users: The first name is a mandatory field. Ensure that the first character is an alphabet. The employee's last name is not a mandatory field, however, ensure that the first character is an alphabet.

- In the Title field, select a title such as Mrs. or Doctor.

- You can use the Prefix field to enter the first part of the person's name, such as van der. In the case of someone whose last name is van der Zee, you can sort by the last word of the name, that is Zee. If the whole name van der Zee is entered in the Last Name field, the name is sorted under van.

  For Russian users only: Prefix is not required in Russia, so this field is not available to Russian users.

  For UAE users only: Prefix is recorded as additional personal information. Therefore, this field is not displayed in the Name region.

- The Suffix field holds part of the last name, such as Junior or II. You can report on the suffix separately, as required in some government-mandated reports.

  For Russian users only: Suffix is not required in Russia, so this field is not available to Russian users.

  For UAE users only: Suffix is recorded as additional personal information. Therefore, this field is not displayed in the Name region.

- **For Russian users only**: In the Genitive Last field, enter the genitive case of the person's last name. For example, Ivanovskogo is the genitive case of the last name Ivanovskii. The genitive last name is required for some statutory reports. If you do not enter the genitive last name, the application uses the nominative last name.

3. Select a gender, if required. In the US, you must choose Male, Female, or Unknown Gender. In the UK, you must enter the gender of each employee. For Poland, the PESEL you enter supplies the gender information. For Finland, the PIN (Personal Identification Number) supplies the gender information.

> **Note: For Norway users only:** A gender value will be automatically generated based on the person`s National Identity number.

4. In the Action field, select an action type (such as Create Employment) and a person type. The person type you select displays immediately in the Person Type for Action field before you save it. If only one user person type exists for the action type, it displays automatically in the Person Type for Action field.

> **Note:** If you enter a contingent worker who has a previous person type such as ex-employee, you can choose to revert the contingent worker back to the previous person type by using the Cancel Placement action.

If you are a Finnish user and need to pay salary to a contingent worker through Oracle payroll, you need to enter the person as an employee. You then change the person as a not employed person by changing the employee status in the Additional Assignment Details window. See: Entering Additional Assignment Details (Assignment Window), *Oracle HRMS for Finland Supplement*

You create user person types in the Person Types window. If you want to change a person type to another person type with the same system person type you must use the Person Type Usage window.

See: Changing Person Type Usage and Deleting OAB Person Type Usage, *Oracle HRMS Enterprise and Workforce Management Guide*

Entering Employee Information:

Enter the following information if the person is an employee.

1. If desired, change the Latest Start Date field.

    - The Latest Start Date field displays your effective date.

    - For employees who have previously worked for your enterprise, the Date First Hired field displays the start date of the employee's earliest, previous period of service. This date must be on or before the start date of the earliest period of service. The Date First Hired field is situated on the Benefits Tab.

If the latest start date and the date first hired are the same, when you amend the latest start date, the date first hired is set to the same date.

If you amend the latest start date to earlier than the date first hired, the date first hired is set to the same date.

> **Note:** In the US, before making a change to a latest hire date already entered for an employee, ensure that the start date of the employee's primary address is the same as or earlier than the new hire date. This preserves the integrity of the employee's tax records.

Entering Identification Information:

Enter the person's identification information in the Identification region:

1. If your enterprise uses a manual number generation scheme, enter an employee,

applicant or contingent worker number. If your enterprise uses automatic number generation (including Use Employee Numbering for contingent workers), the employee, applicant, or contingent worker number automatically displays when you save your entries in this window.

> **Note:** If you query a person who has a combination of employee, applicant, and contingent worker numbers, the employee number displays in the Number field. If the person lacks an employee number but has a contingent worker number and an applicant number, the contingent worker number displays. However, you can choose to view any of the identification numbers held for a person by selecting them from the list.

2. Enter the national identifier for your country. For example, enter the National Insurance number in the UK, the Social Security number in the US, the Fiscal Code in Italy, the IRD Number in New Zealand, the Social Security Code (TAJ) in Hungary, the Individual Tax Payer's Number (INN) in Russia or the ID number in South Africa.

For Japanese users: If you have entered the personal number using the self-service pages, then you can view the masked personal number You cannot update the personal number here. This is a unique identification number and is used for taxation and social insurance purposes and for display on the withholding income tax report, notification of acquisition of insurance qualification.

If you are an Australian user, leave the National Identifier field blank.

> **Note:** For Norway and Sweden users only: The PIN (Personal Identification Number) supplies the values for gender, date of birth, and age.

Entering Personal Details:

Enter personal details in the Personal tabbed region.

1. Enter a date of birth. You must do this before you can assign an employee to a payroll. For Poland, the PESEL supplies the date of birth. For Finland, the PIN (Personal Identification Number) supplies the date of birth.

    For UK users only: If you have not entered the NI Number, the Date of Birth is a mandatory field.

2. Enter additional birth information into the Town of Birth, Region of Birth, and Country of Birth fields.

    For Hungarian, UAE, and Indian users only: Enter the place of birth instead of town of birth as this information identifies employees and appears in statutory

reports.

For Belgian users only: Region of birth information is not required in Belgium, so this field is not available to Belgian users.

3. **For Russian users only**: Enter the place of birth code in the Place of Birth field. The application uses this information when generating tax and pension statutory reports. You can find this code in the document *All Russian Classification of Subjects of Administrative and Territorial Division (OKATO)*.

4. **For Finnish users only**: Enter the place of residence. The place of residence influences the regional membership. You use the place of residence and regional membership to calculate income tax and other statutory deductions.

   For Japanese users only: Enter the country of birth.

5. If the Work Telephone field is displayed, enter a work telephone number. Otherwise, use the Phone Numbers window to enter this information.

6. In the Status field, select a marital status.

7. Select a nationality.

   For UAE users only: Nationality is recorded as additional personal information. Therefore, this field is not displayed in the Personal tabbed region.

8. **For Russian users only**: Enter the employee's statutory Pension Insurance Fund identifier. It is the employee's ID in the Statutory Pension Insurance Fund.

9. **For Russian and Swedish users only**: Select the person's citizenship. In Russia, you require this information for some statutory reporting to migration authorities. In Sweden, you can use this information to track persons who are not Swedish citizens, since the taxation and pension insurance schemes differ from those for Swedish citizens.

10. Select whether your employee, applicant or contingent worker is:

    • Registered disabled

    • Not registered disabled

    • Partially disabled

    • Fully disabled

      Note: Whether employees are fully or partially disabled affects benefits eligibility calculations.

In the US, the Americans with Disabilities Act (ADA) Report includes employees set up as registered disabled, partially disabled, and fully disabled.

For Norway, Finnish, Danish, and Swedish users only: This field is not available.

11. **For Dutch users only**: Select Yes in the Work Abroad Exceeding One Year field, if your employee has worked abroad for more than a year.

12. **For Belgian users only**: enter the person's preferred correspondence language in the Other region.

13. Save your work.

Multiple Person Records:

1. If your data already includes a person with the same national identifier, or with the same surname and a first name and date of birth that is either the same or not entered, then a list of values shows all the people who share the details.

> **Note:** People who are only entered with a person type of Other, that is someone external to your enterprise, are not shown in this list.

If you have entered neither a first name nor a date of birth, then the list of values displays all the records that match the information you have entered.

> **Note:** The list of values displays only if your system administrator has set the HR: Cross Business Group profile option to Yes.

Do one of the following four tasks:

- If the person you are entering already exists, but in a different business group, then select that person from the list of values. The person you are entering is saved in your current business group and linked to the existing person record to indicate they are the same person. If your application has person synchronization enabled, then the personal information entered for the new person is copied across to existing records in other business groups. If existing records have values for fields that the new record leaves blank, then these values appear in the new record. See: Person Record Synchronization, *Oracle HRMS Workforce Sourcing, Deployment, and Talent Management Guide*

- If the person already exists in your current business group then select that person from the list of values. The application retrieves the existing record and cancels the save you were trying to make, as one business group cannot contain two records for the same person. Close the new record and scroll down to display the existing record.

> **Note:** You cannot link to any entry in the list of values marked with an asterisk as these either belong to your business group, or are linked to a person in your business group.

- If the person already exists in TCA, but not in HRMS, then select that person from the list of values. The person you are entering is saved in your current business group and linked to the existing person record to indicate they are the same person. The information held for the person in TCA is updated with that entered in HRMS. See: People in a Global Enterprise, *Oracle HRMS Workforce Sourcing, Deployment, and Talent Management Guide*

- If the person you are entering does not match any of the records displayed, then select No Match in the lookup. Your new person record is saved.

What Next?:

Optionally, you can enter additional information for people in the tabbed regions.

> **Note:** The Background Information, Medical Information, and Rehire Information tabbed regions appear only if your system administrator has enabled them for you.

Entering Additional Personal Information (People Window).

Optionally, you can enter additional information for people in the tabbed regions of the People window described in the following steps.

> **Note:** The Background Information, Medical Information, and Rehire Information tabbed regions appear only if your system administrator has enabled them for you.

To enter office information for a new hire, an existing employee, or contingent worker:

1. Choose the Office Details tabbed region.

2. Enter the office number.

3. Enter the internal location of this office.

4. Enter the office identifier for internal mail.

5. Enter the person's email address.

6. In the Mail To field, select Home or Office to indicate the person's preferred mail destination.

To enter information for an applicant:

1. Choose the Applicant tabbed region.

2. If the applicant's resume is on file, check the Exists check box.

3. If the applicant's resume is on file, select the date indicating when the resume was last updated.

4. Select a final date a file is to be maintained for this applicant.

To enter background check information:

1. Choose the Background tabbed region.

2. Check whether the person background check has been performed.

3. Select the date the background check was performed.

To enter rehire recommendation information for an applicant who was a former employee or contingent worker:

1. Choose the Rehire tabbed region.

2. If the former manager has recommended the applicant for rehire, check the Recommended check box.

3. Select the reason for this recommendation.

To enter further name information:

1. Choose the Further Name tabbed region.

2. Enter one or more honors or degrees (BA, MBA, or JD, for example) that the person has earned.

3. Enter the name (perhaps a nickname) by which the person prefers to be known.

4. If the person was previously known by a different name, enter the previous last name.

To enter medical information for a person:

1. Choose the Medical tabbed region.

2. Select the person's blood type.

3. Select the date of the person's last medical test.

4. Enter the name of the physician who performed this test.

To enter other information for a person:

1. Choose the Other tabbed region.

2. Select the type of schedule in the Availability/Schedule field; for example, the days of the week your employee works.

3. Enter the person's current full time/part time availability to work with your company.

4. Select the language the person prefers for correspondence.

   For example, select German if the person prefers to correspond or receive company information such as terms of pension plan in German.

   > **Note:** The Correspondence Language list includes languages in the FND_LANGUAGES table. This table contains the languages that Oracle National Language Support Runtime Library (Oracle NLSRTL) supports. Check with your System Administrator for information on NLSRTL supported languages.

5. If the person has died, enter the date of death.

   Date of death defaults to the person's termination date if:

   - in the Terminate window you enter the termination reason of deceased, but

     - you do not provide the actual termination date, and

     - you have not yet entered a date of death

6. Select the current student status, if the person is a student.

7. In the Date Last Verified field, you can enter the date the person last checked this personal information for accuracy.

8. Check the Military Service check box if the person is employed in a military service.

   The value of this field can impact benefits calculations.

9. Check the Second Passport Exists check box if the person possesses multiple passports.

To enter benefits information:

1. Choose the Benefits tabbed region.

> **Note:** All fields in the Benefits tabbed region are optional. Most can help to determine plan eligibility or rates.

> **Note:** If necessary, you can add the Benefits Tab to the People window. Query the BEN_MANAGER menu in the Menus window and add the HR View Benefits function to the menu.

2. Enter a benefit group for your employee or applicant. Benefit groups help determine a person's eligibility for a plan or set benefit rates. For example, benefit groups can address mergers and acquisitions where eligibility is complicated, or assist in grandfathering a person into a very old plan.

3. Enter what kind of tobacco (cigarettes, pipe, cigar, or chewing, for example) your employee uses, if any.

4. Enter the medical plan number, which is the policy or group plan number of an externally provided medical plan.

5. Enter the adoption date, if the employee has adopted a child. This information, with the child's date of birth, can determine dependent eligibility. You can enter the adoption date only if you have entered a date of birth for the person. The adoption date must be the date of birth or later.

6. Enter the date you received the death certificate of a deceased employee. You can enter this only after you have entered the date of death in the Other Information region. The receipt of the death certificate must be after or equal to the date of death.

7. Enter an adjusted service date for your employee. Benefits can use this date, rather than the date first hired, to determine the length of service for eligibility, enrollment, and rates. The adjusted service date can credit service for former employers, grandfathered benefits, or in the case of mergers and acquisitions.

8. Change the date first hired. For employees who have previously worked for your enterprise, the Date First Hired field displays the start date of the employee's earliest, previous period of service. This date must be on or before the start date of the earliest period of service.

9. Check the Other Coverage check box, if the employee or applicant has externally provided coverage.

10. Check the Voluntary Service check box, if your employee or applicant is volunteering, for example as a missionary.

To enter additional Korean information:

1. Choose the KR Miscellaneous tabbed region.

2. Enter the person's wedding anniversary date, if they are married.

Workforce Information Management

Assignment Statuses

Statuses enable you to track the progress of your applicants, employees, and contingent workers through your enterprise. If you use Oracle Payroll, they also control how employee assignments are used during a payroll run. Oracle HRMS is installed with a number of predefined system statuses, for which you can set up multiple user statuses.

> **Note:** You do not process contingent workers in a payroll run.

Primary Statuses

There are four system statuses for assignments:

- **Active Assignment**: For employees and contingent workers you use this status to show that the person is working in accordance with his or her usual conditions of working.

- **Suspend Assignment**: For employees you use this status to show that an employee is on leave of absence, but remains an employee with your enterprise. Similarly for contingent workers the suspend assignment indicates that a contingent worker is not currently working in the assignment they are allocated to. For example, the contingent worker may have taken an unauthorized absence or the assignment may have been suspended due to an internal review.

- **Terminate Assignment**: Use this to show that your enterprise no longer employs the person in that assignment. It can still be possible to make payments through Oracle Payroll for assignments at this status. This status is not available for use with contingent workers.

- **End**:Use this to end any assignment except the primary assignment for an employee or contingent worker with multiple assignments. This status is not recorded on the assignment; it causes the assignment to end. For employees all payroll processing for the assignment is complete and the assignment becomes an historical record.

For information about system statuses for applicants see: Applicant Assignment Statuses, *Oracle HRMS Workforce Sourcing, Deployment, and Talent Management Guide*.

User Statuses

On your system, you can give these statuses different *user statuses* appropriate to your enterprise. Each system status can have several user statuses related to it. For example, for the system status Suspend Assignment, you could define the user statuses Paternity

Leave, Disability Leave, or Education Leave. When you use Oracle HRMS, you only see the user statuses.

> **Note:** Each system status has a predefined user status of the same name.

Primary user statuses help you track the current working circumstances of your employees and contingent workers. You can also define secondary user statuses having no associated system statuses. You can use these for reporting purposes.

> **Note:** The User Statuses you define provide the list of values for Status in the Assignment window. If you want to change any of the predefined default values you must overwrite the User Name.

Using Assignment Statuses to Control Compensation

When you define user statuses, consider how you will use them in reports, inquiries, and processing.

When you use a validation formula to validate entries to element input values, you can make the valid values for an entry dependent on the assignment status.

To use the statuses to control whether the payroll run processes an employee assignment, you choose a Payroll user status of Process or Do not Process for each user status. Additionally, in Oracle Payroll you can set up your pay calculation formulas so that a status change also changes the formula used to calculate the employee's pay. For example, an employee could receive half pay while on Military Leave.

Secondary Assignment Statuses

For analysis and reporting purposes, you can set up and use *secondary* assignment statuses, for employee, applicant and contingent worker assignments. These statuses have no effect on assignment processing.

For example, suppose your primary status Maternity Leave applies to employees both when a child is born and when one is adopted, and you want to study its use in these two cases. To accomplish this you can set up the secondary statuses Maternity Birth and Maternity Adopt, and enter them for employees taking maternity leave.

You enter secondary statuses in the Secondary Statuses window.

To enter reasons for giving secondary statuses to assignments, define valid reasons as values for the Lookup Type EMP_SEC_ASSIGN_REASON (for employee assignments), CWK_SEC_ASSIGN_REASON (for contingent workers), and APL_SEC_ASSIGN_REASON (for applicant assignments).

Setup To Allow Processing After Termination

To enable payroll processing for employees after they leave your enterprise, in your system setup you must do the following:

- Set the Termination Rule to *Final* on the element definition of all elements you want to process after the actual leaving date.

  If you use Oracle Payroll and have a Payroll responsibility, you can set the Termination Rule to *Last Standard Process* for elements whose entries should close down after the last normal payroll run. Set the Termination Rule to *Final* for elements you want to process as late payments after the last normal payroll run.

- Use the Assignment Statuses window to make sure your system has a user status that corresponds to:

  - the HR system status of *Terminate Assignment*

  - the Payroll system status of *Process*

    Your startup data includes the user status Terminate Process Assignment, which matches this definition. Use this status (or your own equivalent status) when you terminate employment or end an assignment.

Assignment Extra Information Types

To hold information about the assignments, you can define as many Extra Information Types as you require. To enable the application to validate the data you enter, use the YEA window rather than the EIT window to enter data in the YEA-related EITs.

To access the predefined EITs, you must link them to your responsibility.

See: Setting Up Extra Information Types For a Responsibility, *Oracle HRMS Configuring, Reporting, and System Administration Guide*

You can use the following predefined assignment EITs:

- Dependent Education Tax Exemption Info - to update the amount employees spend on the education of themselves and their dependents

- Detailed Medical Expense Information - to update the detailed medical expenses of employees and their dependents

- Detailed Donation Information - to update the information such as the donation amount and date that employees contribute towards charity to avail tax exemptions. You can also update the donation grant request amount and amount subject to tax break

- Expense Details of Employee - to update the NTS amount for the various expenses

that employees incur on themselves to avail tax exemptions

- Foreign Worker Pre Tax Deduction Information - to update the pre tax deduction information for foreign workers

- KR Housing Expenses Tax Exemption Info - to update the expenses towards the housing exemption

- Foreign Worker Tax Break Info - to enter or update a foreign worker's immigration details

- Foreign Worker Tax Info - to update whether employees use a fixed tax rate for foreign workers and to store the eligibility for dispatched foreign workers

- Overseas Tax Break Info - to update tax details, location, period, and responsibility of employees working overseas

- Previous Employer's Info - to update the previous employer information, and the deductions and earnings incurred during their previous employments

- Loan Contract Info - to update loan contract details

- Housing Rent Contract Info - to update the rent contract details

- Special Tax Exemption Info - to update the employee's insurance, medical, education, and housing expenses or their disabled dependents to claim special tax exemptions

- Special Tax Exemption Info 2 - to update expenses incurred on occupational education, medical, or donations towards promotional activities or religious institutions to claim special tax exemptions

- Tax Break Info - to update the interest amount towards your housing loan to claim tax benefits

- Tax Exemption Info - to update the pension, employee stock ownership, investment partnership financing, small business installment for employees, credit card expense information and medical expenses paid in cards for employees and their dependents

- Tax Pay Installments - to record if the tax is paid in installments. This is required for information purposes only.

- Type B Tax Group Info - to update the Type B Tax Group Information for an employee

- KR Yea Donation Totals - to update donation details of self, spouse, or immediate

child

- KR Yea Donation Totals1 - to update political, religious donation details for dependents

- KR Yea Donation Type Detail - to update the donation and carry over information

- Non-Taxable Earnings Details - to update the non taxable code and registration information

- Separation Pension Details - to update the separation pension information

- Pension Saving Details - to update the pension information

- Special Tax Exemption Info3 - to record the loan information

- Tax Reduction for Marine Resource - to update the start and end date for tax reduction

- Tax Reduction for SMB Recruited Young Employee - to update the start and end date for tax reduction

- Tax Reductions for Teachers by Tax Treaty - to update the start and end date for tax reduction

- Year End Adjustment Entry Update - to update the target year to enable employees to record the YEA information beyond the specified date

To enter information in the extra information types, see: Entering Extra Information Type, *Oracle HRMS Configuring, Reporting, and System Administration Guide*

Entering an Assignment (Assignment Window)

When you enter an employee or contingent worker, or hire an applicant, Oracle HRMS automatically creates a default assignment. You can view and update the default assignment in the Assignment window.

You can then enter additional assignments, if required, using the Assignment window.

To enter an assignment:

1. Set your effective date to the start date of the new assignment.

   Germany only: If you want to link a contract to this assignment, you should do so before completing any further fields, as some fields in the Assignment window default to values defined on the contract and cannot be overridden here. Add contract details using the Contract field on the Employment Terms tabbed region. If you are assigning a contingent worker, the Employment Terms tabbed region does

not display, preventing you from adding a contract.

2. Select the organization to which you want to assign the employee or contingent worker. By default, the employee has an assignment either to the business group, or to the organization to which he or she applied. Contingent workers have a default assignment connected to the business group.

    If you overwrite these defaults, a window appears asking if the change is an update or a correction. Select Correction.

    If you are creating an additional assignment, no default business group or organization is displayed.

3. Select the job or position for which this person has been assigned.

    France only: For a public sector type organization, the Position field is read only. Oracle HRMS displays the position details you recorded using the HR Administrator Actions pages.

    Russia only: Click the Attachments Menu icon on the tool bar to enter the contingent worker's job description.

    India only: The position selected is displayed on the employee's Form 16.

4. For employee assignments, select a grade for information or to use grade rates or grade scales to determine the appropriate compensation levels for the employee.

5. If you defined a location for the business group or other organization, it appears as a default. Change this, if required.

    Mexico only: The assignment's location determines its GRE.

    •   If you have assigned multiple GREs to a location (through the generic hierarchy), you must choose which one applies to this assignment. Navigate to the Statutory Information tabbed region and make a selection in the Government Reporting Entity field.

    •   If you change your assignment's GRE, you must specify a Social Security Leaving Reason (under the Social Security Affiliation tabbed region).

        See: Transferring Employees, *Oracle HRMS Workforce Sourcing, Deployment, and Talent Management Guide (Mexico)*

6. **France only**: Select the establishment as it serves as the legal point of contact for settling any disputes and manages the personal details of the workforce.

        Note: For a public sector type organization, the Establishment field is read only. Oracle HRMS displays the establishment details you recorded using the HR Administrator Actions pages.

7. **Netherlands only**: Select the reporting employer. The assignment is reported under this employer in the wage report. If you change the employer establishment after running the payroll and before running the Wage Report, the collective report section on the Wage report will not match the sum of nominative reports.

> **Note:** By default, the assignment is reported under the employer linked to the assignment's payroll. Changing the employer does not change the Payroll Object Group. To change the Payroll Object Group, terminate the existing assignment and create a new assignment with a new payroll. You can change the employer linked to the payroll using the Payroll window.

8. Select the people group and enter information defined in your people group flexfield. This is optional.

9. Select a payroll if you are paying an employee using Oracle Payroll, or if you intend to record for the employee certain types of compensation and benefits (represented on the system by *nonrecurring elements*).

> **Note:** If Oracle Payroll is installed and you are an HR User, you cannot assign employees to payrolls. Ask your system administrator to change your HR:User Type profile option if you need to assign employees to payrolls.

> **Note: Denmark Users:** Select Salaried or Hourly. There is no relation to the Payroll frequency.

10. Select a status for the assignment. By default a new assignment has the status Active Assignment (or an equivalent user status defined on your system).

    See: Assignment Statuses, page 8-15

    Australia Only: Select if the employee works overseas or as part of Joint Petroleum Development Area (JPDA). The status you specify determines which earnings appear on which Payment Summary.

11. **Korea Only**: Select the business place to which you assign your employee.

12. Enter an assignment number to uniquely identify the assignment. By default, this number is the same as the employee or contingent worker number, for the first assignment.

13. For employee assignments, select a collective agreement if the employee is covered by one.

You can calculate values based on a collective agreement only for an employee's primary assignment.

14. Select an assignment category, for example part-time or full-time.

   Hungary only: Select an employment category, for example part-time or full-time.

   Ireland only: Select an employment category, for example part-time or full-time. Select Apprentice/Trainee if the assignment is an apprentice or a trainee.

   Mexico only: Select the employee's Social Security employment type.

   See: Define the Social Security Employment Types, *Oracle HRMS Implementation Guide (Mexico)*

   Russia only: This field is mandatory to enable you to use them for reporting purposes. Use only the four values available for this field. For these values, the suffix Regular refers to an assignment with an indefinite period (permanent). The suffix Temporary refers to an assignment having a limited term.

15. For employee assignments, select the employee category, for example blue collar or white collar.

   Ireland only: Select a valid employment category from the list. The list displays all the occupation categories for reporting in the EHECS report.

   Mexico only: Select the employee's Social Security employment category.

   Spain only: Select the professional category, for example administration clerk or civil servant.

16. Enter the information you want to hold in the tabbed regions, for example, supervisor details, special ceiling progression points, or salary information.

   See: Entering Additional Assignment Details, *Oracle HRMS Workforce Sourcing, Deployment, and Talent Management Guide*

   You can use the Oracle HRMS and Common application Components (CAC) integrated schedule features to assign a schedule to the worker's assignment. If you want the application to only display schedules the worker is eligible for, then run the Eligibility Engine process for the worker.

   See: Setting Up Availability, *Oracle HRMS Workforce Sourcing, Deployment, and Talent Management Guide*

Entering Additional Assignment Details (Assignment Window)

To hold information about the assignments, you can define as many Extra Information Types as you require. To enable the application to validate the data you enter, use the YEA window rather than the EIT window to enter data in the YEA-related EITs.

To access the predefined EITs, you must link them to your responsibility.

See: Setting Up Extra Information Types For a Responsibility, *Oracle HRMS Configuring, Reporting, and System Administration Guide*

You can use the following predefined assignment EITs:

- Dependent Education Tax Exemption Info - to update the amount employees spend on the education of themselves and their dependents

- Detailed Medical Expense Information - to update the detailed medical expenses of employees and their dependents

- Detailed Donation Information - to update the information such as the donation amount and date that employees contribute towards charity to avail tax exemptions

- Expense Details of Employee - to update the NTS amount for the various expenses that employees incur on themselves to avail tax exemptions

- Foreign Worker Pre Tax Deduction Information - to update the pre tax deduction information for foreign workers

- KR Housing Expenses Tax Exemption Info - to update the expenses towards the housing exemption

- Foreign Worker Tax Break Info - to enter or update a foreign worker's immigration details

- Foreign Worker Tax Info - to update whether employees use a fixed tax rate for foreign workers

- Overseas Tax Break Info - to update tax details, location, period, and responsibility of employees working overseas

- Previous Employer's Info - to update the previous employer information, and the deductions and earnings incurred during their previous employments

- Special Tax Exemption Info - to update the employee's insurance, medical, education, and housing expenses or their disabled dependents to claim special tax exemptions

- Special Tax Exemption Info 2 - to update expenses incurred on occupational education, medical, or donations towards promotional activities or religious institutions to claim special tax exemptions

- Tax Break Info - to update the interest amount towards your housing loan or long-term stock saving to claim tax benefits

- Tax Exemption Info - to update the pension, employee stock ownership, investment partnership financing, small business installment for employees, credit card

expense information and medical expenses paid in cards for employees and their dependents

- Type B Tax Group Info - to record the Type B Tax Group Information for an employee

- Year End Adjustment Entry Update - to update the target year to enable employees to record the YEA information beyond the specified date

To enter information in the extra information types, see: Entering Extra Information Type, *Oracle HRMS Configuring, Reporting, and System Administration Guide*

Contact Information

Contact Information Overview

Oracle HRMS enables you to record the ways in which you communicate with the people in your enterprise and the people whom they have a relationship with, such as an employee's partner.

Entering People as Contacts

You enter people as contact records to identify:

- People to contact in an emergency

- Dependents of the employed person

- Beneficiaries of certain benefits, such as insurance policies or stock purchase plans

- Individuals who receive a wage attachment payment

Entering Contact Information

Entering contact information includes entering contact details for the people in your enterprise, such as their home address. As an employer, you need to record contact details so that you can contact people either by email, phone, fax or post, and for reporting purposes. For example, in the Netherlands you must record a person's house number for social insurance reporting.

Contacts Extra Information Type

You can define as many Extra Information Types (EITs) as you require to hold information about contacts relationships.

To access predefined EITs, you must link them to your responsibility.

Setting Up Extra Information Types For a Responsibility, *Oracle HRMS Workforce Sourcing, Deployment, and Talent Management Guide*

The predefined contact EIT is:

- Expense Details of Dependents: Holds the NTS and Others types of medical, insurance, education, card, and cash expenses for dependents. You record the medical expenses in card for dependents not eligible for basic exemption. Use this EIT to store the expense information to pass these details to the National Tax Service (NTS) to determine the tax exemptions the employee is eligible to receive

for the expenses incurred on dependents. You record the public transportation expenses, in cash and card incurred on dependents to determine the tax exemptions. Additionally, you can record the traditional market expense in cash and card details for dependent. You require this information for tax-related reports.

Entering Next of Kin and Other Contacts

Use the Contact window to hold contact information such as :

- People to contact in an emergency

- Dependents

- Beneficiaries of benefits such as insurance policies or stock purchase plans

- Individuals receiving payment of a wage attachment or third-party payment deducted from the employee's salary

A person entered as a contact can be one, some, or all of the above.

The coverage start date for an employee contact, is the employee hire date or the contact relationship start date, whichever is later. This distinction can be important in benefits processing, where eligibility for certain benefits starts from the start date of a contact relationship.

Creating The Same Contact Relationship More Than Once

You can set up the same relationship more than once between the same two people. However, these relationships must not occur in the same time period. For example, you can set up that Person A married Person B from 01-Jan-1990 to 01-Feb-1991. Person A could then marry Person B again, starting from the 02-Feb-1991. However, you cannot enter that the couple remarried on 01-Jan-1991, as this would mean that they were married twice in the same time period.

Updating a Contact Relationship Start Date to Make it Earlier

You can update the contact relationship start date between two people, creating a supplementary record to cover the additional period.

For example, Person A exists on the application as an employee with a hire date of 01-Apr-1990. Person B exists on the application as a contact, with a creation date of 01-Jun-1990. Person A then marries Person B on 01-May-1990. As the application holds a contact coverage start date of 01-Jun-1990, a new contact record is entered to cover 01-May-1990 and 31-May-1990.

To enter a contact:

1. Open the Contact window to do one of the following:

- Enter the name of a new person.

- Select from a list of people already entered.

2. If you enter a new person:

   - Enter their gender and date of birth.

   - Select the user person type.

     You can select only those user person types - such as Contact - that are set up for the system person type of Other.

3. Enter details about the different contacts for your employee in the Contact Relationship fields.

1. You can enter a unique sequence number for each contact relationship. Because sequence numbers are employee-based, these numbers need to be unique only within the employee's record.

   For example, Person A has a relationship type of spouse with Person B, which you give the sequence number of 1. Person A also has a relationship type of father to Person C with the equence number of 2.

   Person A also has a relationship type of emergency contact with Person B, which must share the sequence number of 1 as a relationship between these two people is already recorded against Person A.

   Person B is also an employee and therefore has her own set of contacts recorded against her. She has a relationship type of spouse with Person A, but you can give this relationship a sequence number of 5.

2. Select whether you want to create a mirror relationship and enter the mirror relationship type.

   > **Important:** You can enter a mirror relationship and type when you first create the contact. When you save, the relationships are maintained independently of each other, except for mirror relationships that are created automatically.

   Oracle HRMS automatically creates a mirror relationships when you enter a spouse, parent, or child. For example, if you create the spouse relationship from person A to person B, when you query person B in the Contact window, a mirror relationship of spouse to person A is automatically created.

   Furthermore, if you update a relationship that has had a mirror relationship automatically created, the mirror is also updated accordingly. For example, if you end date the relationship of spouse for person A, the spouse relationship for person

B is also ended. If the relationship type is changed the relationships become independent.

3. Click in the Further Contact Relationship Information field to open the Further Contact Relationship Information window. The application uses this information for calculating employee taxes and for reporting purposes.

- Select whether the dependent has a primary relationship with the employee.

- Select Yes in the Dependent field to include the dependent for tax exemption.

- Select Yes in the Age Check Exception if the dependent is an adult and :
  - a female greater than 20 years of age and less than 55 years of age or

  - a male greater than 20 years of age and less than 60 years of age

  This identifies if the employee is eligible to receive a dependent tax exemption under special circumstances.

- Specify whether the employee receives a tax exemption for an aged dependent (of more than 65 years of age) in addition to the basic tax exemption in the Additional Tax Exemption field.

- In the Additional Tax Exemption (Child) field, specify whether the employee receives the tax exemption for a child.

- In the Disabled Tax Exemption field, specify if the employee receives a tax exemption for a disabled dependent.

- Select the disabled type code when the employee or dependent is eligible for disable exemption.

- Select if the employee or dependent is excluded from Additional Children Exemption.

- Select Yes in the Dependent (Health Insurance Law) field to include the dependent for health insurance.

- Specify in the Relationship End Reason field, if the relationship of the dependent with the employee ends due to death. The employee receives a tax exemption for the dependent for that tax year.

- Enter the Korean contact type for information and reporting purposes.

4. Save your work. If a person already exists with the same surname and a first name that is either the same or not entered, then a list of values displays all the people who share the details. See: Multiple Person Records, page 8-9

Related Topics

What Next?

If you want to enter addresses or phones for the contact, click Contact Details. See: Entering Addresses (Address Window), *Oracle HRMS Workforce Sourcing, Deployment, and Talent Management Guide* and Adding Telephone Information (Phone Numbers Window), *Oracle HRMS Workforce Sourcing, Deployment, and Talent Management Guide*

If you want to view the expenses information for a dependent, click Extra Information. See: Contact Extra Information., page 8-25

If you want to enter the expenses information for a dependent, use the Income Tax window. See: Entering Statutory Deduction Information, page 2-27

9

Legislative Formulas

Oracle FastFormula Overview

Formulas are generic expressions of calculations or comparisons you want to repeat with different input values. Formulas take input from a window, a database, or a process, such as a payroll run and they return values or messages.

Oracle FastFormula is a simple way to write formulas using English words and basic mathematical functions. You can use information from your database in formulas without learning the database structure or a programming language.

Uses of Oracle FastFormula

In HRMS, Oracle FastFormula is used for validation, to perform calculations, and to specify rules. Here are some examples.

In Payroll, you use formulas to:

- Validate element inputs

- Calculate element pay values and run results during payroll processing

- Specify the rules for skipping an element during payroll processing

- Perform legislative checks during a payroll run

In Compensation and Benefits Management, you use formulas to:

- Specify the rules for Paid Time Off accrual plans, such as how much time is accrued and over what period, when new starters are eligible to begin accruing time, and how much time can be carried over to the next accrual term

- Define custom calculations for benefits administration

- Calculate the duration of an absence given the start and end dates and times

- Create rules for benefits administration such as eligibility determination

In People Management, you use formulas to:

- Check that element entry values are valid for an assignment

- Specify the criteria for including an assignment in an assignment set and to edit assignment sets

- Configure the people management templates in a number of ways such as supplying additional information to be available from fields on the template and validating field entries

- Define collective agreements

- Generate custom global person number sequences for employees, applicants, and contingent workers

You also use formulas to define Oracle Business Intelligence Systems reports, to select the database information you want to display in a QuickPaint report, and to perform calculations for the report.

You can easily create and maintain business rules by calling formulas from the Custom Library. For example, you can use formulas to validate data entry in forms by calling formulas from the Custom Library, and to check that entries made to a user table are valid. You can then call these business rules from other PL/SQL applications.

When you write a formula, you specify for which of these purposes you will use it.

Components of Formulas

Formulas are made up of a number of different components. These can include assignment statements, different types of input including database items, functions, nested expressions, and conditions. See: Introduction to Formula Components, *Oracle HRMS FastFormula User Guide*

When writing formulas, there are a number of techniques you should use to ensure your formulas are easy to use and understand. See: Formula Writing Techniques, page 9-9. There are also rules for using each type of component that you need to follow. See: Formula Reference, *Oracle HRMS FastFormula User Guide*

Oracle FastFormula Functions

Oracle FastFormula provides functions that manipulate data in various ways. These include:

- Text functions such as the GREATEST function that compares the values of all the text string operands and returns the value of the operand that is alphabetically last

- Numeric functions such as the ROUND function that rounds off a numeric value to the specified number of decimal places

- Date functions such as the ADD_DAYS function that adds a number of days to a date

- Data conversion functions such as the CONVERT function that converts a character string from one character set to another

Other types of functions provided by Oracle FastFormula include functions:

- To get values from tables such as the GET_LOOKUP_MEANING function that enables Oracle FastFormula to translate a lookup code into a meaning

- For accrual type formulas such as the GET_START_DATE function that returns the date at which the accrual formula should start calculating accruals

- That allow you to call another formula, either once or in a loop such as the CALL_FORMULA function that runs a named formula with no inputs and no outputs

- To set and use globals in SQL*Plus from within your formulas such as the ISNULL set of three functions that test whether a text, numeric, or date value is NULL

See: Functions, *Oracle HRMS FastFormula User Guide*

Supplied Formulas

Formulas are predefined for all the tax calculations required for Oracle Payroll. You should not edit these formulas. When tax rules change, you will automatically receive updates.

There are also a number of formulas predefined for accrual plans. You can use these formulas as supplied, or customize them to match the rules of your own plans.

Depending on the legislation, the system may automatically generate some payroll formulas to define earnings and deductions elements, and you can create as many other formulas as you require to process the elements you define.

Formulas for QuickPaint reports and assignment sets can be generated from criteria you enter in windows. You can edit these generated formulas to add more functionality.

Database Items

There are two types of database items available to you in Oracle HRMS for writing formulas and defining QuickPaint reports. Static database items come as part of the system and you cannot modify them. Dynamic database items are created by Oracle HRMS processes whenever you define new elements or other related entities. See: Database Items, *Oracle HRMS FastFormula User Guide*

FastFormula Transaction Manager Concurrent Manager

To use the FastFormula Assistant, you must ensure the FastFormula Transaction Manager concurrent manager is running on your environment. A system administrator can setup the menus, add the functions and activate the concurrent manager. See: Defining Concurrent Managers, *Oracle E-Business Suite System Administrator's Guide - Configuration*

FastFormula

Uses for Oracle FastFormula

You can use Oracle FastFormula to:

- Calculate your payrolls

- Define the rules for PTO accrual plans

- Define custom calculations for benefits administration

- Define QuickPaint reports

- Validate element inputs or user tables

- Edit assignment sets

- Calculate absence duration

- Configure people management templates

- Set up business rules and call them from other PL/SQL applications

- Define your Oracle Business Intelligence Systems reports

- Define collective agreements

- Define custom global person number sequences

- Define employment categories for EEO reports (US only)

- Calculate ratings for individual competencies and objectives, and calculate a total score for an appraisal

Payroll Calculations

You can use predefined payroll formulas. When you receive Oracle Payroll, some formulas are predefined in your system. You cannot make any changes to these formulas, but you can copy them and modify the copies.

US and Canadian Payroll users can use Oracle FastFormula to edit the formulas the system generates for the earnings types, other payments and deductions you initiate in Oracle Payroll. You make these edits directly to the generated formula (not to a copy) using the Formula window.

All Oracle Payroll users can use FastFormula to write payroll calculations and skip rules for elements you define yourself to represent earnings and deductions. You can associate more than one formula with each element, to perform different processing for employee assignments with different statuses. US and Canadian Payroll users need only define their own elements and formulas for earnings and deductions with highly complex calculations requiring a number of different calls to the database.

You can write Payroll Run Proration formulas to run after the usual payroll formula and handle proration when employees start work or terminate mid-pay period, or when rates, grades, or other values change, requiring an element to be prorated.

PTO Accrual Plans

You can use Oracle FastFormula to edit the seeded Accrual type formulas, or to write your own. Each accrual plan needs two formulas: one to calculate gross accrual, and the other to return information to the PTO Carry Over process. You can optionally create a third formula if you want to use the Batch Element Entry (BEE) to make absence entries against accrual plans. This formula is called by BEE to check whether an employee is eligible to use accrued PTO.

See: Accrual Formulas, *Oracle HRMS Compensation and Benefits Management Guide*

Benefits Administration

You can use Oracle FastFormula to augment the system's benefits administration features. Use formulas to configure your plan design to the requirements of your enterprise. For example, you can write a formula to calculate benefits eligibility for those cases where eligibility determination is most complex.

QuickPaint Reports

In the Define QuickPaint Report window, you can paste database items from a list into the Report Definition area and enter free text to label the data. When you save your QuickPaint Report definition, a formula is generated automatically. Formulas generated from QuickPaint do not include conditional logic or calculations. You may want to add these features, for example to sum up compensation elements or to report different data for different assignments.

Validation of Element Inputs or User Tables

You can use Oracle FastFormula to validate user entries into element input values using lookups or maximum and minimum values. However, if you need more complex validation, you can write a formula to check the entry.

You can also use a formula to validate entries into user tables that you define.

Assignment Sets

When you define assignment sets in the Assignment Set window, Oracle FastFormula generates a formula to define an assignment set from the criteria entered. However, you may want to change the sequence in which the set criteria are checked for each assignment.

Absence Duration

You can write a formula to calculate the duration of an absence from the start and end dates and times. Your localization team may have created a default formula, but you can override this with your own version.

Configuring People Management Templates

There are several ways you can use formulas to configure the people management templates:

- A Template Validation formula can check values entered in a field.

- A Template Information formula can specify information to be displayed from the right mouse menu when a user right-clicks in a field.

- A QuickPaint formula can return a text string to display in the Assignment field on the Maintenance window and in the Data Organizer.

- A QuickPaint formula can return message tokens that you can use in a notification message issued from template forms.

Calling FastFormula from PL/SQL

You can call formulas from PL/SQL applications. This enables direct access to data items and makes it possible to develop custom code for localized business rules.

More detailed information about calling FastFormula from PL/SQL can be found in the technical essay Calling FastFormula from PL/SQL, *Oracle HRMS Implementation Guide*.

Oracle Business Intelligence Systems (BIS) Reports

Using formulas you can configure your HRMS BIS reports so that they answer the business questions which are important to your enterprise. You can:

- Define how workforce should be counted within your enterprise for the Workforce reports.

- Set up information about how you want to record and report on regular and

overtime hours for the Hours Worked Analysis report.

- Set up the standard hours for your enterprise for the Absence Analysis report.

Collective Agreements

Using formulas you can calculate whether a person is eligible to receive a collective agreement entitlement. This can be used when defining an eligibility profile to be used in conjunction with a collective agreement, instead of selecting criteria elements. You select the formula as a rule when defining the eligibility profile.

Global Person Numbering

When you select automatic local numbering for employees, applicants, or contingent workers, Oracle HRMS allocates person numbers from a sequence that is specific to the business group. When you select global numbering, Oracle HRMS allocates person numbers from a single sequence to workers of the relevant type throughout the enterprise.

You can replace the default local or global person number sequence with a custom global sequence by defining a formula for each person type, as appropriate. You may want to use a formula to provide an alphanumeric numbering scheme, for example, or some other variation of the default scheme for any or all person types. For example, you could use a custom global sequence for employees but use the default local or global sequence for applicants and contingent workers. Alternatively, you could use a custom sequence for all three person types by defining three formulas.

Employment Categories for EEO Reports (US only)

For the EEO4 and EEO5 reports you can use Oracle FastFormula to create a formula of employment categories. You can define a formula for each business group and the EEO reports will pick the list of employment categories from the formula.

Competency, Objective, and Appraisal Ratings

You can use Oracle FastFormula to:

- Calculate a rating for each competency in a worker's appraisal.

- Calculate a rating for each objective in a worker's appraisal.

- Calculate a total score for the appraisal based on the final scores for competencies and objectives.

See: Writing Formulas for Rating Competencies and Objectives, *Oracle HRMS FastFormula User Guide*

Formula Writing Techniques

When writing formulas there are a number of techniques you should follow to ensure your formulas are easy to read, use and understand.

Commenting Formula

It is good practice to include comments in your formulas to explain to other people what the formula does.

So, for example, you can name your formula:

```
/*  Formula:  Attendance Bonus  */
```

and write an explanation of your formula:

```
/*  Use this formula to calculate the annual bonus for

    clerical staff.  Employees receive either a percentage of

    their salary (if they have been present for 183 or more

    days in the last six months), or a pro rata bonus (if they

    have been in attendance for less than 183 days in the last

    six months).  */
```

Oracle FastFormula ignores everything between the comment delimiters: /* and */. You can place comments anywhere in a formula without affecting the formula's performance.

> **Caution:** Do not put a comment within a comment. This causes Oracle FastFormula to return a syntax error.

You can use a comment to explain what part of your formula does. So, for example, you might want a comment explaining who decides the bonus percentage:

```
INPUTS ARE  salary_amount,

            start_date (date),

            end_period_date (date),

            bonus_percentage /*  decided at board level */
```

You can also use comments to `comment out' parts of the formula you do not currently want to use. So, for example, you can include a fifth input of employee_status, ensuring that employees with a status of full time are awarded a bonus. However, as you do not yet have a range of statuses, you do not currently need the fifth input.

```
INPUTS ARE  salary_amount,

            start_date (date),

            end_period_date (date),

            bonus_percentage /*  decided at board level  */

      /*  employee_status (text)  */
```

Use comments and white space freely when entering formulas. This makes the formulas easier to read and understand, and has no effect on performance or memory usage. Use indentation for the same reason, especially when you are using brackets to control the order of processing.

It is good practice to include the following information in a comment at the beginning of a formula:

• Formula title and short statement of its purpose

• Description of formula inputs

• List of variables and constants that may require updating

• Description of the input values of the element that receives the formula's direct result

• Explanation of the formula's calculations

• Administrative information such as the name, address and telephone number of an office administering the earnings, deduction, or charge the formula affects

• The dates of formula modifications, the names of those entering the edits, and possibly the reasons for change

Alias Statements

Database items are named by the system when it creates them, and sometimes these names are too long to conveniently use in a formula. You cannot shorten the name of a database item (or a global value) itself, but you can set up an alternative shorter name to use within the formula. For example:

```
ALIAS  as_overtime_qualifying_length_of_service AS ot_qls
```

In the rest of the formula, you can use the alias (in this example, ot_qls) as if it were the actual variable.

> **Important:** Using an Alias is more efficient than assigning the database

item to a local variable with a short name.

Default Statements

Use the Default statement to set a default value for an input value or a database item. The formula uses the default value if the database item is empty or no input value is provided when you run the formula. For example:

```
DEFAULT FOR hourly_rate IS 3.00

X = hours_worked * hourly_rate

IF hourly_rate WAS DEFAULTED

  THEN

    MESG = 'Warning: hourly rate defaulted'
```

This example sets a default of 3.00 for the database item hourly_rate. If hourly_rate is empty (NULL) in the database, the formula uses the default value of 3.00. The formula uses the 'WAS DEFAULTED' test to detect when a default value is used, in which case it issues a warning message.

> **Important:** You must use the Default statement for database items that can be empty. The Database Items window includes a check box labelled Default Required. This check box is checked for database items that can be empty. The Database Items window appears when you choose the Show Items button on the Formulas window.

Writing Efficient Payroll Calculation Formulas

The following guidelines are generally true for typical payroll runs:

- The longer an element's formula, the longer its processing time.

- The more elements entered for an assignment, the longer its processing time.

- One element associated with a lengthy formula usually processes faster than two related elements each associated with a short formula.

- The overall number of elements and formulas in the system has little effect on processing efficiency. It is the number of elements per assignment that affects processing time.

Variable Names and Aliases

To improve readability use names that are brief yet meaningful. Name length has no effect on performance or memory usage. Use Aliases if the names of database items or global values are long.

Input Statements

Use Input statements rather than database items whenever possible. This improves formula processing by as much as a factor of ten. It speeds up the running of your payroll by eliminating the need to access the database for the input values.

Inefficient:

```
Salary = Salary_annual_salary / 12

        RETURN Salary
```

Efficient:

```
INPUTS ARE Annual_salary

Salary = Annual_salary / 12

        RETURN Salary
```

Date Literals

Use the TO_DATE function only when the operand is a variable.

Inefficient:

```
Start_date = TO_DATE ( '1992-01-12 00:00:00' )
```

Efficient:

```
Start_date = '1992-01-12 00:00:00' (date)
```

Single Expressions

Use a single expression in straightforward formulas where this does not lead to confusion.

Inefficient:

```
Temp = Salary / Annualizing_factor

Tax = Temp * 3
```

Efficient:

```
Tax = (Salary / Annualizing_factor) * 3
```

Database Items

Do not refer to database items until you need them. People sometimes list at the top of a formula all the database items the formula might need, thinking this helps Oracle FastFormula process more quickly. However, this in fact slows processing by causing unnecessary database calls.

Inefficient:

```
 S = Salary

 A = Age

 IF S < 20000 THEN

  IF A < 20 THEN

  Training_allowance = 30

 ELSE

  Training_allowance = 0
```

Efficient:

```
 IF Salary < 20000 THEN

  IF Age < 20 THEN

   Training_allowance = 30

  ELSE

   Training_allowance = 0
```

The first example always causes a database fetch for Age whereas the second only fetches Age if Salary is less than 20000.

Balance Dimensions for UK HRMS

Wherever possible, use balance dimensions for single assignments only in formulas. Multiple assignments require more calculation, leading to slower processing time. The number of genuine multiple assignments in a payroll is not normally high, and the presence of a small number does not lead to any significant increase in overall processing time. There could be a problem, however, if you unnecessarily link balance dimensions for multiple assignments into general formulas.

Proration Formulas for UK HRMS

You set up proration formulas to enable element values to be calculated accurately if

they change during a payroll period, for example, if an employee leaves the company or if their pay rate changes.

For more detailed information on proration, see the Technical Essay entitled Proration available on My Oracle Support.

Sample Formula for Validation of YEA Information (Korea)

Oracle provides a predefined legislative formula KR_VALIDATE_YEA_DATA that you can use as a template to write a custom formula to validate YEA information for each business group. The formula lists employee information that you can use as input for the custom formula. If you require more information, you must write formula functions to query the saved data from the PER_KR_ASSIGNMENT_YEA_INFO table.

If you do not want to define the formula VALIDATE_YEA_DATA, then the application skips the custom validation step.

When you write the custom formula, you must observe the following rules:

- Name the formula as VALIDATE_YEA_DATA

- Ensure that the custom formula returns an output parameter named STATUS with value VALID if data passes the custom validation. If the formula returns any other value, then the validation fails

- The custom formula can have a maximum of 10 error messages as output variables to display on the data entry pages, besides STATUS as the output

In the custom formula, you can use database items that use only the following contexts:

- PERSON_ID

- ASSIGNMENT_ID

- DATE_EARNED

Formula Input

The YEA Information Entry passes the following parameters to the formula that you can choose or not, as inputs in the formula. If you want to use these parameters, then the INPUT statement within the custom formula must include the desired parameter with the same name as given in the following table:

PARAMETER NAME	DESCRIPTION
Special Tax Exemption	
EE_EDUC_EXP	Employee Education Expense

PARAMETER NAME	DESCRIPTION
HOUSING_SAVING_TYPE	Housing Saving Type
HOUSING_SAVING	Housing Saving
HOUSING_PURCHASE_DATE	Housing Purchase Date
HOUSING_LOAN_DATE	Housing Loan Date
HOUSING_LOAN_REPAY	Housing Loan Repay Longterm Housing Loan Date due
LT_HOUSING_LOAN_DATE	Long term Housing Loan Date due less than 15 Years
LT_HOUSING_LOAN_INTEREST_REPAY	Long term Housing Loan Interest Repay due less than 15 Years
DONATION1	Statutory (100%)
POLITICAL_DONATION1	Political Since 2004.3.12
HI_PREM	Health Insurance Premium
POLITICAL_DONATION2	Political Before 2004.3.12
POLITICAL_DONATION3	Political3 (Obsolete)
DONATION2	Specified (10% Limit)
DONATION3	Special (50% Limit)
MED_EXP_EMP	Medical Expense for Employee
LT_HOUSING_LOAN_DATE_1	Long term Housing Loan Date due greater than 15 Yrs
LT_HOUSING_LOAN_INT_REPAY_1	Long term Housing Loan Interest Repay due greater than 15 years
MFR_MARRIAGE_OCCASIONS	Marriage Exemption

PARAMETER NAME	DESCRIPTION
MFR_FUNERAL_OCCASIONS	Funeral Exemption
MFR_RELOCATION_OCCASIONS	Relocation Exemption
EI_PREM	Employment Insurance Premium
ESOA_DONATION	ESOA (30% Limit)
PERS_INS_NAME	Personal Insurance Name
PERS_INS_PREM	Personal Insurance Premium
DISABLED_INS_PREM	Disabled Insurance Premium
MED_EXP	Medical Expense
MED_EXP_DISABLED	Medical Expense for Disabled
MED_EXP_AGED	Medical Expense for Aged
EE_OCCUPATION_EDUC_EXP	Employee Occupational Education Expense
Foreign Worker Tax Break	
IMMIGRATION_PURPOSE	Immigration Purpose
CONTRACT_DATE	Contract Date
STAX_APPLICABLE_FLAG	Special Tax Applicable
FWTB_APPLICATION_DATE	Application Date
FWTB_SUBMISSION_DATE	Submission Date
Overseas Tax Break	
TAX_PAID_DATE	Tax Paid Date
OTB_SUBMISSION_DATE	Submission Date

PARAMETER NAME	DESCRIPTION
KR_OVS_LOCATION	Location Overseas
KR_OVS_WORK_PERIOD	Overseas Work Period
KR_OVS_RESPONSIBILITY	Responsibility of Overseas Work
TERRITORY_CODE	Country
CURRENCY_CODE	Currency
TAXABLE	Taxable Earnings
TAXABLE_SUBJ_TAX_BREAK	Taxable Earnings subject to Tax Break
TAX_BREAK_RATE	Tax Break Rate
TAX_FOREIGN_CURRENCY	Tax (Foreign Currency)
TAX	Tax (KRW)
OTB_APPLICATION_DATE	Application Date
Tax Break	
HOUSING_LOAN_INTEREST_REPAY	Housing Loan Interest Repay
STOCK_SAVING	Stock Saving
LT_STOCK_SAVING1	Long term Stock Saving (1st Year)
LT_STOCK_SAVING2	Long term Stock Saving (2nd Year)
Other Tax Exemptions	
DIRECT_CARD_EXP	Direct Payment for Employee
DPNT_DIRECT_EXP	Direct Payment for Spouse and Dependent
GIRO_TUITION_PAID_EXP	Tuition Paid in GIRO

PARAMETER NAME	DESCRIPTION
CASH_RECEIPT_EXP	Cash Receipt Expenses
KR_MED_EXP_PAID_IN_CARD	Medical Expense Paid in card, direct payment, cash receipt
NP_PREM	National Pension Premium
PERS_PENSION_PREM	Personal Pension Premium
PERS_PENSION_SAVING	Personal Pension Saving
INVEST_PARTNERSHIP_FIN1	Investment Partnership Financing Type1
INVEST_PARTNERSHIP_FIN2	Investment Partnership Financing Type2
CREDIT_CARD_EXP	Credit Card for Employee
EMP_STOCK_OWN_PLAN_CONTRI	Employee Stock Ownership Plan Contribution
CREDIT_CARD_EXP_DPNT	Credit Card for Spouse and Dependents

You can query these values from the table PER_KR_ASSIGNMENT_YEA_INFO. If you need any information other than the parameters specified above, then query the values from the table PER_KR_ASSIGNMENT_YEA_INFO.

Formula Outputs

If you pass an output variable STATUS in the RETURN statement of the formula and if value of STATUS is VALID, then the employee's YEA information is valid. Any other output value indicates that employee's YEA information is invalid.

You can return any error messages to display on incorrect data entry on the YEA Information Entry pages. You can pass up to a maximum of 10 error messages. This is an optional feature.

Sample Formula for Processing Separation Pension (Korea)

Oracle HRMS enables you to calculate the lump sum amount while processing separation pension for employees.

Oracle may change this formula in future releases. This formula is strictly for example or prototype uses only, and is not intended to provide a ready-made solution. You can make a copy of this formula but you should not change your copied version. Always

write a formula of your own to meet your own requirements. This formula may contain certain hard-coded values for simplified use.

Oracle HRMS provides the sample formula KR_SEPARATION_PENSION that you can use to calculate the Separation Pension Lump Sum Amount and Separation Pension Lump Sum Non Taxable Amount. You can attach this formula to the Separation Pension Details element as a Standard processing rule. This creates indirect results for separation lump sum amount and non-taxable amount.

If you want to create your own formula, ensure to include the following validation logic. The payroll run will terminate with error message if any of the validations fail:

- Principal and Interest is greater than 0

- Total Received is greater than or equal to 0

- Personal Contribution is greater than Pension Exemption

- Principal and interest is greater than Personal Contribution

- Lump sum amount is calculated only for Defined Contribution

> **Note:** Formula Results are not predefined for this formula. If you decide to use this formula, you must create formula results at business group level as an implementation step.

```
                 Use this formula for calculating Lump Sum Amount then
                 follow the steps below:

                 1. Attach this formula to the seeded element: "Separation
                 Pension Details"
                    as "Standard" Processing Rule using Formula Result
                 Form.
                 2. Create Formula Results for the return values as
                 mentioned below:

                    o_lump_sum_amount                -> Indirect Result to
                 the seeded element
                        Separation Pension Lump Sum Amount

                    o_non_taxable_amount             -> Indirect Result to
                 the seeded element
                        Separation Pension Lump Sum Non Taxable Amount

                    o_incorrect_defined_type        -> Fatal Error Message
                    o_incorrect_total_received      -> Fatal Error Message
                    o_incorrect_prn_and_interest    -> Fatal Error Message
                    o_incorrect_pension_exem        -> Fatal Error Message
                    o_incorrect_pers_contribution   -> Fatal Error Message
                 **********************************************************
                 ***************/
                 default for PERSONAL_CONTRIBUTION        is 0
                 default for PENSION_EXEMPTION            is 0
                 default for TOTAL_RECEIVED               is 0
                 default for PRINCIPAL_AND_INTEREST       is 0
                 default for
                 SEPARATION_PENSION_ACCOUNT_DETAILS_DEFINED_TYPE_ENTRY_VALU
                 E  is 'NA'

                 INPUTS ARE
                     TOTAL_RECEIVED             (number),
                     PRINCIPAL_AND_INTEREST     (number),
                     PERSONAL_CONTRIBUTION      (number),
                     PENSION_EXEMPTION          (number)

                 o_lump_sum_amount = 0
                 l_valid = 'Y'

                 /*********** Validation ************/
                 if TOTAL_RECEIVED < 0 then (
                     l_dummy = set_message_name('PAY',
                 'PAY_KR_SEP_PEN_INV_TOTAL_RCVD')
                     o_incorrect_total_received = get_message()
                     l_valid = 'N'
                 )
                 if PRINCIPAL_AND_INTEREST <= 0 then(
                     l_dummy = set_message_name('PAY',
                 'PAY_KR_SEP_PEN_INV_PRINCPL_INT')
                     o_incorrect_prn_and_interest = get_message()
                     l_valid = 'N'
                 )
                 if PENSION_EXEMPTION > PERSONAL_CONTRIBUTION then(
                     l_dummy = set_message_name('PAY',
                 'PAY_KR_SEP_PEN_INV_PEN_EXEM')
                     o_incorrect_pension_exem = get_message()
                     l_valid = 'N'
                 )
                 if PERSONAL_CONTRIBUTION > PRINCIPAL_AND_INTEREST then (

                     l_dummy = set_message_name('PAY',
```

```
'PAY_KR_SEP_PEN_INV_PERS_CONTRI')
    o_incorrect_pers_contribution = get_message()
    l_valid = 'N'
)
if
SEPARATION_PENSION_ACCOUNT_DETAILS_DEFINED_TYPE_ENTRY_VALU
E <> 'DC' then(
    l_dummy = set_message_name('PAY',
'PAY_KR_SEP_PEN_INV_DEF_TYPE')
    o_incorrect_defined_type = get_message()
    l_valid = 'N'
)
/********* end of validation *********/
if l_valid = 'Y' then(
    o_lump_sum_amount = TOTAL_RECEIVED *
        ( 1 - (PERSONAL_CONTRIBUTION - PENSION_EXEMPTION)
/PRINCIPAL_AND_INTEREST )
    o_lump_sum_amount = greatest(0,trunc
(o_lump_sum_amount))
    o_non_taxable_amount = TOTAL_RECEIVED -
o_lump_sum_amount
)
RETURN
    o_lump_sum_amount,
    o_non_taxable_amount,
    o_incorrect_total_received,
    o_incorrect_prn_and_interest,
    o_incorrect_pension_exem,
    o_incorrect_pers_contribution,
    o_incorrect_defined_type
```

10

Implementation Steps

Additional Implementation Steps for Korea

Step 1: Set up Custom Templates for YEA Reports *Optional Step*

Oracle HRMS for Korea provides you the ability to use custom templates for the Year End Adjustment reports. If you do not require custom templates, you can use the predefined template based on the report type selected on the Reports tab of the Year End Adjustment SSHR.

Follow the steps below to complete the setup of the custom templates for the YEA Tax Reclaim Sheet, YEA Tax Receipt and YEA Ledger Reports.

1. Use the XML Publisher Administrator responsibility.

2. Open Template Page from the XML Publisher Administrator responsibility.

3. Search for the Code as 'PAYKRYRS'.

4. Download the predefined template PAYKRYRS.rtf to your local machine.

5. Click Export Translation to download the translations for the template.

6. Modify the template PAYKRYRS.rtf, to suit your business requirements and rename it to custom template name. (For eg. PAYKRYRS_CUSTOM.rtf)

7. Click Create Template to create a new template.

8. Create the new template as:

   • Name: Custom Name

   • Application: Payroll

- Code: PAYKRYRS_CUSTOM

- Data Definition: KR YEA Reclaim Sheet

- Type: RTF

- Start Date: 01-Jan-1900

9. Save the information.

10. Save the file.

11. Search for your newly created template (For eg. PAYKRYRS_CUSTOM).

12. Click Upload Translation and upload the xlf file downloaded from the Seeded Template window.

13. Enable the template name check box and click Enable to enable the translation.

14. Repeat the steps if you want to create the templates for YEA Tax Receipt and YEA Ledger reports specifying PAYKRYTR and PAYKRYLG as Code.

15. Navigate to Work Structures > Organization > Description.

16. Search for business group.

17. Enter the custom template names into the YEA Report Template.

18. Save the information.

19. Run the YEA reports from SSHR.

20. The application picks the custom template specified at the business group.

Step 2: Setting up YEA XML Data Info *Required Step*

Ensure the following set up is in place before you run the process:

1. Deploy the appropriate version NTS jar files to the application server :

   $JAVA_HOME/jre/lib/ext

   $JRE_HOME/lib/ext

2. Set up the server directory location where you want to the imported NTS PDF files of the target year. You must also set the path where the NTS certification file is set. Specify whether to upload to either self-service temporary table or to extra information type.

   You can create directory with any name. This is a sample directory created in the

server. You can create the directory on the server and select the appropriate option to upload in the YEA PDF Setup info DFF at Organization level.

For example, you can specify the directory path as:

 /tmp/yea/pdf/2012

/tmp/yea/certs

3. You can select these values in the YEA PDF Setup Info (KR_YEA_PDF_SETUP_BG) business group information.

4. Run the concurrent programs.

Index