Oracle Human Resources Cloud Implementing Payroll for Canada

19C
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Preface

This preface introduces information sources that can help you use the application.

Using Oracle Applications

Using Applications Help

Use help icons 🔄 to access help in the application. If you don’t see any help icons on your page, click your user image or name in the global header and select Show Help Icons. Not all pages have help icons. You can also access Oracle Applications Help.

Watch: This video tutorial shows you how to find help and use help features.

You can also read Using Applications Help.

Additional Resources

- **Community:** Use Oracle Cloud Customer Connect to get information from experts at Oracle, the partner community, and other users.

- **Guides and Videos:** Go to the Oracle Help Center to find guides and videos.

- **Training:** Take courses on Oracle Cloud from Oracle University.

Conventions

The following table explains the text conventions used in this guide.

<table>
<thead>
<tr>
<th>Convention</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>boldface</strong></td>
<td>Boldface type indicates user interface elements, navigation paths, or values you enter or select.</td>
</tr>
<tr>
<td><strong>monospace</strong></td>
<td>Monospace type indicates file, folder, and directory names, code examples, commands, and URLs.</td>
</tr>
<tr>
<td>&gt;</td>
<td>Greater than symbol separates elements in a navigation path.</td>
</tr>
</tbody>
</table>

Documentation Accessibility

For information about Oracle’s commitment to accessibility, visit the Oracle Accessibility Program website.

Videos included in this guide are provided as a media alternative for text-based help topics also available in this guide.
Contacting Oracle

Access to Oracle Support
Oracle customers that have purchased support have access to electronic support through My Oracle Support. For information, visit My Oracle Support or visit Accessible Oracle Support if you are hearing impaired.

Comments and Suggestions
Please give us feedback about Oracle Applications Help and guides! You can send an e-mail to: oracle_fusion_applications_help_ww_grp@oracle.com.
Implement Global Human Resources Cloud Payroll

To start an implementation of Global Human Resources Cloud Payroll for Canada, a user with the Application Implementation Consultant role (ORA_PAY.APPLICATION_IMPLEMENTATION_CONSULTANT_JOB) must opt into the offerings applicable to your business requirements.

Refer to the Oracle Applications Cloud Using Functional Setup Manager guide to manage the opt-in and setup of your offerings.

Workforce Deployment Offering

Use this offering to set up enterprise structures, legal entities, and organizations to create and maintain information related to people, employment, work structures, and statutory requirements. The offering also includes tasks for defining payroll business objects required for processing and costing payroll, processing payments, and generating statutory reports.

The following table specifies the primary functional areas of this offering. For the full list of functional areas and features in this offering, use the Associated Features report. Review the report when you plan the implementation of your offering.

<table>
<thead>
<tr>
<th>Functional Area</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal Structures</td>
<td>Manage legal entities, legal reporting units, tax reporting units, payroll statutory units, legal authorities, legal registrations and jurisdictions, and additional statutory requirements. Statutory requirements include Workers’ Compensation, Provincial Medical Liability, Record of Employment, and so on.</td>
</tr>
<tr>
<td>Organization Structures</td>
<td>Manage organization structures, business units, and organization models that best suit your business process.</td>
</tr>
<tr>
<td>Workforce Structures</td>
<td>Manage locations, divisions, departments, jobs, positions, and grades.</td>
</tr>
<tr>
<td>Elements and Formulas</td>
<td>Configure elements and formulas to record earnings and deductions for processing payroll and reporting.</td>
</tr>
<tr>
<td>Payroll</td>
<td>Define payroll objects required for payroll calculations and reporting.</td>
</tr>
<tr>
<td>Canadian Payroll</td>
<td>Define and maintain legislative and statutory requirements and payroll information specific to Canada.</td>
</tr>
</tbody>
</table>
Guide Overview

This guide identifies and describes Canadian setup tasks for Oracle Payroll.

Objectives

This guide supports the implementation team in understanding the following concepts, and the associated requisite setup tasks:

- Payroll concepts
- Geographies and addresses
- Payroll objects
- Elements, fast formulas, and balances
- Payroll calculation components
- Banking setup and payment methods
- Security profile, auditing, and data validations

For more in-depth information about related tasks, in addition to this guide, the implementation team must refer to the specific resources mentioned in the Other Documents section.

Audience

This guide provides practical end-to-end guidance for Oracle Payroll for Canada implementations. It is assumed that you have working knowledge of the basic principles of payroll and you are familiar with the basic payroll terminology and the Canadian legislative requirements. It is also assumed that you have consulted the following two guides:

- Implementing Global Human Resources guide to complete the related prerequisite tasks required for payroll implementation.
- Oracle Applications Cloud Using Functional Setup Manager guide to have a detailed understanding of the Functional Setup Manager and the implementation tasks.

Before you start implementing the payroll application, it’s imperative that:

- You have the Payroll license
- You have completed the initial setup of the Oracle Fusion application
- You have completed implementing Global Human Resources and the HR-specific tasks required for payroll implementation and processing. For example, setting up requisite jurisdictions for tax reporting.

While this guide is primarily intended for the implementation team, it can also be useful for users who run payroll processes after implementation.

Organization and Format

This guide provides step-by-step information to help you understand payroll concepts, implementation task order, and setup tasks necessary for you to implement Oracle Payroll for Canada. This guide is a combination of the Global Payroll Implementation guide and Canada-specific information for implementing payroll for Canada. You only need this one guide for your implementation.
Specific information regarding the requisite tasks can be found in relevant sections of this document. At the end of each topic are links to related topics. These links help you find additional information available in the Oracle Applications Help.

Other Documents
For more information about generic and related tasks, you must refer to the guides at docs.oracle.com/cloud/latest/globalcs_gs/docs.htm.

For more Canada-specific information, refer to the Canada Information Center at https://support.oracle.com/rs?type=doc&id=2102586.2

To receive important Canada Legislative Product News, you must subscribe to the Hot Topics Email feature available in My Oracle Support. Refer to:

CA-Welcome tab > Other Documents > How to Use My Oracle Support Hot Topics Email Subscription Feature

HCM Data Roles

Role Provisioning and Deprovisioning
You must provision roles to users. Otherwise, they have no access to data or functions and can’t perform application tasks. This topic explains how role mappings control role provisioning and deprovisioning. Use the Manage Role Provisioning Rules or Manage HCM Role Provisioning Rules task to create role mappings.

Role Provisioning Methods
You can provision roles to users:

- Automatically
- Manually
  - Users such as line managers can provision roles manually to other users.
  - Users can request roles for themselves.

For both automatic and manual role provisioning, you create a role mapping to specify when a user becomes eligible for a role.

Role Types
You can provision data roles, abstract roles, and job roles to users. However, for Oracle HCM Cloud users, you typically include job roles in HCM data roles and provision those data roles.

Automatic Role Provisioning
Users acquire a role automatically when at least one of their assignments satisfies the conditions in the relevant role mapping. Provisioning occurs when you create or update worker assignments. For example, when you promote a worker to a management position, the worker acquires the line manager role automatically if an appropriate role mapping exists. All changes to assignments cause review and update of a worker’s automatically provisioned roles.
Role Deprovisioning

Users lose automatically provisioned roles when they no longer satisfy the role-mapping conditions. For example, a line manager loses an automatically provisioned line manager role when he or she stops being a line manager. You can also manually deprovision automatically provisioned roles at any time.

Users lose manually provisioned roles automatically only when all of their work relationships are terminated. Otherwise, users keep manually provisioned roles until you deprovision them manually.

Roles at Termination

When you terminate a work relationship, the user automatically loses all automatically provisioned roles for which he or she no longer qualifies. The user loses manually provisioned roles only if he or she has no other work relationships. Otherwise, the user keeps manually provisioned roles until you remove them manually.

The user who’s terminating a work relationship specifies when the user loses roles. Deprovisioning can occur:

- On the termination date
- On the day after the termination date

If you enter a future termination date, then role deprovisioning doesn’t occur until that date or the day after. The Role Requests in the Last 30 Days section on the Manage User Account page is updated only when the deprovisioning request is created. Entries remain in that section until they’re processed.

Role mappings can provision roles to users automatically at termination. For example, a terminated worker could acquire the custom role Retiree at termination based on assignment status and person type values.

Reversal of Termination

Reversing a termination removes any roles that the user acquired automatically at termination. It also provisions roles to the user as follows:

- Any manually provisioned roles that were lost automatically at termination are reinstated.
- As the autoprovisioning process runs automatically when a termination is reversed, roles are provisioned automatically as specified by current role-provisioning rules.

You must reinstate manually any roles that you removed manually, if appropriate.

Date-Effective Changes to Assignments

Automatic role provisioning and deprovisioning are based on current data. For a future-dated transaction, such as a future promotion, role provisioning occurs on the day the changes take effect. The Send Pending LDAP Requests process identifies future-dated transactions and manages role provisioning and deprovisioning at the appropriate time. These role-provisioning changes take effect on the system date. Therefore, a delay of up to 24 hours may occur before users in other time zones acquire their roles.

Creating HCM Data Roles for Payroll Implementation Users:

Procedure

If you have licensed the Oracle Fusion Global Payroll Cloud Service, then you create the following HCM data roles:

- PayrollAdmin_ViewAll
• PayrollMgr_ViewAll

This topic explains how to create these roles using the Assign Security Profiles to Role task.

Create the PayrollAdmin_ViewAll Data Role

If you’re already on the Manage Data Roles and Security Profiles page, then follow this procedure from step 2. Otherwise, sign in as the TechAdmin user and follow these steps:

1. In the Setup and Maintenance work area, go to the following:
   o Functional Area: Users and Security
   o Task: Assign Security Profiles to Role

2. In the Search Results section of the Manage Data Roles and Security Profiles page, click **Create**.

3. Complete the fields on the Create Data Role: Select Role page as shown in the following table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Role Name</td>
<td>PayrollAdmin_ViewAll</td>
</tr>
<tr>
<td>Job Role</td>
<td>Payroll Administrator</td>
</tr>
</tbody>
</table>

4. Click **Next**.

5. In the sections of the Create Data Role: Security Criteria page, select the predefined security profiles shown in this table.

<table>
<thead>
<tr>
<th>Section</th>
<th>Security Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization</td>
<td>View All Organizations</td>
</tr>
<tr>
<td>Position</td>
<td>View All Positions</td>
</tr>
<tr>
<td>Legislative Data Group</td>
<td>View All Legislative Data Groups</td>
</tr>
<tr>
<td>Person</td>
<td>View All People</td>
</tr>
<tr>
<td>Document Type</td>
<td>View All Document Types</td>
</tr>
<tr>
<td>Payroll</td>
<td>View All Payrolls</td>
</tr>
<tr>
<td>Payroll Flow</td>
<td>View All Flows</td>
</tr>
</tbody>
</table>

6. Click **Review**.

7. On the Create Data Role: Review page, click **Submit**.

8. On the Manage Data Roles and Security Profiles page, search for the PayrollAdmin_ViewAll data role to confirm that it exists.
Create the PayrollMgr_ViewAll Data Role

Follow these steps:

1. In the Search Results section of the Manage Data Roles and Security Profiles page, click **Create**.
2. Complete the fields on the Create Data Role: Select Role page as shown in the following table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Role Name</td>
<td>PayrollMgr_ViewAll</td>
</tr>
<tr>
<td>Job Role</td>
<td>Payroll Manager</td>
</tr>
</tbody>
</table>

3. Click **Next**.
4. In the sections of the Create Data Role: Security Criteria page, select the predefined security profiles shown in this table.

<table>
<thead>
<tr>
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<td>View All Positions</td>
</tr>
<tr>
<td>Legislative Data Group</td>
<td>View All Legislative Data Groups</td>
</tr>
<tr>
<td>Person</td>
<td>View All People</td>
</tr>
<tr>
<td>Document Type</td>
<td>View All Document Types</td>
</tr>
<tr>
<td>Payroll</td>
<td>View All Payrolls</td>
</tr>
<tr>
<td>Payroll Flow</td>
<td>View All Flows</td>
</tr>
</tbody>
</table>

5. Click **Review**.
6. On the Create Data Role: Review page, click **Submit**.
7. On the Manage Data Roles and Security Profiles page, search for the PayrollMgr_ViewAll data role to confirm that it exists.

**Related Topics**

- [Overview of HCM Data Roles for Implementation Users](#)

**FAQ for Payroll Data Roles**
How do I provision HCM data roles to users?

On the Create Role Mapping page, create a role mapping for the role.

Select the Autoprovision option to provision the role automatically to any user whose assignment matches the mapping attributes.

Select the Requestable option if any user whose assignment matches the mapping attributes can provision the role manually to other users.

Select the Self-Requestable option if any user whose assignment matches the mapping attributes can request the role.

Security Profiles

HCM Security Profiles

Security profiles identify instances of Human Capital Management (HCM) objects. For example, a person security profile identifies one or more Person objects, and a payroll security profile identifies one or more Payroll objects. This topic describes how to create and use security profiles and identifies the HCM objects that need them. To manage security profiles, you must have the IT Security Manager job role.

Use of HCM Security Profiles

You include security profiles in HCM data roles to identify the data that users with those roles can access. You can also assign security profiles directly to abstract roles, such as employee. However, you’re unlikely to assign them directly to job roles, because users with same job role usually access different sets of data. You’re recommended not to assign security profiles directly to job roles.

HCM Object Types

You can create security profiles for the following HCM object types:

- Country
- Document Type
- Job Requisition
- Legislative Data Group (LDG)
- Organization
- Payroll
- Payroll Flow
- Person
  - Managed Person
  - Public Person
- Position
- Transaction
Two uses exist for the person security profile because many users access two distinct sets of people.

- The Managed Person security profile identifies people you can perform actions against.
- The Public Person security profile identifies people you can search for in the worker directory.

This type of security profile also secures some lists of values. For example, the Change Manager and Hire pages include a person list of values that the public person security profile secures. The person who’s selecting the manager for a worker may not have view access to that manager through a managed person security profile.

Predefined security profiles provide view-all access to secured objects. For example, the View All Positions security profile provides access to all positions in the enterprise.

**Security Criteria in HCM Security Profiles**

In a security profile, you specify the criteria that identify data instances of the relevant type. For example, in an organization security profile, you can identify organizations by organization hierarchy, classification, or name. All criteria in a security profile apply. For example, if you identify organizations by both organization hierarchy and classification, then only organizations that satisfy both criteria belong to the data instance set.

**Access to Future-Dated Objects**

By default, users can’t access future-dated organization, position, or person objects.

Enable access to future-dated objects as follows:

- For organizations, select the **Include future organizations** option in the organization security profile
- For positions, select the **Include future positions** option in the position security profile
- For person records, select the **Include future people** option in the person security profile

**Tip:** The predefined View All Workers security profile doesn’t provide access to future-dated person records. The predefined View All People security profile, which provides access to all person records, including those of contacts, does provide access to future-dated records.

**Security Profile Creation**

You can create security profiles either individually or while creating an HCM data role. For standard requirements, it’s more efficient to create the security profiles individually and include them in appropriate HCM data roles.

To create security profiles individually, use the relevant security profile task. For example, to create a position security profile, use the **Manage Position Security Profile** task in the Setup and Maintenance or Workforce Structures work area.

**Reuse of Security Profiles**

Regardless of how you create them, all security profiles are reusable.

You can include security profiles in other security profiles. For example, you can include an organization security profile in a position security profile to secure positions by department or business unit. One security profile inherits the data instance set defined by another.

**Related Topics**

- Predefined HCM Security Profiles
- Best Practices for HCM Data Roles and Security Profiles
Creating Payroll Security Profiles: Examples

These examples illustrate different methods you can use to provide access to payrolls for members of the Payroll department. You first organize your payroll definitions into appropriate payroll security profiles using the Manage Payroll Security Profiles task. Then you use the Assign Security Profiles to Role task to select the security profiles included in an HCM data role that you provision to a user.

Payroll Period Type
Using a payroll security profile to organize payroll definitions by payroll period type is the most common example. You create one security profile for monthly payrolls, another for semimonthly payrolls, and so on.

Regional Assignments
You can use payroll security profiles to group payrolls by the regions of the target employees' work areas. For example, you can create one for Canadian facilities and another for European facilities.

Individual Contributors
Your company requires that payroll managers access only the payroll definitions that they manage. In this scenario, the payroll security profile includes only those payrolls.

Implementation Project

Creating an Implementation Project

Define setup tasks for an organization hierarchy in an implementation project.

Let’s look at the steps to create an implementation project:

1. Sign in to the Oracle Fusion application using a role that has the profile of a superuser and privileges to create all organizational structures.
2. Select Setup and Maintenance from the Navigator.
3. On the Implementation Projects tab, click Create.
4. On the Create Implementation Project page, provide a name and start date for your project and click Next.
5. Select Workforce Deployment as the offering, since this parent project contains all the tasks to set up HCM organizational structures.
6. For Payroll implementations, further select Payroll and then Canadian Payroll.
7. Click Save and Open Project.

This parent project contains all the tasks to set up HCM organizational structures.

Date Effectivity
Overview

Date effectivity preserves a history of changes made to the attributes of some objects. Professional users can retrieve and edit past and future versions of an object.

Many Human Capital Management (HCM) objects, including person names, assignments, benefits plans, grades, jobs, locations, payrolls, and positions are date-effective.

Logical and Physical Records

Date-effective objects include one or more physical records. Each record has effective start and end dates. One record is current and available to transactions. Others are past or take effect in the future. Together, these records constitute the logical record or object instance.

This table shows changes to the department manager attribute in a department business object. Each row represents a single physical record.

<table>
<thead>
<tr>
<th>Physical Record</th>
<th>Effective Start Date</th>
<th>Effective End Date</th>
<th>Department Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>15 October, 2010</td>
<td>17 January, 2011</td>
<td>A. Chan</td>
</tr>
<tr>
<td>2</td>
<td>13 June, 2009</td>
<td>14 October, 2010</td>
<td>T. Romero</td>
</tr>
<tr>
<td>1</td>
<td>22 March, 2007</td>
<td>12 June, 2009</td>
<td>G. Martin</td>
</tr>
</tbody>
</table>

Note: The physical record number doesn’t appear in the record.

Effective End Dates in Physical Records

Every physical record except the last has an effective end date. The update process adds this date, which is the day before the effective start date of the next record, whenever you update the object.

Object End Dates

You can enter a final effective end date for some date-effective objects. For example, terminating an assignment adds a final effective end date to the assignment. Alternatively, the End Date action may be available. If you end date a date-effective object, then it isn’t available to transactions after that date. However, the object’s history is retrievable.

Status Values in Date-Effective Objects

Some date-effective objects, such as grades and jobs, have both effective dates and status values. When the object status is Inactive, the object isn’t available to transactions, regardless of its effective dates. Setting the status to Inactive makes objects unavailable to transactions. If you can’t enter an effective end date for an object, then changing its status has the same effect.
Future-Dated Changes
For date-effective objects, you can enter future changes. For example, you enter the worker promotion shown in this table on 25 October, 2011 to take effect on 18 January, 2012.

<table>
<thead>
<tr>
<th>Physical Record</th>
<th>Effective Start Date</th>
<th>Effective End Date</th>
<th>Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>18 January, 2012</td>
<td></td>
<td>IC2</td>
</tr>
<tr>
<td>1</td>
<td>14 October, 2010</td>
<td>17 January, 2012</td>
<td>IC1</td>
</tr>
</tbody>
</table>

Physical record 2 becomes current on 18 January, 2012. From 14 October, 2010 until 17 January, 2012 physical record 1 is current and available to transactions. Users who can access the object history can see physical record 2 before it takes effect.

When future-dated changes exist, other actions may be limited. For example, to end this worker’s assignment before the promotion takes effect, you must first delete the promotion.

Date-Enabled Objects
Some objects, such as work relationships, are date-enabled rather than date-effective. They have start and end dates that define when they’re available, but they have no history of changes. New attribute values overwrite existing attribute values.

Related Topics
- Examples of Updating Date-Effective Objects
- Examples of Correcting Date-Effective Objects
- How You Make Multiple Updates to Date-Effective Objects in One Day

Deleting Physical Records from Date-Effective Objects
The effect of deleting a physical record from a date-effective object depends on the record’s position in the object’s history. Consider the date-effective object, which has 3 physical records, shown in this table.

<table>
<thead>
<tr>
<th>Physical Record</th>
<th>Effective Start Date</th>
<th>Effective End Date</th>
<th>Attribute Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>15 August, 2011</td>
<td></td>
<td>C</td>
</tr>
<tr>
<td>2</td>
<td>30 October, 2010</td>
<td>14 August, 2011</td>
<td>B</td>
</tr>
<tr>
<td>1</td>
<td>10 June, 2009</td>
<td>29 October, 2010</td>
<td>A</td>
</tr>
</tbody>
</table>

Intermediate Records
If you delete physical record 2, where the attribute value is B, then the object is as shown in this table after the deletion.
If physical records exist both before and after the deleted record, then the deletion adjusts the dates of the surrounding records automatically. The effective end date of the previous record is now the day before the effective start date of the following record. This change closes the gap in the object’s effective dates.

### First or Only Records

In most cases, you can’t delete the first or only physical record.

If you can delete the first physical record, then the object exists from the effective start date of the next physical record (30 October, 2010 in this example). If only one physical record exists, then deleting that record is the same as deleting the object.

### Final Records

If you delete the final physical record, then the deletion removes the effective end date automatically from the previous physical record (14 August, 2011, in this example).

<table>
<thead>
<tr>
<th>Physical Record</th>
<th>Effective Start Date</th>
<th>Effective End Date</th>
<th>Attribute Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>15 August, 2011</td>
<td></td>
<td>C</td>
</tr>
<tr>
<td>1</td>
<td>10 June, 2009</td>
<td>14 August, 2011</td>
<td>A</td>
</tr>
</tbody>
</table>
2 Payroll Concepts

Enterprise Structures for Canada

Before a customer can hire a worker in Canada or run any country-specific process, the implementation team must set up the organization structures required for the management of HR processes. You can perform all setup tasks under the Workforce Deployment offering in the Setup and Maintenance work area.

A typical enterprise structure setup in Canada includes the following:

- Legal Entities
- Legal Entity Registrations
- Legal Entity HCM Information
- Legislative Data Groups
- Legal Reporting Units
- Legal Reporting Units Registrations
- Legal Reporting Units HCM Information
- HCM Organization Models
- Legal Jurisdictions
- Legal Authorities

After you complete the organization structure, you must set up the workforce structure including locations, departments, and jobs.

You must also create the payroll relationship records to associate a person with a payroll statutory unit which is responsible for employee payments. Essentially no balance aggregation is performed above this level for a person.

Your implementation may include a few predefined elements, usually for legislative tax deductions. To complete the setup, you must create the elements and the associated objects required to support their processing.

These structures, which typically contain Canada-specific information, must be defined before you can create application users.

Enterprise Structures

Overview

Oracle Fusion Applications have been designed to ensure your enterprise can be modeled to meet legal and management objectives. The decisions about your implementation of Oracle Fusion Applications are affected by your:

- Industry
- Business unit requirements for autonomy
- Business and accounting policies
Every enterprise has three fundamental structures that describe its operations and provide a basis for reporting:

- Legal
- Managerial
- Functional

In Oracle Fusion, these structures are implemented using the chart of accounts and organization hierarchies. Many alternative hierarchies can be implemented and used for reporting. You are likely to have one primary structure that organizes your business into:

- Divisions
- Business Units
- Departments

Align these structures with your strategic objectives.

This figure illustrates a grid with Business Axis, representing the enterprise division, Legal Axis representing the companies, and the Functional Axis representing the business functions.

This figure shows the relation between an enterprise, companies, and its business functions.
Legal Structure

The figure illustrates a typical group of legal entities, operating various business and functional organizations. Your ability to buy and sell, own, and employ comes from your charter in the legal system. A corporation is:

- A distinct legal entity from its owners and managers.
- Owned by its shareholders, who may be individuals or other corporations.

Many other kinds of legal entities exist, such as sole proprietorships, partnerships, and government agencies.

A legally recognized entity can own and trade assets and employ people in the jurisdiction in which the entity is registered. When granted these privileges, legal entities are also assigned responsibilities to:

- Account for themselves to the public through statutory and external reporting.
- Comply with legislation and regulations.
- Pay income and transaction taxes.
- Process value added tax (VAT) collection on behalf of the taxing authority.

Many large enterprises isolate risk and optimize taxes by incorporating subsidiaries. They create legal entities to facilitate legal compliance, segregate operations, optimize taxes, complete contractual relationships, and isolate risk. Enterprises use legal entities to establish their enterprise’s identity within the laws of each country in which their enterprise operates.

The figure illustrates:

- A separate card represents a series of registered companies.
- Each company, including the public holding company, InFusion America, must be registered in the countries where they do business.
- Each company contributes to various divisions created for purposes of management reporting. These are shown as vertical columns on each card.

For example, a group might have a separate company for each business in the United States (US), but have its Canada legal entity represent all businesses in Canada.

The divisions are linked across the cards so that a business can appear on some or all of the cards. For example, the air quality monitoring systems business might be operated by the US, UK, and Canada companies. The list of business divisions is on the Business Axis.

Each company’s card is also horizontally striped by functional groups, such as the sales team and the finance team. This functional list is called the Functional Axis. The overall image suggests that information might, at a minimum, be tracked by company, business, division, and function in a group environment. In Oracle Fusion Applications, the legal structure is implemented using legal entities.

Management Structure

Successfully managing multiple businesses requires that you segregate them by their strategic objectives, and measure their results. Although related to your legal structure, the business organizational hierarchies do not have to be reflected directly in the legal structure of the enterprise. The management structure can include divisions, subdivisions, lines of business, strategic business units, profit, and cost centers. In the figure, the management structure is shown on the Business Axis. In Oracle Fusion Applications, the management structure is implemented using divisions and business units as well as being reflected in the chart of accounts.
Functional Structure
Straddling the legal and business organizations is a functional organization structured around people and their competencies. For example, sales, manufacturing, and service teams are functional organizations. This functional structure is represented by the Functional Axis in the figure. You reflect the efforts and expenses of your functional organizations directly on the income statement. Organizations must manage and report revenues, cost of sales, and functional expenses such as research and development and selling, general, and administrative expenses. In Oracle Fusion Applications, the functional structure is implemented using departments and organizations, including sales, marketing, project, cost, and inventory organizations.

Legal Entities
A legal entity is an entity identified and given rights and responsibilities under commercial law, through registration with the territory’s appropriate authority.
They have the following rights and responsibilities:

- Own property
- Trade
- Repay debt
- Account for themselves to company regulators, taxation authorities, and owners according to rules specified in the relevant legislation through balance sheets, income statements, specified reports, and so on.

Their rights and responsibilities may be enforced through the judicial framework.

A legal entity has responsibility for elements of your enterprise for the following reasons:

- Facilitating local compliance
- Minimizing the enterprise’s tax liability
- Preparing for acquisitions or disposals of parts of the enterprise
- Isolating one area of the business from risks in another area
  For example, your enterprise develops property and also leases properties. You could operate these two businesses separately.

No legal entities are predefined. You must create all legal entities that apply to the enterprise you are setting up. Use the Manage Legal Entity HCM Information task in the Setup and Maintenance work area.

When defining legal entities, you must consider the following:

- Roles of Legal Entities
- Types of Legal Entities
- Registrations
- Additional Reporting Information

Roles of Legal Entities
In configuring your enterprise structure, the contracting party on any transaction is always the legal entity. Individual legal entities:

- Own the assets of the enterprise
- Record sales and pay taxes on those sales
• Make purchases and incur expenses
• Perform other transactions

Legal entities must comply with the regulations of jurisdictions, in which they register.

For example, Canadian companies can register in one province and do business in other provinces.

To support local reporting requirements, you create and register legal reporting units (LRUs).

You are required to publish specific and periodic disclosures of your legal entities’ operations based on the different jurisdictions’ requirements. Certain annual or more frequent accounting reports are referred to as statutory or external reporting. These reports must be filed with specified national and regulatory authorities.

For example, you define the Provincial Medical Liability information at the legal entity level for the provinces of Manitoba, Ontario, Quebec, and Newfoundland and Labrador. Each province has different rules for processing the provincial medical liability. Provincial medical coverage for the four provinces are funded by the employer. Capture the account and rate details at the legal entity level.

All employers covered by the Employment Equity Act must submit the Employment Equity Report to the Minister of Labour on or before June 1st of each year. You define the NACIS code for the legal entity for reporting employee equity information.

A legal entity can represent all or part of your enterprise’s management framework.

Types of Legal Entities

Two types of legal entities exist:

• A legal employer is a legal entity that employs workers.

• A payroll statutory unit (PSU) is a legal entity that is responsible for paying workers, including the payment of payroll tax and social insurance. A PSU can pay and report on payroll tax and social insurance on behalf of one or many legal entities. That choice depends on the structure of your enterprise.

When defining a legal entity, you must consider the context in which it’s to be used:

• If the entity is to be used in an HCM context, designate it as a legal employer. In an HCM implementation, it’s mandatory to define legal employers.
• If the entity is to be used in a payroll context, designate it as a payroll statutory unit (PSU) for payroll processing and tax reporting.
• You can define a legal entity that is both a legal employer and a PSU.
• If multiple legal employers must be grouped together for tax reporting purposes, you can associate them all with a single PSU. If legal employers do not report together, they must be segregated by PSU.

Registrations

When you create a legal entity, the entity automatically establishes a registration with the identifying jurisdiction. Specify the Payroll Account Number assigned by the Canada Revenue Agency in both the Legal Entity Registration Number field and the Payroll Account Number field. If the legal entity interacts with other legal authorities, you must create additional registrations as appropriate. Tax registrations are done at the LRU, or PSU level.

*Note:* Capture the registration details using the Manage Legal Reporting Unit Registrations task. This task is located in the Setup and Maintenance work area.
Additional Reporting Information

When defining a legal entity, use the Manage Legal Entity HCM Information task in the Setup and Maintenance work area. Provide additional information required for HR and payroll reporting.

Use this task to provide the required information for Canadian statutory processing and reporting as shown in the following table.

<table>
<thead>
<tr>
<th>Report Name</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment Equity Interface</td>
<td>Select the NAICS Code from the list of values for this legal entity.</td>
</tr>
<tr>
<td>Workers’ Compensation</td>
<td>Define the Workers’ Compensation information for each province in which the legal entity operates.</td>
</tr>
<tr>
<td>Provincial Medical</td>
<td>Define the provincial medical account information in the Provincial Medical Account Details section. Provincial medical is applicable only to the following provinces where it is an employer liability, Ontario, Manitoba, Newfoundland and Labrador, and Quebec.</td>
</tr>
</tbody>
</table>

If the legal entity is also a PSU, specify:

- Fiscal Year Start date, and select the associated Legislative Data Group.

*Note:* It is at the PSU level that we associate the legislative data group.

Legal Employers

A legal employer is a legal entity that employs workers. You define a legal entity as a legal employer in the Oracle Fusion Legal Entity Configurator.

The legal employer is captured at the work relationship level, and all assignments within that relationship are automatically with that legal employer. Legal employer information for worker assignments is also used for reporting purposes.

Legislative Data Groups

Legislative data groups are a means of partitioning payroll and related data. At least one legislative data group is required for each country where the enterprise operates. Each legislative data group is associated with one or more payroll statutory units. Each payroll statutory unit can belong to only one legislative data group.

Payroll-related information, such as elements, is organized by legislative data group. Each legislative data group:

- Marks a legislation in which payroll is processed.
- Is associated with a legislative code, currency, and its own cost allocation key flexfield structure.
- Is a boundary that can share the same set up and still comply with the local laws.
- Can span many jurisdictions as long as they are within one country.
- Can contain many legal entities that act as payroll statutory units.
Payroll Statutory Units

Payroll statutory units are legal entities that are responsible for paying workers, including the payment of payroll tax and social insurance. A payroll statutory unit can pay and report on payroll tax and social insurance on behalf of one or many legal entities, depending on the structure of your enterprise. For example, if you are a multinational, multiple company enterprise, then you register a payroll statutory unit in each country where you employ and pay people. You can optionally register a consolidated payroll statutory unit to pay and report on workers across multiple legal employers within the same country. You associate a legislative data group with a payroll statutory unit to provide the correct payroll information for workers.

Legal Reporting Units

A legal reporting unit (LRU) is the lowest level component of a legal structure that require registrations. Use LRUs to group together workers for the purpose of tax and social insurance reporting or to represent a part of your enterprise with a specific statutory or tax reporting obligation. To use an LRU for tax reporting purposes, you must configure it as a tax reporting unit (TRU).

Use the Manage Legal Reporting Units task in the Setup and Maintenance work area to define and configure an LRU.

The first time you create a legal entity as a payroll statutory unit (PSU), the task automatically creates an associated LRU, which you can then identify as a TRU.

When you create an LRU that belongs to a PSU, the application automatically creates a TRU in HCM and associates it with the parent PSU. When you create an LRU that belongs to a legal employer (that is not also a PSU), you must select a parent PSU. In this way, a TRU is indirectly associated with a legal employer through the association with a PSU.

To define an LRU for Canada, you must:

- Create the LRU
- Define LRU Registrations
- Define LRU HCM information
- Define LRU contacts for Record of Employment reporting

Plan Legal Reporting Units

Each of your legal entities has at least one legal reporting unit. Some legal reporting units can also be referred to as establishments. You can define either domestic or foreign establishments. Define legal reporting units by physical location, such as sales offices. For example, set up legal reporting units to represent your company and its offices for tax reporting.

Planning Legal Reporting Units

Plan and define your legal reporting units at both the local and national levels if you operate within the administrative boundaries of a jurisdiction that is more granular than country. For example, your legal entity establishes operations in a country that requires reporting of employment and sales taxes locally as well as nationally. Therefore, you need more than one legally registered location to meet this legal entity’s reporting requirements in each area. Additionally, legal entities in Europe operate across national boundaries, and require you to set up legal reporting units for the purposes of local registration in each country. There can be multiple registrations associated with a legal reporting unit. However, only one identifying registration can be defined by the legal authority used for the legal entity or legal reporting unit and associated with the legal reporting unit.
Tax Reporting Units

Use a tax reporting unit to group workers for the purpose of tax and social insurance reporting. A tax reporting unit is the Oracle Fusion Human Capital Management (HCM) version of the legal reporting unit in Oracle Fusion Applications.

To create a tax reporting unit, you use the Oracle Fusion Legal Entity Configurator to define a legal entity as a payroll statutory unit. When you identify a legal entity as a payroll statutory unit, the application transfers the legal reporting units that are associated with that legal entity to Oracle Fusion HCM as tax reporting units. You can then access the tax reporting unit using the Manage Legal Reporting Unit HCM Information task.

If you identify a legal entity as a legal employer, and not as a payroll statutory unit, you must enter a parent payroll statutory unit. The resulting legal reporting units are transferred to Oracle Fusion HCM as tax reporting units, but as children of the parent payroll statutory unit that you entered, and not the legal entity that you identified as a legal employer.

Payroll Statutory Units, Legal Employers, and Tax Reporting Units: How They Work Together

When you set up legal entities, you can identify them as legal employers and payroll statutory units, which makes them available for use in Oracle Fusion Human Capital Management (HCM). Depending on how your organization is structured, you may have only one legal entity that is also a payroll statutory unit and a legal employer, or you may have multiple legal entities, payroll statutory units, and legal employers.

Legal Employers and Payroll Statutory Unit

Payroll statutory units enable you to group legal employers so that you can perform statutory calculations at a higher level, such as stopping limit taxes like Canada Pension Plan and Employment Insurance. In some cases, a legal employer is also a payroll statutory unit. However, your organization may have several legal employers in one payroll statutory unit. A legal employer can belong to only one payroll statutory unit.

Payroll Statutory Units and Tax Reporting Units

Payroll statutory units and tax reporting units have a parent-child relationship, with the payroll statutory unit being the parent.

Tax Reporting Units and Legal Employers

Tax reporting units are indirectly associated with a legal employer through the payroll statutory unit. One or more tax reporting units can be used by a single legal employer, and a tax reporting unit can be used by one or more legal employers. For example, assume that a single tax reporting unit is linked to a payroll statutory unit. Assume also that two legal employers are associated with this payroll statutory unit. In this example, both legal employers are associated with the single tax reporting unit.

Use the Manage Legal Reporting Unit HCM Information task to designate an existing legal reporting unit as a tax reporting unit. If you create a new legal reporting unit that belongs to a legal employer (that is not also a payroll statutory unit), you select a parent payroll statutory unit and then, when you run the Manage Legal Reporting Unit HCM Information task, you designate it as a tax reporting unit and select the legal employer.
The following figure shows the relation between a Legal Entity, PSU, Legal Employer, LRU, and TRU.

* Oracle Legal Entity Configurator

Transmitters and Tax Reporting Units: How They Work Together

To facilitate electronic submission of year-end reports, the government assigns a transmitter number to an employer. The Canada Revenue Agency issues a payroll account number and Revenu Québec issues a Quebec identification number. The company can designate one payroll account number or Quebec identification number as the transmitter. The tax reporting
units (TRUs) file their slips electronically through this transmitter. Use the Manage Legal Reporting Unit HCM Information task to define transmitter details.

Transmitters

A transmitter can file slips for itself or on behalf of other TRUs. The transmitter information is captured at the TRU-level. If a TRU is designated as a transmitter, the information entered for the TRU is used for year-end reporting to the government. Multiple TRUs with different account numbers can use the same transmitter to submit year-end information to the government.

Defining HCM Organization Models for Canada: Examples

This topic explains the different models that you can use for setting up organizations for Canada. The setup procedure for each model is the same, but the jurisdictions and registrations differ depending on the payroll statutory unit (PSU) and the tax reporting units (TRUs) of each model.

These examples show how to partition payroll data within a legislative data group.

The organization model for Canada can have the following characteristics:

- The legal entity is usually the legal employer and PSU.
- TRUs are defined in relation to a legal employer.
- It is common for employers to have multiple TRUs in a single PSU as in the case of employers with multiple employment insurance rates.

Single PSU with Single Legal Employer and Single TRU

This example illustrates the basic model for setting up a single location organization. Infusion Canada is a legal entity registered with the Canada Revenue Agency.

Setup for this model involves the following basic steps:

1. Create a Canadian Enterprise in the Enterprise Structures Configurator (ESC). The Enterprise classification represents the top most structure of the organization.
2. Use the Functional Setup Manager (FSM), to create a Canadian LDG.
3. In the Setup and Maintenance area, go to the following:
   - Offering: Workforce Deployment
   - Functional Area: Legal Structures

Expand the task to display a set of related tasks. Use the Manage Legal Entities task to create a legal entity. You can define it as a legal employer and a PSU, or as a legal employer with another PSU from the list of values.

When you define the legal entity, enter the registration information required by Canada Revenue Agency for employers to remit and report Canada Pension Plan, Employment Insurance, and Federal Tax deductions.

A legal reporting unit (LRU) is created automatically when a legal entity is created. In HCM payroll, it is referred as a TRU. The registration information of the Canada Federal Tax jurisdiction defaults to the TRU.

4. If you operate in the province of Quebec, set up the registration for the Quebec Provincial Tax jurisdiction. This is where you set the Quebec Identification Number (QIN) as the Legal Reporting Unit Registration Number. This registration can be set up at the PSU or TRU depending on your requirements. When it is set up at the PSU level, the information defaults to each TRU under that PSU. If a different registration information is required for one of the
TRUs, use the Manage Legal Reporting Unit Registrations task to enter the appropriate information for the Quebec Provincial Tax jurisdiction for that TRU. This information overrides the registration information defaulted from the PSU.

Enter the QIN and optionally, the Quebec Enterprise Number. The QIN is the payroll registration number under which an employer remits and reports the Quebec Pension Plan, Quebec Parental Insurance Plan, and Provincial Tax deductions.

5. Enter the LRU information. Set the Legal Reporting Unit Classification to Tax Reporting Unit on the Manage Legal Reporting Unit HCM Information page.

This figure shows a simple organization structure for Canada.

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**Single PSU with Single Legal Employer and Multiple TRUs**

In this example, InFusion Canada has locations in Ontario and Quebec and they have a wage loss replacement plan for some of their employees. The employer has two employment insurance rates. The setup procedure for this model is the same as above, except that you create an additional TRU under the PSU.

Use the Manage Legal Reporting Unit task to create a new LRU tied to the main legal entity. Enter the necessary details for the new LRU.
This figure shows an organization structure for Canada having a single PSU with a single Legal Employer and multiple TRUs.

InFusion Canada
Enterprise

InFusion Canada Legal Entity

PSU Legal Employer

Canada LDG

TRU1 TRU2

Single PSU with Multiple Legal Employers and Multiple TRUs

You can have two different types of setup for this model:

- Single PSU with multiple legal employers and multiple TRUs where each legal employer is associated with a single TRU.
- Single PSU with multiple legal employers and multiple TRUs, where each legal employer is associated with multiple TRUs.

In this example, InFusion Canada has two legal employers, InFusion Canada LE1 and InFusion Canada LE2, both belonging to the same PSU.

The setup procedure for this model is the same, except that you create two separate legal entities and designate them as legal employers. The first legal entity, InFusion Canada LE1, is designated as a PSU. For InFusion Canada LE2, you must select the PSU as InFusion Canada LE1. Every legal employer under the same PSU must be configured similarly.

Capture the jurisdictions and registrations as required.
This figure shows an organization structure for Canada having a single PSU with multiple legal employers, where each employer is associated with multiple TRUs.

Jurisdictions and Legal Authorities

Jurisdictions

A jurisdiction represents a physical territory, such as a country, province, or city, where a particular piece of legislation applies. Jurisdictions must be set up before creating registrations, because a jurisdiction is required in the registration process. The jurisdiction has a start date and end date to show when the jurisdiction is effective and when you can register against the jurisdiction.

A tax jurisdiction is a geographic area where a tax is levied by a specific tax authority. You must set up at least one tax jurisdiction for a tax before you can make the tax available for payroll transactions.

Jurisdictions

The following jurisdictions are predefined for Canada: Canada Federal Tax, Canada Income Tax, and Quebec Provincial Tax. Canada Federal Tax is set as the identifying jurisdiction. Canada Income Tax is used outside of HCM.
Identifying Jurisdiction

The identifying jurisdiction is usually the first jurisdiction that the legal entity must register with, to be recognized in its territory. The registration to the identifying jurisdiction of the legal entity territory is called the identifying registration.

The table below lists the other jurisdictions that have been identified for Canada. You can define other jurisdictions as required, depending on the provinces that you operate in.

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Territory</th>
<th>Legislative Category</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada Federal Tax</td>
<td>Canada</td>
<td>Federal</td>
<td>Canada Pension Plan</td>
</tr>
<tr>
<td>Canada Federal Tax</td>
<td>Canada</td>
<td>Federal</td>
<td>Employment Insurance</td>
</tr>
<tr>
<td>Canada Federal Tax</td>
<td>Canada</td>
<td>Federal</td>
<td>Federal Tax</td>
</tr>
<tr>
<td>Quebec Provincial Tax</td>
<td>Quebec</td>
<td>Provincial Tax</td>
<td>Quebec Pension Plan</td>
</tr>
<tr>
<td>Quebec Provincial Tax</td>
<td>Quebec</td>
<td>Provincial Tax</td>
<td>Quebec Parental Insurance Plan</td>
</tr>
<tr>
<td>Quebec Provincial Tax</td>
<td>Quebec</td>
<td>Provincial Tax</td>
<td>Provincial Tax</td>
</tr>
<tr>
<td>Northwest Territories Payroll Tax</td>
<td>Northwest Territories</td>
<td>Income Tax</td>
<td>Payroll Tax</td>
</tr>
<tr>
<td>Nunavut Payroll Tax</td>
<td>Nunavut</td>
<td>Income Tax</td>
<td>Payroll Tax</td>
</tr>
<tr>
<td>British Columbia Workers’ Compensation</td>
<td>British Columbia</td>
<td>Workers’ Compensation</td>
<td>Workers’ Compensation</td>
</tr>
<tr>
<td>Alberta Workers’ Compensation</td>
<td>Alberta</td>
<td>Workers’ Compensation</td>
<td>Workers’ Compensation</td>
</tr>
<tr>
<td>Saskatchewan Workers’ Compensation</td>
<td>Saskatchewan</td>
<td>Workers’ Compensation</td>
<td>Workers’ Compensation</td>
</tr>
<tr>
<td>Manitoba Workers’ Compensation</td>
<td>Manitoba</td>
<td>Workers’ Compensation</td>
<td>Workers’ Compensation</td>
</tr>
<tr>
<td>Ontario Workers’ Compensation</td>
<td>Ontario</td>
<td>Workers’ Compensation</td>
<td>Workers’ Compensation</td>
</tr>
<tr>
<td>Quebec Workers’ Compensation</td>
<td>Quebec</td>
<td>Workers’ Compensation</td>
<td>Workers’ Compensation</td>
</tr>
<tr>
<td>Newfoundland and Labrador Workers’ Compensation</td>
<td>Newfoundland and Labrador</td>
<td>Workers’ Compensation</td>
<td>Workers’ Compensation</td>
</tr>
<tr>
<td>New Brunswick Workers’ Compensation</td>
<td>New Brunswick</td>
<td>Workers’ Compensation</td>
<td>Workers’ Compensation</td>
</tr>
<tr>
<td>Nova Scotia Workers’ Compensation</td>
<td>Nova Scotia</td>
<td>Workers’ Compensation</td>
<td>Workers’ Compensation</td>
</tr>
<tr>
<td>Jurisdiction</td>
<td>Territory</td>
<td>Legislative Category</td>
<td>Purpose</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>---------------------------</td>
<td>--------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Prince Edward Island Workers’</td>
<td>Prince Edward Island</td>
<td>Workers’ Compensation</td>
<td>Workers’ Compensation</td>
</tr>
<tr>
<td>Compensation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yukon Workers’ Compensation</td>
<td>Yukon</td>
<td>Workers’ Compensation</td>
<td>Workers’ Compensation</td>
</tr>
<tr>
<td>Northwest Territories Workers’</td>
<td>Northwest Territories</td>
<td>Workers’ Compensation</td>
<td>Workers’ Compensation</td>
</tr>
<tr>
<td>Compensation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nunavut Workers’ Compensation</td>
<td>Nunavut</td>
<td>Workers’ Compensation</td>
<td>Workers’ Compensation</td>
</tr>
<tr>
<td>Ontario Medical</td>
<td>Ontario</td>
<td>Provincial Medical</td>
<td>Provincial Medical</td>
</tr>
<tr>
<td>Quebec Medical</td>
<td>Quebec</td>
<td>Provincial Medical</td>
<td>Provincial Medical</td>
</tr>
<tr>
<td>Manitoba Medical</td>
<td>Manitoba</td>
<td>Provincial Medical</td>
<td>Provincial Medical</td>
</tr>
<tr>
<td>Newfoundland and Labrador Medical</td>
<td>Newfoundland and Labrador</td>
<td>Provincial Medical</td>
<td>Provincial Medical</td>
</tr>
</tbody>
</table>

**Workers’ Compensation**

Workers’ Compensation is an employer liability, calculated as a percentage of the assessable earnings and is subject to an annual maximum per employee. The annual maximum assessable value is different for each province and may change on a yearly basis. Certain industries and employees are exempt from this tax.

Multiple Workers’ Compensation accounts may be defined for each province, with different rates for each account. One account is designated as the default account for a province.

The province of employment of the employee is used to determine the default account for the assignment. The liability is calculated under the default account for that province unless an override is made in the assignment record of the employee.

You can also define overrides for Workers’ Compensation processing for a person at the job, location, or department.

**Provincial Medical**

Provincial Medical is an employer liability, used to administer provincial health plans for employees in the provinces of Quebec, Ontario, Manitoba and Newfoundland and Labrador. Different rules exist in each province for calculating the employer liability.

Certain employees are exempt from provincial medical calculations. Provincial medical calculations are not processed for the exempted employees.

Separate agencies administer the liability for each province, and there may be multiple accounts defined for each province. One account is designated as the default account for a province.

The employee’s province of employment determines the default Provincial Medical account for the assignment. The liability is calculated under the default account for that province unless an override entry is made. You can make an override entry in the employee’s assignment record, the department, or location.
Legal Authorities

A legal authority is a government or legal body that is charged with powers to make laws, levy and collect fees and taxes, and remit financial appropriations for a given jurisdiction.

For example, the Internal Revenue Service is the authority for enforcing income tax laws in United States. In some countries, such as India and Brazil, you are required to print legal authority information on your tax reports. Legal authorities are defined in the Oracle Fusion Legal Entity Configurator. Tax authorities are a subset of legal authorities and are defined using the same setup flow.

Legal authorities are not mandatory in Oracle Fusion Human Capital Management (HCM), but are recommended and are generally referenced on statutory reports.

Workforce Structures

Overview

You must define workforce structures after you complete the organization structure setup. Workforce structures are used to:

- Define additional partitioning of the workers within the organization, including divisions, and departments.
- Assign roles to workers within the organization, including grades, jobs, and positions.
- Set up actions and reasons that apply to the work relationship cycle of workers.

The implementation team is responsible for defining all the workforce structures that apply to the enterprise for which the setup is being done. For Canada you must set up:

- Locations
- Departments
- Jobs

Payroll Employment Model

Overview

In the payroll employment model, each person has a payroll relationship to a payroll statutory unit (PSU), and one or more assignments to a payroll and other employment structures. Some element entries, typically deductions, are held at the payroll relationship level, and others at lower employment levels.
Comparing the HR and Payroll Employment Models

The following figure contrasts the HR employment model and the payroll employment model in an example where two legal employers belong to one PSU. In this example, David Ellis has two assignments. The resulting structure creates two work relationships in the HR model and one payroll relationship in the payroll model.

Related Topics

- Employment Level for Elements: Critical Choices
Payroll Employment Hierarchy Profile Option: Critical Choices

You can use profile options to specify the values you want to display for each level of the payroll employment hierarchy. The hierarchy appears in the View Person Process Results pages. You can specify up to three values at each level to help identify the record. For example, you might select legal employer name and job name to identify assignment records, and assignment name and number to identify assignment records.

Depending on the employment model used in your enterprise, you can use the following levels to set up your payroll employment hierarchy:

- Payroll relationship
- Assignments

To define profile option settings and values, select the Manage Payroll Employment Hierarchy Profile Option Values task in the Setup and Maintenance work area.

Profile Options for the Payroll Relationship Level

The following table lists the profile option codes and available profile values at the site level for the payroll relationship level of the payroll employment hierarchy.

<table>
<thead>
<tr>
<th>Profile Option Codes</th>
<th>Profile Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAY_EMP_HIERARCHY_REL_DESC_1</td>
<td>Payroll Relationship Number</td>
</tr>
<tr>
<td>PAY_EMP_HIERARCHY_REL_DESC_2</td>
<td>Payroll Statutory Unit Name</td>
</tr>
<tr>
<td>PAY_EMP_HIERARCHY_REL_DESC_3</td>
<td>Payroll Relationship Type</td>
</tr>
</tbody>
</table>

Profile Options for the Assignment Level

The following table lists the profile option codes and available profile values at the site level for the assignment level of the payroll employment hierarchy.

<table>
<thead>
<tr>
<th>Profile Option Codes</th>
<th>Profile Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAY_EMP_HIERARCHY_ASG_DESC_1</td>
<td>Assignment Name</td>
</tr>
<tr>
<td>PAY_EMP_HIERARCHY_ASG_DESC_2</td>
<td>Assignment Number</td>
</tr>
<tr>
<td>PAY_EMP_HIERARCHY_ASG_DESC_3</td>
<td>Employment Category</td>
</tr>
<tr>
<td></td>
<td>Grade Name</td>
</tr>
<tr>
<td></td>
<td>Job Name</td>
</tr>
<tr>
<td></td>
<td>Legal Employer Name</td>
</tr>
<tr>
<td></td>
<td>Location Name</td>
</tr>
<tr>
<td></td>
<td>Position Name</td>
</tr>
</tbody>
</table>
Overriding Site-level Values with User-level Values
You can override site-level values at the user level. For example, you might use position as the default value and override it with job for the payroll administrator who manages records for a group of workers who are not assigned to positions.

FAQ for Payroll Employment Model
How do I diagnose payroll employment model setup issues?
After creating enterprise structures, you can run the Payroll Employment Model Setup Validation test if you have access to the Diagnostic Dashboard. This test checks whether legal employers are associated with a legislative data group. Select Run Diagnostic Tests from the Setting and Actions menu in the global area.

Payroll Relationships
Overview
A payroll relationship represents the association between a person and a payroll statutory unit (PSU), which is the legal entity responsible for employee payment. Payroll relationships group a person’s employment assignment records based on the payroll statutory calculation and reporting requirements. Payroll relationships facilitate the capture and extraction of HR and payroll-related data sent to a third party, such as a payroll provider for payroll processing.

Payroll processing always occurs at the payroll relationship level. When you display the payroll process results for a person, you first select the person’s payroll relationship record and then drill down to view details.

Payroll relationships aggregate balances at the payroll relationship level. Within a payroll relationship, payroll processes can aggregate balances for multiple assignment records. Balances don’t span payroll relationships.

Creation of Payroll Relationship Records
For the rehire process to automatically create a payroll relationship record, you must have a mapping between the system person type and the payroll relationship type. The table below shows the payroll relationship type values that are supported.

<table>
<thead>
<tr>
<th>Payroll Relationship Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard</td>
<td>Person types mapped to this payroll relationship type are included in payroll runs.</td>
</tr>
</tbody>
</table>

Relationship mapping rules, which map system person types to payroll relationship types, can vary by country or territory. The table below shows the mapping between system person types and payroll relationship types, that are applicable for Canada.
For Canada, Contingent Worker type and Nonworker Unpaid type are excluded from payroll processing.

The mapping rules are predefined for legislations provided by Oracle. You cannot create your own payroll relationship types and you must use the values that are predefined in the application.

A payroll relationship cannot end while there are active employment assignments. When all employment assignments are ended for a payroll relationship, it could either remain active or become end dated. It depends on the legislation and the payroll relationship rules applicable for the legislation. For Canada, relationships that remain active, enable future rehire within the same payroll relationship and PSU.

Payroll Relationship Rules

Canada supports the Lifetime Rule for payroll relationships. When a work assignment is created, the application looks for an active payroll relationship of the same payroll relationship type and payroll statutory unit. If it exists, the new work assignment is attached to it; otherwise, a new payroll relationship is created.

When a work assignment is terminated, the associated payroll relationship remains active even though it does not have a work assignment associated with it. In the case of a rehire, the new work assignment is attached to an existing active payroll relationship and the existing balances are updated.

Related Topics

- Terminations: How They Affect Payroll Processing
- Payroll Relationship Rules: Explained

FAQ for Payroll Relationships

When should I change payroll relationship rules?

You should not need to change payroll relationship rules after implementation. If there are any updates to payroll relationship rules after employment records already exist, those updates will affect only newly created employment records. If employment records already exist, it is best not to change payroll relationship rules to ensure that new and existing employment records have the same rules.
Earnings and Deductions

Defining Earning and Deduction Definitions

The Define Earning and Deduction Definitions task list in the Setup and Maintenance work area contains the tasks required to set up elements and payroll components. Your implementation may include a few predefined elements, usually for legislative tax deductions. Use the Manage Elements task to create additional elements and the associated objects required to support their processing. The objects vary depending on the element classification and category.

Manage Element Classifications

Elements are grouped into primary classifications that control their sequence of processing and the balances they feed. Secondary classifications are subsets of the primary classifications, which you may use to manage wage basis rules for deductions and taxes.

The primary classifications and some secondary classifications are predefined. You can’t remove or change predefined classifications.

What you can do:

• Create additional balances that the primary classifications feed.
• Create secondary classifications.
• Specify costing setup options and frequency rules for element classifications. The default frequency rule is always each period.

Manage Elements

Use the Manage Elements task to review elements and to create new ones. When you create an element, your selection of the element classification and category determines the questions on a predefined template. Submitting the template generates an element, which you can edit, as required.

You must create at least one element eligibility record for all predefined and newly created elements.
The following figure shows the tasks involved.

![Diagram of payroll task flow]

Note: Make sure you set the country extension to Payroll using the Manage Features by Country or Territory task before you create elements for payroll processing. This setting ensures that you use the appropriate element templates.

Creating certain elements also creates component groups, calculation value definitions, and other calculation information. For example, creating involuntary deductions and pension deductions creates these additional objects. Use the relevant tasks in the Define Earning and Deduction Definitions task list to review the objects generated for each element.

Payroll components are associated with a set of rates and rules used for calculation or reporting. These components conform to manage calculation value definitions.

What you can do:
- Review the tables that hold the rates and other values used to calculate deduction and exemption amounts.
- Modify some value definitions.
- Create new calculation ranges, if required.

Manage the calculation information for elements that generate payroll components, such as involuntary deductions and statutory deductions.

What you can do:
- Review the calculation information such as the wage basis rules and calculation factors
- Create new calculation factors, if required.

After setup, you add calculation components to personal calculation cards by loading data, such as time cards, or using the Manage Calculation Cards task in the Payroll Calculation work area. In Canada, hiring a worker creates a statutory deduction card automatically.
Manage Component Groups
Component groups are predefined categories of calculation components managed by component group rules.

What you can do:
- View rules for component groups.
- Modify the rules, such as wage basis rules, for some deductions

After setup, you add calculation components to personal calculation cards by:
- Loading data, such as time cards.
- Using the Manage Calculation Cards task in the Payroll Calculation work area. In Canada, hiring a worker creates a statutory deduction card automatically.

Add Eligibility Rules For Predefined Elements
The task list includes this task as a reminder. Use the Manage Elements task to define at least one element eligibility record for every predefined and newly created element.

Note: You must create an eligibility record for the statutory deduction elements before you start hiring workers.

Element eligibility determines who can receive entries of the element. Do the following:

1. Create a name for the element eligibility record. Use a naming convention similar to the element’s to easily identify the record, for example, when you set up costing for the element’s eligibility record.
2. Restrict who can receive entries of the element by specifying eligibility criteria. For elements applicable to all workers, create eligibility without specifying any criteria.

Manage Rate Definitions
Define any rates that are based on calculated payroll balances, such as an employee’s average salary during the last three months. You can use rate definitions in absence plans and formulas.

You can define rates to be:
- Monetary, such as a pay rate, or non-monetary, such as an absence accrual rate defined in days or hours
- Based on a combination of elements, or a single element

Elements: How They Hold Payroll Information for Multiple Features
Elements are building blocks that help determine the payment of base pay, benefits, absences, and other earnings and deductions. You associate your elements with salary bases, absence plans, and the benefits object hierarchy to determine how you will use the elements.

This table provides some examples of how you can use elements.

<table>
<thead>
<tr>
<th>Element Usage</th>
<th>Examples of Elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Pay Management</td>
<td>Annual Salary Basis</td>
</tr>
<tr>
<td></td>
<td>Monthly Salary Basis</td>
</tr>
</tbody>
</table>
To manage base pay, you attach an earnings element to each salary basis (hourly, monthly or annual) for each worker. When a manager or compensation specialist enters a base pay amount for a worker, the application writes the amount to an element entry using the element input value associated with the worker’s salary basis. Payroll processing uses the element entry to generate payment amounts.

**Absence Management**

You can manage worker absences and corresponding entitlements. You can create absence types based on predefined absence patterns, and associate them with absence plans. You can associate an absence element with an absence plan to transfer the following information for payroll processing:

- Payments for absent time, for example, during maternity or long term sickness.
- Accrual disbursement at the end of absence plan year
- Accrual disbursement when plan enrollment ends
- Absence liability amounts

For more information on Absences for Canada, refer to Configuring Oracle Fusion Absence Management for Canada (2314365.1) on My Oracle Support.

You can process the payments in the payroll application or use HCM extracts to transfer the information to a third-party payroll application for processing.
Benefits
Attach elements at various levels in the benefits object hierarchy to create deductions and earnings that you can process in a payroll run to calculate net pay.

Time and Labour
Create elements for use in time cards, and calculate payroll or gross earnings based on the time card entries transferred to payroll. For example, for Oracle Fusion Time and Labour, you run processes which create dependent payroll attributes and time card fields for element input values. You can automate the routine import of time card entries to payroll using predefined flows.

Payroll
For payroll processing, you define earnings and deduction elements, such as bonus and overtime earnings and involuntary deductions. These elements incorporate all the components required for payroll processing, including formulas, balances, and formula result rules.

Object Groups

Overview
Object groups are sets of elements, persons, or deduction cards. Use object groups to define subsets of objects for processing or reporting. You can manage object groups from the Payroll Calculation work area.
You can define one of these object groups.

• Element
• Payroll Relationship
• Work Relationship

Element Groups
Use Element groups to limit the elements processed for payroll, reporting, or cost distribution purposes.
This table explains the usages for an element group.

<table>
<thead>
<tr>
<th>Element Group</th>
<th>What It Does</th>
</tr>
</thead>
<tbody>
<tr>
<td>Run group</td>
<td>Specifies the elements to be processed in a payroll run.</td>
</tr>
<tr>
<td>Distribution group</td>
<td>Defines the elements on which the cost results are distributed</td>
</tr>
<tr>
<td>Configuration group</td>
<td>Restricts the elements that can be updated on the Element Entries page.</td>
</tr>
</tbody>
</table>

All element groups are static. You can select element classification to include in or exclude from the group. You can also select specific elements to include in or exclude from the group.
Payroll Relationship Groups

Use Payroll relationship groups to limit the persons processed for payroll, data entry, and reporting.

Defining a payroll relationship group is a two-step process.

1. Specify a payroll definition. Every group is limited to the payroll relationships assigned to a single payroll that you select.
2. Optionally, define the group to be either static or dynamic.
   a. To define a static group, select the payroll relationships and assignments to include in or exclude from the group.
   b. To define a dynamic group, use a fast formula of type Payroll Relationship Group. The formula contains the criteria to establish the payroll relationships and assignments included in the group. Then, you can individually select additional payroll relationships and assignments to include in or exclude from the group.

Work Relationship Groups

You can use Work relationship groups to limit the persons processed for human resources and reporting. For example, you can use work relationship groups in your user-defined extracts. You can define the group to be either static or dynamic.

• In a static group, select the work relationships and assignments to include in or exclude from the group.
• In a dynamic group, use a fast formula of type Work Relationship Group. This formula contains the criteria to establish the work relationships and assignments included in the group. Then, you can individually select additional work relationships and assignments to include in or exclude from the group.

Related Topics

• Example of Writing a Fast Formula Using Expression Editor
• Restricting Payroll Processing: Critical Choices
3 Geography and Tax Information Uploads

Using Vertex

Vertex is used to process payroll. Vertex provides:

- **Address Validation**: These updates come from Vertex in the monthly ORAMAST.txt (Geography file).
- **Payroll Tax Calculation Rules and Tax Data**: These updates come from Vertex in the monthly QFPT.dat (Tax file).
- **Update notifications**: When the updates are released by Vertex, those registered with Vertex at the customer site receive an email notification. For Software as a Service (SaaS) customers, the Oracle Product Services team receives the notification and logs a bug to install the files.

Before you install Vertex, you must consider the following:

- **License**: SaaS customers do not need a Vertex license. They are provided one as part of the SaaS service offering. On-premise and On-Demand customers must acquire a Vertex license and pay the associated fees.
- **Address Validation**: For SaaS customers, address validation is included with the HR and Payroll licenses. However, On-premise and On-Demand customers must acquire a Vertex license separately to get the functionality.

Update Notifications

Payroll implementations must run the Load Geographies for Canada and the Load Payroll Tax Information for Canada process as part of the initial setup for the implementation project. Once the files are installed, all customers must run the required processes to update their geography data, tax data, or both. This is an on-going process that must be run regularly to keep your tax and geography data updated for payroll processing.

**Note:** You must run the Load Geographies for Canada process prior to running the Load Payroll Tax Information for Canada process.

Both files are available each month from Vertex. The offerings for each product extension varies depending on customer selection as given below.

- **Offerings for SaaS customers**, the Oracle Product Services team receives the notification and logs a bug to install the files. Oracle Development Operations team installs the files for them.

The table below shows the offerings for SaaS customers for the product extensions.

<table>
<thead>
<tr>
<th>Feature</th>
<th>HR or None</th>
<th>Payroll</th>
<th>Payroll Interface</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vertex License</td>
<td>Included</td>
<td>Included</td>
<td>Included</td>
</tr>
<tr>
<td>Address Validation</td>
<td>Included but not enabled</td>
<td>Included and enabled</td>
<td>Included and enabled</td>
</tr>
</tbody>
</table>
Feature | HR or None | Payroll | Payroll Interface
--- | --- | --- | ---
Vertex License | Not included but optional | Not included but required | Not included but optional
| Requires separate purchase of a Vertex geography data license. | Requires separate purchase of a Vertex payroll calculation license. | Requires separate purchase of a Vertex geography data license.

Address Validation | Not included but optional | Included and enabled with purchase of Vertex payroll calculation license. | Not included but optional
| Requires separate purchase of a Vertex geography data license. | | Requires separate purchase of a Vertex geography data license.

**Note:** Oracle strongly recommends you enable address validation for the HR product extension. Doing so makes it much easier to transition to the Payroll or Payroll Interface products.

- The On-Demand and On-Premise customers

The table below shows the offerings for On-Demand and On-Premise customers for the product extensions.

**Vertex Tax Calculation Reference Material**

Non-SaaS customers have on-line access to the latest Vertex Tax documentation using My Vertex. Customers having a Payroll license can download the Vertex user’s guide from their Cloud Portal. Only a Service Administrator authorized by the Oracle Cloud Portal help desk can download the files. When you receive the notification that the Vertex updates are being applied to your environment, there is a 'Here' link at the bottom of the page. (You may want to bookmark this page.) To see the Vertex documents available for download, select this link, and go to the Documentation tab. Oracle keeps the current month’s update and the new update on this page. The link has one document for the US and one for Canada.

**Note:** Although you may get a notification before the 18th of the month, the Vertex guides are not available until the 18th.
Your Oracle Cloud Portal help desk must have added you to the Cloud Portal with a role of Service Administrator to download the Vertex Guides. If you need access to the guides and do not see them, check with your company’s Cloud Portal help desk.

Note: The Vertex user guides are proprietary to Vertex, and as such, Oracle can only distribute on a need-to-know basis. Share these documents sparingly and only with people in the payroll team that must have an access to the documents.

If you have any issues with Vertex, refer to: Troubleshooting Vertex and Tax Issues for Canada: Explained.

Load Geography Information

Jurisdiction codes help the application identify your province, city, postal code, and so on. Periodically, these codes require updating, such as when two cities merge. Vertex publishes a geocodes file that reflects changes to the geography information. Use the Load Geographies for Canada task to upload these files and incorporate the new codes into your installation.

When updating your geocode information, you must consider the following:

- Process Parameters
  You must enter the following details in the Parameters section of the Load Geographies for Canada page.
  - Data Source
  - File Location
  - File Name

  Note: The PAY_AMER_INTERFACE_PARAMETERS table (queried from the database) stores the details of the geocode file you most recently uploaded. Check the Version Loaded parameter to see your version number.

- Creating Records for the Province and City
- Resolving Upload Errors
- Reviewing the Load Geographies Log File

One Vertex file exists with both US and Canada data, but the loader runs only for the data specific to the country.

Specifying the Data Source

Data Source is required and it specifies the source of the upload file. By default, it is Vertex.

Specifying the File Location

When running the Load Geographies for Canada task, you can specify the location of the source file in the File Location field. This is an optional field, and if you do not specify the location, the application uses an environment variable value.
Specifying the Name of the Source File
File Name is required and indicates the name of the source file for upload. By default, it is ORAMAST.txt.

Creating Records for the Province and City
Some Canadian provinces and cities have both Canadian French and American English names. When the names are different in both the languages, both Canadian French and American English records are automatically loaded. The geography language attribute value is set to either FRC for Canadian French spelling or US for American English spelling. However, if the name is the same in both languages, only one record is created and the geography language is set to US.

Note: Vertex only delivers the accented city names and not the translated version of the names. For example, Quebec is the American English record, and Quèbec is the Canadian French record.

Resolving Upload Errors
If you receive errors when you attempt to run the task, indicating the upload file is missing or unreadable, contact your DBA or Vertex representative.

Reviewing the Load Geographies Log File
The log file for this task contains important and helpful information, such as error messages, informational messages, and your geocode version number. Check the log if you experience any problems with the upload process. To view the log, query for the ESS job in the Scheduled Processes page, select the appropriate row, and click View Log.

Load Payroll Tax Information
Vertex provides the updated tax information necessary for Oracle Fusion Payroll to perform its calculations. Vertex maintains this tax information through a monthly updated data file. Use the Load Payroll Tax Information for Canada task to upload the following data from these files into the Oracle Fusion database tables:

- Employment Insurance (EI) Employee Federal Contribution Rate
- EI Employee Quebec Contribution Rate
- EI Maximum Annual Insurable Earnings
- Quebec Parental Insurance Plan (QPIP) Employee Contribution Rate
- QPIP Maximum Annual Insurable Earnings
- Canada Pension Plan (CPP) Contribution Rate
- CPP Maximum Annual Pensionable Earnings
- CPP Basic Exemption
- Quebec Pension Plan (QPP) Contribution Rate
- QPP Maximum Annual Pensionable Earnings
- QPP Basic Exemption
- Federal Basic Personal Amount
- Provincial Basic Personal Amounts
Note: Once the Vertex files are installed, all customers (including SaaS), must run the Load Payroll Tax Information for Canada task to update the tax data.

When updating your tax information, you may want to consider the following:

- Testing the upload process
- Process Parameter

While running this task, you must consider the following parameters:

- Data Location
- Uploading the older version

- Creating Value Definitions
- Resolving from Indexed Sequential Access Method (ISAM) database connection errors
- Reviewing the Load Payroll Tax Information log file

Testing the Upload Process

Prior to purchasing your Vertex license, you can test the upload process with the sample data file.

Specifying Data Location

When running the Load Payroll Tax Information for Canada task, you can specify the location of the file in the Data Location field. This is an optional field, and if you do not specify the location, the process checks for a parameter value. If the process does not find the parameter value, it uses an environment variable value.

Uploading Older Version

This is an optional field and you can either select Yes or No. By default it is No and typically you should not override existing tax data by uploading an older version. When running the Load Payroll Tax Information for Canada task, select No in the Allow Upload of Older Version field.

Creating Value Definitions

Value definitions specify how a value is defined or calculated. Each tax or wage limit is referred to with an ID in the Vertex delivered file. The upload process provides rate, wage limit and exemption amounts if they exist for each tax ID over a specified date range. During the upload process:

- Only range items and calculation units are created if the value definitions already exist in the database tables.
- In case the value definition does not exist in the database, the process first creates the value definition and then the related range items and calculation units.

In the case of the Total Claim Amount:

- Value definitions for Federal and Provincial Basic Personal Amounts are created, if they are not present in the database. The process also creates the related range items, calculation units, and override data that is needed for the Canadian Tax Credit Information card.
- Each year Vertex updates the basic amount only. If the employee’s claim amount on their T1D or TP-1015.3-V is higher than the basic personal, the higher amount is entered into the Total Claim Amount field.
The federal and provincial basic personal amounts are delivered on the Tax Credit Information card. The remaining value definitions must be defined.

**Note:** You must not enter the Total Claim Amount and the Basic Amount, they are retrieved by the Load Payroll Information for Canada process. If you specify the Basic Amount, the entered amount is considered as an override and it replaces the predefined basic amount value. Then the amount has to be updated each year by the employee. This basic value is not reset during the upload process.

Resolving from ISAM Database Connection Errors

When you run the Load Payroll Tax Information for Canada task and you receive any of the following errors, contact your DBA or Vertex for assistance:

- The data source is missing
- The data source does not exist
- The process cannot extract the data version of the database

Reviewing the Load Payroll Tax Information Log File

The log file for the Load Payroll Tax Information for Canada task contains the following important and helpful information:

- Database location and version
- Error messages
- Informational messages

Check the log if you experience any problems with the upload process. To view the log, query for the ESS job in the Scheduled Processes page, select the appropriate row, and click View Log.
Implement Global Payroll

To implement payroll, you must first understand payroll feature choices and concepts. You can then plan your payroll implementation using the Oracle Functional Setup Manager. Functional Setup Manager enables rapid and efficient planning, configuration, implementation, deployment, and ongoing maintenance of the application through administration.

Payroll Feature Choices

As part of feature choices for payroll processing you:

- Select the correct country extension setting for each of your countries and territories on the Manage Features by Country or Territory page. The country extension setting ensures that certain payroll-related features, such as element templates, work correctly in your implementation.

- Select the Payroll Costing Options to cost your payroll and the appropriate subledger accounting rules.

- Select the appropriate precision for the currency of each country or territory where you are processing payroll.

- Set the currency of each country or territory where you are sending payroll data to a third-party payroll provider. However, don’t select that country or territory as a feature choice. Select the Payroll Interface extension on the Manage Features by Country or Territory page.

Addresses

Changing Address Style and Address Validation Settings

Use the Manage Features by Country or Territory task to control address style and level of address validation for the countries or territories you configure. The values you can set depend on the combination of the country or territory and the selected country extension. For example, for Canada, you can change the address style from its default value only when you set the country extension to Human Resources or None. You can’t change the address style from its default value when you set the country extension to Payroll or Payroll Interface.

Address Styles

The address style you select determines which address attributes are available and maintained in the application. The combination of address style and address validation determines the level of validation.

Depending on the country or territory and the country extension you select, you have one or both of the following address style options. Each address style provides its own validation:

- Postal Address
This address style provides the fundamental set of address attributes for a country or territory. In some cases, this style adds supplemental attributes. For instance this address style might include general address attributes that are not relevant, such as State or Postal Code.

- Supplemental Taxation and Reporting Address

Defined for country extensions, this address style can add validation or attribute changes in the application. For example, this style may add specific validation of postal codes, such as requiring a specific number of characters in a specific sequence.

Use the Manage Features by Country or Territory task to see what is delivered for your country. Each country has a default address style and the choice of the country extension determines whether you can change the default address style.

**Validate Based on Country Extension**

For example, for Canada, the default is Supplemental Taxation and Reporting Address. However, the address style and address validation depends on the country extension, as shown in the following table.

<table>
<thead>
<tr>
<th>Extension</th>
<th>Style Enforced</th>
<th>Validation Enforced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Resources</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Payroll Interface</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Payroll</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

For Canada, if you have chosen to install Human Resources, the value for the Address Style can be modified to either format. If you have chosen to install either Payroll Interface or Payroll, the value for the Address Style can't be modified. It must be set to Supplemental Taxation and Reporting Address. Validations are implemented to enforce that requirement.

**Change Address Styles**

For most of the predefined countries and territories, the application enforces the address style, preventing you from making changes. However, when the address style is not enforced, such as a customer-configured legislation, changing address styles can affect validation rules. This might lead to address data integrity and validation issues.

For example, for Canada, if you initially implement Human Resources using the Postal Address style and then later change the country extension to Payroll, you must also change the address style to Supplemental Taxation and Reporting Address. As a result, you must update your existing address data to resolve validation errors.

**Note:** The Supplemental Taxation and Reporting Address style, once selected, impacts both the Person and HCM Locations address styles. Ensure to test any changes you make to address style or validation for a country or territory before you implement them in a production environment. If you provide data to a third party, such as a payroll or benefit provider, statutory recipients, or financial institutions, you must test the changes. Changes to validation or address styles may result in missing data or unrecognized data.

**Tip:** You can use the Manage Address Formats task to review and configure how addresses appear in the application.
Disable Address Validation

Disabling address validation disables any country-specific programmatic validation rules created for a specific country or territory. You can disable address validation on the Manage Features by Country or Territory page.

A country or territory might have rules defined using the Manage Geographies task for validating address structure, format, or values. Disabling address validation does not have any impact on the validations you have set up on the Manage Geographies page.

For some countries, the application prevents you from disabling the programmatic validation. For other countries and territories, when you disable address validation, any existing validation rules for the selected address style, remains in place.

Note: For Canada, when Payroll is the selected country extension, you cannot disable the address validation.

For example, suppose you have chosen Human Resources with address validation enabled. During data conversion, you want to temporarily bypass address validation rules to load a batch of worker data. You can achieve this by deselecting the Address Validation check box before loading your data. After loading the batch, if the address validation remains disabled, any new address data you enter later, could be potentially invalid. Errors may occur in subsequent processes and reports. As a result, you must re-enable address validation and update your existing address data to resolve validation errors.

Related Topics

- Geography Validation
- Manage Geography Structures, Hierarchies, and Validation

Legal Addresses

A legal address is the mailing address of a legal entity or legal authority. A legal address is also the address a legal entity uses to register with a legal authority.

You can use legal addresses to send correspondence, such as invoices, bills, reports, and so on, to a legal entity or authority.

No legal addresses are predefined for Canada. You must create legal addresses for all organizational units of the enterprise before creating legal entities.

The format in which addresses must be entered for workers located in Canada is predefined and should not be modified during implementation.

Use the Manage Legal Address task to create a legal address. For each address you create, select Canada as the country so that the Canadian Address style is used.

The table below lists the fields in the Canadian address style.

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Mandatory and Optional Fields</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country</td>
<td>Mandatory</td>
</tr>
<tr>
<td>Address 1</td>
<td>Mandatory</td>
</tr>
<tr>
<td>City</td>
<td>Mandatory</td>
</tr>
<tr>
<td>Province</td>
<td>Mandatory</td>
</tr>
</tbody>
</table>
In Canada, the work province is used to calculate tax. To determine the work province, the province of employment on the tax card is derived from the province of the employee’s work location. The application uses the province of employment to determine where the employee is taxed.

When an employee transfers provinces, the employee’s work location and the province of employment on the tax card must reflect the change. Use the Create DIR Card Create DIR Card Using Global UI profile option parameter to enable or disable the automatic update of the province of employment on the tax card.

For more information on Location Synchronization, refer to 'Province of Employment: How It Works with Calculation Cards' on the Oracle Help Portal.

When entering an address, it is good practice to enter the Postal Code first. The application automatically populates the other fields based on the Vertex data. When editing any of the address fields that are already populated, the other fields that are no longer applicable to the new data gets cleared out.

You can create new geographies by importing data through the interface tables. You can load data into the interface tables using the Oracle Fusion file-based data import process or a tool of your choice.

### Country Extensions

#### Selecting Country Extensions: Critical Choices

Select the correct country extension setting for each of your countries and territories on the Manage Features by Country or Territory page. The country extension setting ensures that certain payroll-related features, such as element templates, work correctly in your implementation. By default, each country’s extension is set to Human Resources or None, which means no payroll product is selected. If you plan to use payroll or any predefined payroll interface extracts for a country or territory, you must set its country extension to the appropriate payroll setting.

The options available for selection for some countries or territories may be restricted. The full list is as follows:

- Payroll
- Payroll Interface
- Human Resources or None

Setting the country extension to Payroll ensures that all payroll features function correctly. The other product settings you select control the functions of payroll-related features when you aren’t using Global Payroll. The following sections explain the available three options.

### Payroll

Setting the country extension to Payroll has the following implications:

- When creating elements, the element templates generate formulas and other associated items that are required for costing or payment processing in Global Payroll.
The new-hire process includes country-specific features, such as automatic generation of calculation cards for statutory deductions and validation of address formats.

Payroll definitions require associated organization payment methods. You must select payment methods that include a payment source.

Defining payment sources requires source banks in Oracle Fusion Financials.

Payroll Interface

Setting the country extension to Payroll Interface has the following effects:

- The element templates for creating regular and supplemental earnings elements generate associated objects, such as input values, formulas, and balances. These objects are required for including employee data in the Calculate Gross Earnings process.

  For all other elements, the simplified element templates create only the element and no associated objects.

- The new hire process includes country-specific validation.

  Validations on payroll objects are less restrictive to support sending employee bank information as follows:
  - No requirement for payment sources in organization payment methods
  - No dependency on source banks in Financials

Human Resources or None

Setting the country extension to Human Resources or None has the following effects:

- The element templates for creating standard earnings, supplemental earnings, direct payments, and taxable benefits elements with flat amount calculation rule generates the element definition and three input values, such as amount, periodicity and full time equivalent. This template for percentage calculation rule generates percentage input value and factor input value for factor calculation rule. It does not generate any other objects, such as fast formulas and balances.

- The element templates for creating the other elements generates only the elements and not the associated objects, such as input values, formulas, or balances.

  You can configure these elements to meet your specific business requirements, such as adding input values and formulas to a compensation element.

- Certain countries or territories have additional country-specific validation.

- Validations on payroll objects are less restrictive, as with the Payroll Interface setting.

Related Topics

- Setting Up Reconciliation for Payments: Procedure
- Payroll Legislative Data

Selecting Country Extensions: Worked Example

This example demonstrates how to configure payroll-related features for countries and territories in an enterprise.

The Vision enterprise has employees in Canada and France with different payroll arrangements:

- In Canada, the enterprise pays employees using Oracle Fusion Global Payroll.
• In France, the enterprise extracts and sends payroll-related data to third-party payroll provider using Payroll Interface extract definitions.

The following table summarizes the key decisions to consider while deciding on the product usage for a country.

<table>
<thead>
<tr>
<th>Decisions to Consider</th>
<th>In This Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do your plans include processing payrolls within Oracle Fusion for any country?</td>
<td>Yes, using Global Payroll in Canada</td>
</tr>
<tr>
<td>Do your plans include extracting or transferring payroll-related data to a third-party provider for any country?</td>
<td>Yes, using Payroll Interface extracts in France</td>
</tr>
</tbody>
</table>

### Setting the Extension

1. In the Setup and Maintenance work area, go to the following:
   - Offering: Workforce Deployment
   - Functional Area: Payroll
   - Task: Manage Features by Country or Territory

2. Click **Go to Task**.

3. In the **Selected Extension** list, select the extension for the countries as shown in this table.

   The following table lists the country names and the product usage that you can select for this scenario.

<table>
<thead>
<tr>
<th>Country</th>
<th>Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>Payroll</td>
</tr>
<tr>
<td>France</td>
<td>Payroll Interface</td>
</tr>
</tbody>
</table>

4. Click **Save**, and then click **Done**.
5 Migrate and Load Payroll Setup Data

Overview of HCM Data Loader

HCM Data Loader is a powerful tool for bulk-loading and maintaining data. The data can be from any source. You can use HCM Data Loader for data migration, ongoing maintenance of HCM data, and coexistence scenarios, where core HR data is uploaded regularly. This topic introduces the main features and advantages of HCM Data Loader.

Business-Object Support

You can load business objects for most Oracle Fusion Human Capital Management (HCM) products. These products include Oracle Fusion Absence Management, Compensation, Global Human Resources, Global Payroll, Performance Management, Profile Management, Talent Review and Succession Management, and Workforce Management. You can also update business objects using HCM Data Loader, regardless of how they were created.

Ease of Use

HCM Data Loader has a comprehensive user interface for loading data, monitoring progress, and reviewing any errors. It provides real-time information for all stages of its processing. HCM Data Loader's user interface also includes detailed information about the component hierarchies and attributes of supported business objects.

You can load data from either delimited data (.dat) files or spreadsheets. You can load most supported business objects using either method. You can generate business-object templates to use as the basis of your own .dat files. For a selected business-object component, the template includes every attribute, including those for configured flexfields. When using spreadsheets, you define spreadsheet templates to suit business needs and generate spreadsheets from those templates.

Performance

HCM Data Loader supports multithreaded processing, which enables you to upload complete data extracts without severe performance impacts. References among objects that are processed on separate threads are managed automatically. You can set HCM Data Loader configuration parameters to optimize processing for your environment.

You can also perform partial or incremental loads to update existing objects, thereby minimizing the related processing.

Supported Key Types

HCM Data Loader supports all of the following key types for most business objects:

- Oracle Fusion GUID
- Oracle Fusion surrogate ID
- Source key
• User key

As user keys and source keys are supported, knowledge of Oracle Fusion internal IDs isn’t required.

Business-Object Features

HCM Data Loader supports most business-object features and requirements. For example, you can upload:

• Current and historical records for date-effective objects. You determine the amount of history to load.
• End-dated, terminated, or inactive records.
• Translated attributes in multiple languages. You specify the character set of the data file on the **File Character Set** configuration parameter for HCM Data Loader.
• Descriptive flexfields and extensible flexfields.
• Hierarchical tree data, such as organization and department trees.
• Attachments and pictures.
• Data from multiple sources. You can include source-system references in uploaded data.

Automation

You can initiate HCM Data Loader using a web-service call, which enables you to automate data upload.

HCM Data Loader and Implementation Scenarios

You can implement Oracle HCM Cloud in either full or coexistence mode. In a coexistence implementation, you use Oracle Fusion Talent Management or Oracle Fusion Compensation, but continue to use your existing HR applications. For both full and coexistence implementations, you implement Oracle HCM Cloud by performing the tasks that appear in your implementation project or for selected functional areas. This topic describes how HCM Data Loader supports these implementation types.

Full Implementations

If you’re performing a full implementation of Oracle HCM Cloud, then you can use HCM Data Loader to bulk-load any existing HCM data at appropriate stages in the implementation. Typically, you load each type of data once only for this type of implementation. Following successful upload, you manage your data in Oracle HCM Cloud.

Coexistence Implementations

In a coexistence implementation, you use Oracle Fusion Talent Management or Oracle Fusion Compensation, but maintain your existing HR applications. For this type of implementation, you:

• Move talent data permanently to Oracle HCM Cloud, which becomes the application of record for talent data.
• Upload other types of data, such as person records, periodically to Oracle HCM Cloud. The source system remains the application of record for this data.

To implement an HCM coexistence scenario, for any source system, you can use HCM Data Loader for data upload. Follow the general instructions provided for HCM Data Loader. Oracle doesn’t supply tools to extract data from your source systems. Work with your implementation partner or develop your own process for extracting the source data.

HCM Data Loader provides a Compensation Changes extract. You can extract assignment, bonus, and salary changes for a specified compensation run if you’re using Oracle Fusion Compensation in a coexistence scenario.

How Data Is Loaded Using HCM Data Loader

This topic outlines the process of loading data in bulk from .dat files using HCM Data Loader. The data can be from any source.

This figure provides a high-level summary of the process.

The steps of this process are:

1. You place a .zip file containing your .dat files on the Oracle WebCenter Content server.
2. You submit a request to HCM Data Loader to import and load the .zip file. For this step, you can use either the HCM Data Loader interface or the HcmCommonDataLoader web service.
3. HCM Data Loader decompresses the .zip file and imports individual data lines to its stage tables. In the stage tables, related data lines are grouped to form business objects.

Any errors that occur during the import phase are reported on the HCM Data Loader interface.

4. HCM Data Loader calls the relevant logical object interface method (delivered in product services) to load valid objects to the application tables.

Any errors that occur during the load phase are reported in the HCM Data Loader interface.

5. You review any errors from the import and load phases. You can perform this step either on the HCM Data Loader interface or using the HCM Data Loader Data Set Summary extract.

6. You correct errors from the import and load phases in your source data.

7. You load a new .zip file containing the corrected data to the WebCenter Content server.

You repeat this process from step 2 until all of the data is successfully loaded.

Tip: You can also correct load errors interactively on the HCM Data Loader interface and resubmit any corrected data from there.

Related Topics

- How Data Is Uploaded Using HCM Spreadsheet Data Loader
6 Prerequisite Payroll Setup Tasks

Prerequisite Tasks for Payroll Setup

The Define Payroll task list in the Setup and Maintenance work area contains most of the setup tasks required for payroll processing. However, first you must complete the required common application configuration tasks. You may have already done some of these tasks because other HCM applications require them. Revisit tasks to address payroll-specific tasks, such as creating tax reporting units.

Perform the prerequisite tasks in the following task lists within Define Common Applications Configuration for Human Capital Management:

- Define Features by Country or Territory
- Install and load geography and tax information data files
- Define Geographies for HCM
- Define Enterprise Structures for HCM

Define Features by Country or Territory

Use the Manage Features by Country or Territory task to select the correct product for each of your legislations and ensure that the appropriate features work correctly in your implementation. These settings control the availability of payroll-related features, such as element templates, and address style and address validation rules used in processes and reports.

For further information, see the Selecting Country Extensions: Critical Choices topic in the Help Portal.

Install and Load Geography and Tax Information Files

You must install Vertex prior to any payroll processing. As part of the initial setup, run the following tasks:

- Load Geographies for Canada
- Load Payroll Tax Information for Canada

For further information, see the following topics in the Help Portal:

- Loading Geography Information for Canada: Explained
- Loading Payroll Tax Information for Canada: Explained
Define Geographies for HCM

Verify predefined geographies and define any additionally required local geographies.

Define Enterprise Structures for HCM

Complete tasks in the task lists shown in the following table.

<table>
<thead>
<tr>
<th>Task List</th>
<th>Action</th>
</tr>
</thead>
</table>
| Define Legal Jurisdictions and Authorities for HCM    | • Create a legal jurisdiction if not already created or predefined.  
• Create a legal authority for each government body you interact with.  
• Create addresses for legal entities and legal authorities. |
| Define Legal Entities for HCM                         | • Create at least one legislative data group to partition your payroll data.  
• Create at least one legal entity designated as a payroll statutory unit (PSU) for each legislative data group.  
• Associate each PSU with a legislative data group.  
• Optionally, create calculation cards for statutory deductions for each PSU.  
• Define the Provincial Medical Account and the Provincial Medical Carrier information at the PSU level.  
• Define Workers' Compensation Account and Workers' Compensation Classification Unit information at the PSU level. |
| Define Legal Reporting Units for HCM                  | • Create any additional legal reporting units that you need under a PSU and designate them as tax reporting units.  
• Optionally, create calculation cards for statutory deductions for each tax reporting unit.  
• Define transmitter information at the TRU level.  
• Define Record of Employment contact details for the TRU. |
| Define Business Units for HCM                         | Create business units that you can use to perform one or more business functions.                                                        |
| Define Chart of Accounts for Enterprise Structures     | Create charts of accounts, ledgers, and accounting calendars. When you create a bank for a payment source, you must select a legal entity that’s assigned to a ledger for the associated legislative data group. Payroll costing also requires these financial components. |

Conceptual information and step-by-step information for implementing these prerequisites are mentioned in the earlier chapters.

Payroll Setup Tasks for Financials

Payroll integrates with Oracle Fusion Financials. You must set up components in Financials, such as charts of accounts and ledgers, before you can set up banks to process payments, associate a ledger to a payroll definition, and run processes to distribute costing results.
Complete the following setup tasks in the Setup and Maintenance work area for the chart of accounts and ledgers. The application implementation consultant job role can perform the following tasks.

Chart of Account Setup Tasks

Complete the following tasks to set up your chart of accounts information. Later, you associate the chart of accounts to a ledger.

<table>
<thead>
<tr>
<th>Task</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manage Chart of Accounts Value Sets</td>
<td>Create new or review existing value sets, which you will associate with a key flexfield segment.</td>
</tr>
<tr>
<td>Manage Chart of Accounts Structures</td>
<td>Create account structures that specify the segments to include, their order, and the value sets that will validate the data entered in the segments. Oracle Fusion General Ledger predefines the Accounting key flexfield.</td>
</tr>
<tr>
<td>Manage Chart of Accounts Structure Instances</td>
<td>Create account structure instances, which you will use to record transactions and maintain account balances.</td>
</tr>
<tr>
<td>Manage Chart of Accounts Value Set Values</td>
<td>Create groups of values, which you will assign to a key flexfield segment.</td>
</tr>
<tr>
<td>Manage Account Hierarchies</td>
<td>Search, create, and edit hierarchical groupings of accounts.</td>
</tr>
<tr>
<td>Manage Accounting Calendars</td>
<td>Set up accounting calendar period details. Determine the total number, frequency, and duration of the accounting periods.</td>
</tr>
</tbody>
</table>
| Manage Account Combinations        | 1. Create account combinations if the structure instance of your chart of accounts flexfield doesn’t allow dynamically created account combinations  
                                           2. Create accounts for each account combination used in payroll. As a best practice, use the same account numbers for your payroll and general ledger accounts.  
                                           3. If you reconcile payments in Oracle Fusion Cash Management, create an account combination for reconciliation differences. |

Ledger Setup Tasks

You perform the following tasks as part of the accounting configuration setup for Global Payroll.

<table>
<thead>
<tr>
<th>Task</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manage Primary Ledgers</td>
<td>Create a ledger with a chart of accounts, accounting calendar, currency and subledger accounting method.</td>
</tr>
</tbody>
</table>

Note: If you are creating bank information, you must create a primary ledger.

Assign Legal Entities

Add the legal entities that use the ledger.

The Manage Legal Entity HCM Information task associates the payroll statutory units for legal entities to the legislative data group.
Prerequisite Payroll Setup Tasks

<table>
<thead>
<tr>
<th>Task</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specify Ledger Options</td>
<td>1. Complete all the fields for the General Information and Accounting Calendar, and Subledger Accounting sections.</td>
</tr>
<tr>
<td></td>
<td>2. In the Period Close section, select the Retained Earnings Account you will use for payroll.</td>
</tr>
<tr>
<td></td>
<td>3. In the Journal Processing Intercompany subsection, select the option to launch AutoReverse after the open period.</td>
</tr>
<tr>
<td>Assign Balancing Segment Values to Legal Entities</td>
<td>Assign specific balancing segment values to each legal entity before assigning values to the ledgers. By specifying this information, you can more easily identify legal entities during transaction processing and reporting.</td>
</tr>
<tr>
<td>Assign Balancing Segment Values to Ledger</td>
<td>Optionally, assign specific primary balancing segment values to the primary and secondary ledgers to represent transactions for nonlegal entities, such as adjustments.</td>
</tr>
<tr>
<td>Manage Reporting Currencies</td>
<td>Review and update reporting currencies. Reporting currencies maintain and record subledger and general ledger journal entries in additional currencies.</td>
</tr>
<tr>
<td>Review and Submit Accounting Configuration</td>
<td>Submit your configuration.</td>
</tr>
<tr>
<td>Open First Period</td>
<td>Open the first period when you are ready to process transactions for the ledger. After you open the first period, use the Manage Accounting Periods in General Ledger to open and close periods, and to specify the target period that concludes the series of calendar periods.</td>
</tr>
</tbody>
</table>

Related Topics

- Payroll Costing Components: How They Work Together
- Primary Ledgers, Secondary Ledgers, and Reporting Currencies
- Payroll Setup Tasks for Subledger Accounting:Procedure
- Assign Legal Entities and Balancing Segments
- Chart of Accounts Structures and Instances

Payroll Cost Allocation Key Flexfield Setup

The cost allocation key flexfield creates a structure for financial accounting of your payroll costs. The flexfield captures the account codes you use to create accounting entries, and to report and track your labor costs. When planning how to create a key flexfield structure, consider the following choices:

- Structure of the cost allocation key flexfield
- Value sets for the segments
- Cost hierarchy levels enabled to populate each cost account segment
• Required and optional segments
• Segments required for the offset account
• Number of structure instances of the cost allocation key flexfield

**Note:** After you create your flexfield, you can generate database items for use in your formulas and extracts by submitting the Generate Flexfield Database Items process from the Payroll Checklist or Payroll Administration work area.

**Structure of the Cost Allocation Key Flexfield**

Decide what structure to use for the cost allocation key flexfield. You use the Manage Cost Allocation Key Flexfield task in the Setup and Maintenance work area.

The structure of the flexfield defines the segments to include, their order, and the value sets to validate the data entered in the segments. Using the predefined Cost Allocation key flexfield to create the structure, you specify:

• Segment labels, the row headings that correspond to the cost hierarchy levels
• Column headings, which correspond to the segment of your account structure

**Tip:** As a best practice, create a structure based on the structure of the Accounting flexfield used for the chart of accounts that receives the payroll costing entries. Use a similar sequence of segments and naming conventions to facilitate setup.

The structure you deploy generates a reference table on the costing setup pages. The following figure illustrates how the column heading and segment label make the company account information available for entry on the Manage Costing of Payroll page.

![Cost Allocation Key Flexfield Diagram](Image)

<table>
<thead>
<tr>
<th>Column Headings (Example: Company)</th>
<th>Manage Costing of Payroll Segments Available for Entry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment Labels (Example: Payroll)</td>
<td>Company</td>
</tr>
<tr>
<td>Controls</td>
<td>Payroll</td>
</tr>
<tr>
<td></td>
<td>Element</td>
</tr>
<tr>
<td></td>
<td>Department</td>
</tr>
</tbody>
</table>

The following table lists questions to consider before you create the cost allocation key flexfield structure.

<table>
<thead>
<tr>
<th>Decision</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>How many cost allocation key flexfield</td>
<td>You must create a segment for each corresponding segment of the Accounting flexfield.</td>
</tr>
<tr>
<td>segments does your Accounting flexfield</td>
<td>include?</td>
</tr>
</tbody>
</table>
**Decision** | **Description**
--- | ---
Do you need to reserve segments for future use? | You can’t update the flexfield structure. You can create segments for later use, such as new lines of business, and display them as needed.
Do you capture context sensitive information for legislative purposes? | Create additional segments to capture context sensitive costing, such as separate liability accounts maintained for each state and state tax.
Do you capture information used by other applications? | Create additional segments, for example, to record the breakdown of costs of a project for reporting purposes.

### Value Sets for the Segments

Decide whether to use existing value sets or to create new value sets.

You associate each segment to a value set created using the Manage Payroll Costing Value Sets task in the Setup and Maintenance work area. For example, you might reuse an existing value set that you defined for your accounting flexfield, or create a subset of those values, which only apply to payroll.

**Tip:** Consider creating a single value when several accounts use the same value. For example, you might use a value set with a single value of zeros as a placeholder for account segments, such as future use segments.

The following figure shows an additional segment added to the structure that doesn’t have a corresponding segment in the Accounting flexfield, and the value sets associated to each segment.

![Key Flexfield and Value Sets](image)

### Cost Hierarchy Levels

Consider which level of the cost hierarchy is the primary source of values for that segment and which levels should receive overrides. These decisions control which cost account segments the application displays on the costing setup pages.

The following table includes examples of the segment labels you might specify for costing.

<table>
<thead>
<tr>
<th>Segment</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll</td>
<td>Select Payroll for segments that seldom change for the people assigned to the payroll, such as company, line of business, and future use segments.</td>
</tr>
</tbody>
</table>
Segment | Example
--- | ---

**Tip:** To report costing by business unit, set up payrolls for persons in a single business unit. Specify a segment at the payroll level to record the account information for the business unit.

**Element Eligibility**
Select Element Eligibility for natural accounts.
You also use this level for cost center segments needed for balance sheet accounts, such as deduction elements which are usually created at the payroll relationship level.

**Department**
Select Department for cost centers.

**Job or Position**
Select Job to compare and roll-up costs based upon job category.
Select Position if you are using position management at your enterprise, to better track the cost of turnover to the enterprise.
Costing at these levels requires higher maintenance to set up and manage the costing in diverse and complex organizations.

**Person**
Select Person to cost at the payroll relationship and assignment level, and for elements at each of these levels.
You might select Person to enable allocation of wages when costs are shared by several cost centers. You might need to override the activity or natural account segment that is usually enabled at the element level.

**Element Entry**
Select Element Entry to override all other levels, with one exception. Costing at the element entry level is overridden by the segments defined for the Priority account for that element.
You might select the segment for cost center at the element entry level to cover situations where a person works at another cost center for a payroll period.

### Required and Optional Segments
Determine which segments to make required based on whether you want to place in a suspense account a costing result with a blank value for a segment. When you set up costing, if you don’t specify a value for a cost account segment on any level of the costing hierarchy, the resulting calculation is determined by two factors:

- Segment is required or optional
- Suspense account is defined

If you define a segment as:

- Optional, regardless of whether you define a suspense account, the costing result displays a blank (null) value in the segment
- Required, and the suspense account is defined, the costing result is placed in a suspense account
- Required, and the suspense account is not defined, the calculation displays an error, and the person’s results are not costed
Segments Required for the Offset Account

Decide which segments of the offset account require costing.

The offset account balances the cost account. It uses the segments of the cost account unless you specify a different value for the corresponding segment. For example, if the only difference between your cost and offset accounts is the natural account segment, for the element eligibility segment label, you would select the natural account for the offset account.

Number of Structure Instances

You create structure instances of your cost allocation key flexfield that you then associate to legislative data groups. Structure instances share the same set, arrangement, and properties of the cost allocation key flexfield structure. If a legislative data group requires different value sets for the flexfield segments, create a separate instance for that legislative data group.

Related Topics

- Payroll Setup Tasks for Costing Accounts: Critical Choices
- Costing of Elements: Critical Choices
- Payroll Costing Components: How They Work Together
- Cost Hierarchy: Explained
- Overview of Generating Flexfield Database Items

Set Up Reconciliation for Payments

Oracle Fusion Global Payroll integrates with Oracle Fusion Cash Management and Oracle Fusion General Ledger. This integration facilitates the setup of banks, branches, and bank accounts, and the reconciliation of bank statements with payment transactions.

An administrator or implementor with the appropriate privileges performs the tasks shown in the following table in the Setup and Maintenance work area:

<table>
<thead>
<tr>
<th>Application</th>
<th>Setup Steps</th>
<th>Task</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Ledger</td>
<td>Create an account combination for the reconciliation differences account.</td>
<td>Manage Account Combinations</td>
</tr>
</tbody>
</table>
| Cash Management      | Set up transaction codes that map to the payment method transaction codes used in payroll. | • Manage Cash Transaction Type Mapping  
                       |                                                                                   | • Manage Bank Statement Transaction Codes     |
| Cash Management      | Create reconciliation rules.                                               | • Manage Bank Statement Reconciliation Tolerance Rules  
                       |                                                                                   | • Manage Bank Statement Reconciliation Matching Rules |
### Prerequisite Payroll Setup Tasks

<table>
<thead>
<tr>
<th>Application</th>
<th>Setup Steps</th>
<th>Task</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll</td>
<td>• Setup liability, cash clearing, and cash accounts for your payment sources.</td>
<td>• Manage Bank Statement Reconciliation Rule Sets</td>
</tr>
<tr>
<td></td>
<td>• Specify the option Transfer to General Ledger.</td>
<td>Manage Costing of Payment Sources</td>
</tr>
</tbody>
</table>

This topic covers the steps for setting up the following objects:

- Reconciliation differences account
- Payroll transaction codes
- Reconciliation rules
- Payroll accounts

### Setting Up Reconciliation Differences Account

If you reconcile payment costs before posting the costing results to Oracle Fusion General Ledger, set up a reconciliation differences account in General Ledger using the Manage Account Combinations task. The reconciliation differences accounts in Cash Management records discrepancies between the bank statement and the transferred payment files, such as over and under payments.

### Setting Up Payroll Transactions Codes

If you cost your payments, set up and map transaction codes in Cash Management for the organization payment methods.

<table>
<thead>
<tr>
<th>Task</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manage Bank Statement Transaction Codes</td>
<td>1. Review the transaction and statement codes that your enterprise currently uses</td>
</tr>
<tr>
<td></td>
<td>2. Create transaction codes for the transaction types that support your organization payment methods</td>
</tr>
<tr>
<td>Manage Cash Transaction Type Mapping</td>
<td>1. Map transaction types to payment types used for the organization payment methods that support costing of payments.</td>
</tr>
<tr>
<td></td>
<td>2. Identify the organization payment methods for payroll accounts, such as payroll liability, cash, and cash clearing accounts.</td>
</tr>
</tbody>
</table>

### Setting Up Reconciliation Rules

Payroll processes transfer your payment entries to Cash Management for manual or automatic reconciliation with bank statements, and cost the unreconciled and reconciled payments to the appropriate account, such as the cash clearing and cash accounts.

If you reconcile transactions automatically, in Cash Management complete the tasks listed in the following table.

<table>
<thead>
<tr>
<th>Task</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manage Bank Statement Reconciliation Tolerance Rules</td>
<td>Create tolerance rules based on date, amount, or percentage that prevent or warn you when reconciliation exceeds a defined tolerance.</td>
</tr>
</tbody>
</table>
Task | Action
---|---
Manage Bank Statement Reconciliation Rule Sets | Assign a group of matching rules and tolerance rules to a bank account for reconciling bank statement lines with transactions.
Manage Bank Accounts | Specify the Reconciliation Differences account you set up in Oracle Fusion General Ledger.

Setting Up Payroll Accounts

Create a liability and cash account. Create a cash clearing account to track payments such as cheques, where a delay exists between the date the payment is issued and the date it clears. Use the Manage Costing of Payments task in the Setup and Maintenance work area or in the Accounting Distribution work area of Oracle Fusion Global Payroll.

**Note:** When you set up the accounts, it’s best practice to enter the same account information that you use for the cash and cash clearing account that you created in General Ledger.
Chapter 7
Set Up Enterprises and Workforce Structures

7 Set Up Enterprises and Workforce Structures

Introduction

Setting up an enterprise structure involves the following tasks:

1. Defining a legislative data group
2. Defining legal jurisdictions
3. Defining legal authorities
4. Defining legal addresses and locations
5. Defining legal entities and legal reporting units
6. Defining legal entity registrations

You can perform all setup tasks under Workforce Deployment offering in the Setup and Maintenance work area. Canada supports all the organization models. Consider the following key points as you create and set up Canadian enterprise structures.

Legislative Data Groups

A legislative data group (LDG) defines the payroll and related data partition context for a user. You must create at least one LDG for each country where an enterprise operates.

Use the Manage Legislative Data Groups task to create a Canadian LDG. Set the Country to Canada and the Currency to Canadian Dollar. Select a Cost Allocation Structure appropriate for your implementation.

Legal Jurisdictions

Jurisdictions must be set up before creating registrations. Canada has federal and provincial levels of jurisdictions. Set up the jurisdictions, and define the registrations and legal categories.

You can define jurisdictions as required, depending on the provinces that you operate in. Use the Manage Legal Jurisdictions task to create legal jurisdictions.

Legal Authorities

A legal authority is a government or legal body. A legal authority is charged with powers to make laws, levy and collect fees and taxes, and remit financial appropriations for a given jurisdiction. Use the Manage Legal Authorities task to create legal authorities.

It is optional to define legal authorities for Canada. Some examples of legal authorities that you can set up include: Canada Revenue Agency, Revenu Québec, Workplace Safety and Insurance Board, Ministry of Finance, and so on.
Legal Addresses and Locations

A legal address is the address of record for an entity. For example, the legal address of a legal authority is used in communications with that authority. No legal addresses are predefined for Canada. You must create legal addresses for all organizational units of the enterprise. You must create legal addresses before creating legal entities.

Use the Manage Legal Address task to create legal addresses. For each address you create, select Canada as the country so that the Canadian address style is used.

The Census Metropolitan Area (CMA) code is used to identify a location area for Employment Equity reporting. Use the Manage Locations task to create a location. If you submit Employment Equity reports, in the Canada Employment Equity Interface Rules section, select the Census Metropolitan Area for this location.

Legal Entities, Legal Employers, and Payroll Statutory Units (PSUs)

Once you have completed the tasks mentioned above, you can create legal entities. When defining a legal entity, you must consider the context in which the legal entity is to be used:

- In an HCM implementation, you must define legal employers.
- You can define a legal entity as a legal employer and a PSU, thus sharing the legal responsibilities of employment and payroll calculations and reporting.
- If multiple legal employers are grouped together for tax reporting purposes, you can associate all of them with a single PSU. If legal employers do not report together, they must not share a PSU.

No legal entities are predefined for Canada. You must create all legal entities that apply to the enterprise you are setting up. The North American Industry Classification Systems (NAICS) code is used for Employment Equity Reporting. You can specify the code while creating a legal entity.

Use the Manage Legal Entities task to create legal entities.

The Provincial Medical Carrier, the agency that administers provincial medical for the province, is predefined in the application. Use the Manage Legal Entity HCM Information task in the Setup and Maintenance work area to define the Provincial Medical Account details at the PSU level. Define the thresholds and rates to calculate the liability for the account at the PSU level.

The Workers’ Compensation Boards for each province are predefined in the application. Use the Manage Legal Entity HCM Information task in the Setup and Maintenance work area to define the Workers’ Compensation Account details. Define the Workers’ Compensation Account and the Workers’ Compensation Classification Unit information at the PSU level.

Tax Reporting Units (TRUs)

The application automatically creates the default TRU for a legal entity when the PSU is created. To facilitate electronic submission of year-end reports, the Canadian and Quebec governments assign a transmitter number to an employer. The company can designate one payroll account number or Quebec identification number as the transmitter.

A transmitter can file slips for itself or on behalf of other TRUs. The transmitter information is captured at the TRU-level. If a TRU is designated as a transmitter, the information entered in the interface rules is used for year-end reporting to the government. Multiple TRUs with different account numbers can use the same transmitter for submission of reports. Use the Manage Legal Reporting Units HCM Information task to define transmitter information.

The Run Record of Employment Archive process requires the primary contact details entered for the legal reporting unit (LRU) associated with the legal employer. Define the Record of Employment (ROE) contacts on the Manage Contacts page from the Manage Legal Reporting Unit page, while defining the LRU. You can define additional contacts; however, designate the contact to be reported on the ROE, as the primary contact.
Registrations
The application automatically creates the registration with the identifying jurisdiction you select when you create a legal entity. If the legal entity interacts with other legal authorities, you must create additional registrations as appropriate.

You must set up registration information for a LRU or a TRU in the territory where it operates. The registrations defined at the LRU represent the accounts for remitting and reporting statutory deductions and year-end reporting. You must register with the following institutions, as required:

- Canada Revenue Agency for federal taxes
- Revenu Québec for Quebec taxes
- Northwest Territories for payroll tax
- Nunavut for payroll tax

Use the Manage Legal Entity Registrations task to set up registrations for legal entities.

Legal Entities

Defining Legal Entities: Procedure
This topic demonstrates how you can define and set up a legal entity for Canada.

Setting up a legal entity for Canada includes the following:

- Create a legal entity
- Define the legal entity registrations
- Define the legal entity HCM information
- Define Workers’ Compensation information
- Define Provincial Medical information

Prerequisites
Before you define a legal entity, you must:

1. Define a legislative data group for Canada.
2. Define a legal address for the legal entity you are about to define.
3. Define the required jurisdictions for the legal entity you are about to define.

Creating a Legal Entity
You have to first create a legal entity.

1. In the Setup and Maintenance work area, go to the following:
   - Offering: Workforce Deployment
   - Functional Area: Legal Structures
   - Task: Define Legal Entities for Human Capital Management

   Expand the task to display a list of related tasks.
2. Click the **Select Scope** link for the Manage Legal Entities task.
3. On the Select Scope window, select **Create New** in the Legal Entity field.
4. Click **Apply and Go to Task**.
5. On the Manage Legal Entities page, click **Create**.
6. On the Create Legal Entity page, complete the fields as appropriate for this entity, noting the following:
   - Select **Canada** in the Country field.
   - Enter the Canada Revenue Agency Payroll Account Number in the Legal Entity Identifier field.
   - Select the **Legal Employer** check box.
   - If this entity is also a payroll statutory unit (PSU), select the **Payroll Statutory Unit** option. If this entity belongs to an existing PSU, select a PSU from the Payroll Statutory Unit field.
   - The type of registration information required is based on the Registration Code Assignment information you defined when you created the selected jurisdiction. For example, for the jurisdiction of Canada Federal Tax, enter the Payroll Account Number assigned by the Canada Revenue Agency. Enter the number in both the Legal Entity Registration Number field and the Payroll Account Number field.

   **Note:** When you enter the Payroll Account Number, ensure that there are no spaces between the numbers and the two letters in the number. An example of the format is 123456789RP0001.
7. Click **Save and Close**.

### Defining Legal Entity Registrations

Before you create the registrations for the legal entity you have created, you must set the scope for the tasks related to the legal entity.

**Note:** If the scope is already set for the task, the Scope column displays the legal entity name.

To set the scope and define the legal entity registration:

1. Set the scope for this task as follows:
   - In the Setup and Maintenance work area, go to the following:
     - Offering: Workforce Deployment
     - Functional Area: Legal Structures
     - Task: Define Legal Entities for Human Capital Management
   
   Expand the task to display a list of related tasks.
   - Click the **Select Scope** link for the Manage Legal Entity Registrations task.
   - On the Select Scope window, select **Manage Legal Entity** and then **Select and Add** in the Legal Entity field.
   - Click **Apply and Go to Task**.
   - In the Select and Add: Legal Entity page, search for and select the legal entity you just created.
   - Click **Save and Close**.

   The Scope column on the task list page displays the legal entity you selected as the scope for those tasks related to the legal entity.

2. Click **Go to Task** for the Manage Legal Entity Registrations task.
3. Click **Create**.
4. On the Create Registration page, enter the required information noting the following:
   - When you select a jurisdiction, the Territory field is populated automatically. For example, if you select Quebec Provincial Tax, the territory is shown as Quebec.
   - The Issuing Legal Authority field displays a list of all legal authorities associated with the selected jurisdiction.
   - The Registered Address field displays a list of all predefined legal addresses.
   - Enter the **Legal Entity Registration Number**. For example, for the jurisdiction of Quebec Provincial Tax, enter the Quebec Identification Number assigned by Revenu Québec in the Legal Entity Registration Number field. An example of the format is 1234567890RS0001.

5. Click **Save and Close**.

### Defining Legal Entity HCM Information

To define HCM information for the legal entities you have created:

1. In the Setup and Maintenance work area, go to the following:
   - Offering: Workforce Deployment
   - Functional Area: Legal Structures
   - Task: Define Legal Entities for Human Capital Management

   Expand the task to display a list of related tasks.

2. Click the **Select Scope** link for the Manage Legal Entity HCM Information task. Set the scope for this task as given in the previous task.

3. Click Go to Task for the Manage Legal Entity HCM Information task.

4. Click **Edit**, and then select **Correct**.

5. If the legal entity is an employer, complete the fields on the Legal Employer tab.
   - Select the wanted Employment Model. Canada supports all delivered employment models.

6. To submit Employment Equity information, click **Federal Legal Employer Information**.
   - Select the **NAICS Code** from the list of values for this legal entity.

7. If this entity is a payroll statutory unit, select the **Payroll Statutory Unit** tab.

8. Click **Payroll Statutory Unit Details**.

9. Enter the **Fiscal Year Start Date**, and select the **Associated Legislative Data Group**.

   You must associate the legislative data group at the PSU level.

### Defining Workers' Compensation Details

To define Workers' Compensation details:

1. Click the name of a province, say Ontario, to view and capture Workers' Compensation information.

2. Click **Add Row** to enter Workers' Compensation information.

3. Enter the **Account Number** and **Account Name** associated with the Workers' Compensation Board of the province.

4. Select the **Default Account** check box if this is the default account for the province or board.
   - Only one account per province can be set as the default.

5. Enter the **Classification Unit** and the **Classification Unit Description**.

6. Enter the workers' compensation **Rate**.
**Note:** A classification unit cannot have two different rates for the same province. If a province has two different rates, you must define two different classification units.

7. Select the **Default Rate** check box.

Only one rate can be set as the default per account.

### Defining Provincial Medical Details

To define Provincial Medical details:

1. Click **Add Row** in the Ontario Provincial Medical Account Details section, to enter the provincial medical information.

   Provincial Medical is applicable only to the four provinces of Ontario, Manitoba, Newfoundland and Labrador, and Quebec.

2. Enter the **Account Number** and **Account Name** associated with the Provincial Medical Carrier of Ontario.

3. Select the **Default Account** check box if this is the default account for the province or the carrier.

   Only one account per province can be set as the default.

4. Enter the **Starting Annual Payroll** and **Ending Annual Payroll** dates.

5. Enter the provincial medical **Rate**.

   For the province of Quebec we capture only the rate. The account number and name are not required for Quebec as the provincial medical account number is the Quebec Identification Number (QIN). The payment range details are read-only, with the Starting Annual Payroll set to 0 and the Ending Annual Payroll set to 999,999,999,999.99. The value you enter in the Rate field is used to calculate the employer liability.

6. Click **Submit**.

### Legal Reporting Units

### Defining Legal Reporting Units: Procedure

This topic demonstrates how you can define and set up a legal reporting unit (LRU) for Canada.

To define an LRU for HCM, you must:

- Create an LRU
- Define the LRU registrations
- Define the LRU HCM information

### Prerequisites

Before you define an LRU, you must:

- Define a Canadian legal entity to which this LRU belongs.
- Define a legal address for the LRU you are about to define.
- Define the required jurisdictions for the LRU you are about to define.
Creating a Legal Reporting Unit

1. In the Setup and Maintenance work area, search for the Define Legal Reporting Units for Human Capital Management task. Expand the entry to display a list of related tasks.
2. Click the Select Scope link for the Define Legal Reporting Units for Human Capital Management task.
3. On the Select Scope window, select the Manage Legal Reporting Unit and select Create New in the Legal Reporting Unit field.
4. Click Apply and Go to Task.

An LRU with the same name as the previously created legal entity is created by default. This LRU is designated as the main legal reporting unit for the legal entity.

5. To create a second legal reporting unit for this legal entity, click Create on the Manage Legal Reporting Units page.
6. Complete the fields on the Legal Reporting Unit page, noting the following:
   a. When you select a territory, the Jurisdiction field displays the identifying jurisdiction, such as Canada Federal Tax. If you have defined additional jurisdictions, you can select one from the list.
   b. Indicate whether this is the main legal reporting unit for this legal entity.
7. Click Save and Close.

Defining Legal Reporting Unit Registrations

You must set up registration information for an LRU or a tax reporting unit (TRU) in the territory where it operates. The application automatically creates the registration with the identifying jurisdiction you select when you create a legal entity. The registrations defined at the LRU-level represent the accounts for remitting and reporting statutory deductions and year-end reporting. If the legal entity interacts with other legal authorities, you must create additional registrations as appropriate.

Before you create the registrations for the legal reporting unit you have created, you must set the scope for the tasks related to the LRU.

Note: If the scope is already set for the task, the Scope column displays the LRU name.

To set the scope and define the LRU registration:

1. Set the scope for this task as follows:
   a. In the Setup and Maintenance work area, search for the Define Legal Reporting Units for Human Capital Management task. Expand the entry to display a list of related tasks.
   b. Click the Select Scope link for the Manage Legal Reporting Unit Registrations task.
   c. On the Select Scope window, select the Manage Legal Reporting Unit and select Select and Add in the Legal Reporting Unit field.
   d. Click Apply and Go to Task.
   e. On the Select and Add: Legal Reporting Unit page, search and select the legal reporting unit you have just created and click Save and Close.

The Scope column on the task list page should now display the selected LRU as the scope for those tasks related to the LRU.

2. Select Go to Task for the Manage Legal Reporting Unit Registrations task.
3. Click Create.
4. Enter the required information on the Create Registration page, noting the following:
   a. When you select a jurisdiction, the Territory field is populated automatically. For example, if you select Quebec Provincial Tax, the territory is shown as Quebec.
   b. The Issuing Legal Authority field displays a list of all legal authorities associated with the selected jurisdiction.
The Registered Address field displays a list of all predefined legal addresses.

- Enter the Legal Entity Registration Number. For example, for the jurisdiction of Quebec Provincial Tax, enter the Quebec Identification Number assigned by Revenu Québec in the Legal Entity Registration Number field. An example of the format is 1234567890RS0001.

5. Click Save and Close.

Defining Legal Reporting Unit HCM Information
To define HCM information for the legal reporting unit you have created:

1. In the Setup and Maintenance work area, search for the Define Legal Reporting Units for Human Capital Management task. Expand the entry to display a list of related tasks. Click the Tax Reporting Unit Details tab.
2. Click the Select Scope link for the Manage Legal Reporting Unit HCM Information task. Set the scope for this task as given in the previous task.
3. Select Go to Task for the Manage Legal Reporting Unit HCM Information task.
4. On the Manage Legal Reporting Unit HCM Information: Legal Reporting Unit Classification page, select the Tax Reporting Unit check box.
5. Select the Tax Reporting Unit Details tab.
7. Select the Tax Reporting Unit Type and the Associated Legal Employer.

Note: Select the Associated Legal Employer, only if you have created additional TRUs other than the main TRU. You must associate a Legal Employer to each of the additional TRUs.

8. Select Federal Tax Reporting Unit Information. The application uses this data to generate the electronic file that is submitted to the government.
9. For both the T4 and T4A Interface Rules, indicate if the TRU is registered as a transmitter with the Canada Revenue Agency (CRA).
10. If the TRU is selected as the transmitter, enter the transmitter information.

The following table lists the field names and the respective values for defining transmitters for the T4 and T4A Interface Rules.

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Field Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transmitter TRU</td>
<td>Select Yes if the TRU is registered as a transmitter with the CRA.</td>
</tr>
<tr>
<td>Transmitter Name</td>
<td>Enter the name registered with the CRA.</td>
</tr>
<tr>
<td>Transmitter Number</td>
<td>Enter the number assigned by the CRA to report the taxes and wages. The format is MMXXXXXX, where X is a number.</td>
</tr>
<tr>
<td>Transmitter Type</td>
<td>Select the associated transmitter type from the list.</td>
</tr>
<tr>
<td>Transmitter Contact Name</td>
<td>Enter the contact name of the transmitter.</td>
</tr>
<tr>
<td>Transmitter Contact Area Code</td>
<td>Enter the contact area code of the transmitter.</td>
</tr>
<tr>
<td>Field Name</td>
<td>Field Value</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Transmitter Contact Phone Number</td>
<td>Enter the contact phone number of the transmitter. Enter only the numbers, without the dashes.</td>
</tr>
<tr>
<td>Transmitter Contact Extension Number</td>
<td>Enter the contact extension number of the transmitter.</td>
</tr>
<tr>
<td>Transmitter Contact Email</td>
<td>Enter the contact email of the transmitter.</td>
</tr>
<tr>
<td>Transmitter Secondary Contact Email</td>
<td>Enter the email for a secondary contact of the transmitter.</td>
</tr>
<tr>
<td>Language of Communication</td>
<td>Enter the language of communication of the transmitter.</td>
</tr>
<tr>
<td>Transmitter Country</td>
<td>Enter the country of the transmitter.</td>
</tr>
<tr>
<td>Transmitter Province</td>
<td>Enter the province of the transmitter.</td>
</tr>
<tr>
<td>Transmitter City</td>
<td>Enter the city of the transmitter.</td>
</tr>
<tr>
<td>Transmitter Address Line 1</td>
<td>Enter the address line 1 details of the transmitter.</td>
</tr>
<tr>
<td>Transmitter Address Line 2</td>
<td>Enter the address line 2 details of the transmitter.</td>
</tr>
<tr>
<td>Transmitter Postal Code</td>
<td>Enter the postal code of the transmitter.</td>
</tr>
<tr>
<td>Contact Name for this Return</td>
<td>Enter the contact name of the employer.</td>
</tr>
<tr>
<td>Contact Area Code</td>
<td>Enter the contact area code of the employer.</td>
</tr>
<tr>
<td>Contact Phone Number</td>
<td>Enter the contact phone number of the employer. Enter only the numbers, without spaces or dashes.</td>
</tr>
<tr>
<td>Contact Extension</td>
<td>Enter the contact extension number of the employer.</td>
</tr>
<tr>
<td>Proprietor 1 Social Insurance Number</td>
<td>Enter the Social Insurance Number of the proprietor of the business.</td>
</tr>
<tr>
<td>Proprietor 2 Social Insurance Number</td>
<td>Enter the Social Insurance Number of the second proprietor, if applicable.</td>
</tr>
</tbody>
</table>

**Note:** If this TRU is not a transmitter, select **No** in the Transmitter TRU field. Attach this TRU to a transmitter by selecting the appropriate **Transmitter Name**. Enter the Transmitter Number, the Contact information, and the Proprietor Social Insurance Number details. You needn't enter the rest of the transmitter information for this TRU.

11. Similarly select **Provincial Tax Reporting Unit Information**. This data is used to generate the electronic file that is submitted to the Quebec government.
12. For the RL-1 and RL-2 Interface Rules, indicate if the TRU is registered as a transmitter with Revenu Québec.
13. If the TRU is selected as the transmitter, enter the transmitter information.
The following table lists the field names and the respective values for defining transmitters for RL-1 and RL-2 Rules.

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Field Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transmitter TRU</td>
<td>Select Yes if the TRU is registered as a transmitter with Revenu Québec.</td>
</tr>
<tr>
<td>Transmitter Name</td>
<td>Enter the name registered with Revenu Québec.</td>
</tr>
<tr>
<td></td>
<td><strong>Note:</strong> This list contains transmitters that already exist. If the desired transmitter name is not yet available for selection, you must first create a transmitter TRU. After it is saved, you can select that name here.</td>
</tr>
<tr>
<td>Transmitter Number</td>
<td>Enter the number assigned by Revenu Québec to report the taxes and wages. The format is NPXXXXXX, where X is a number.</td>
</tr>
<tr>
<td>Transmitter Type</td>
<td>Select the associated transmitter type from the list.</td>
</tr>
<tr>
<td>Source of RL Slips Used</td>
<td>Select the source of the RL-1 or RL-2 slip used.</td>
</tr>
<tr>
<td>Computer Resource Person Name</td>
<td>Enter the contact name of the computer resource person.</td>
</tr>
<tr>
<td>Computer Resource Person Area Code</td>
<td>Enter the contact area code of the computer resource person.</td>
</tr>
<tr>
<td>Computer Resource Person Phone Number</td>
<td>Enter the contact phone number of the computer resource person. Enter only the numbers, without spaces or dashes.</td>
</tr>
<tr>
<td>Computer Resource Person Extension Number</td>
<td>Enter the contact extension number of the computer resource person.</td>
</tr>
<tr>
<td>Computer Resource Person Language</td>
<td>Select the language of communication of the computer resource person.</td>
</tr>
<tr>
<td>Accounting Resource Person Name</td>
<td>Enter the name of the accounting resource person.</td>
</tr>
<tr>
<td>Accounting Resource Person Area Code</td>
<td>Enter the area code of the accounting resource person.</td>
</tr>
<tr>
<td>Accounting Resource Person Phone Number</td>
<td>Enter the phone number of the accounting resource person. Enter only the numbers, without spaces or dashes.</td>
</tr>
<tr>
<td>Accounting Resource Person Extension Number</td>
<td>Enter the extension number of the accounting resource person.</td>
</tr>
<tr>
<td>Accounting Resource Person Language</td>
<td>Enter the language of communication of the accounting resource person.</td>
</tr>
<tr>
<td>Email of the Person Responsible for the File</td>
<td>Enter the contact email of the person responsible for the file.</td>
</tr>
</tbody>
</table>
Defining Legal Reporting Unit Contacts: Procedure

This topic demonstrates how you can define legal reporting unit (LRU) Record of Employment (ROE) contacts for ROE reporting. The Record of Employment Archive process requires the primary ROE contact details you define for the LRU. Use the Manage Legal Reporting Units for Human Capital Management task in the Setup and Maintenance work area to define an LRU contact details.

You must also select the preferred language for the ROE contact. The language you select for the ROE contact is reported in Block 20 in the ROE worksheet and the ROE interface.

Prerequisites

Before you define the LRU contact details you must:

- Define a Canadian legal entity to which this LRU belongs.
- Define a legal address for the LRU for which you are defining the contacts.
- Define an LRU for which you are defining the contacts.

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Field Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desired Language of Communication by Email</td>
<td>Enter the desired language of communication by email.</td>
</tr>
<tr>
<td>Transmitter Country</td>
<td>Enter the country of the transmitter.</td>
</tr>
<tr>
<td>Transmitter Province</td>
<td>Enter the province of the transmitter.</td>
</tr>
<tr>
<td>Transmitter City</td>
<td>Enter the city of the transmitter.</td>
</tr>
<tr>
<td>Transmitter Address Line 1</td>
<td>Enter the address line 1 details of the transmitter.</td>
</tr>
<tr>
<td>Transmitter Address Line 2</td>
<td>Enter the address line 2 details of the transmitter.</td>
</tr>
<tr>
<td>Transmitter Postal Code</td>
<td>Enter the postal code of the transmitter.</td>
</tr>
<tr>
<td>Starting RL Slip Number</td>
<td>Enter the starting RL slip number provided by Revenu Québec.</td>
</tr>
<tr>
<td>Ending RL Slip Number</td>
<td>Enter the ending RL slip number provided by Revenu Québec.</td>
</tr>
</tbody>
</table>

Note: If this TRU is not a transmitter, select No in the Transmitter TRU field. Attach this TRU to a transmitter by selecting an appropriate Transmitter Name and enter the Transmitter Number. You need not enter the transmitter information for this TRU.

14. Click Submit, Yes, OK, and then click Done.
Creating an LRU ROE Contact

To define the LRU ROE contact and select the preferred language:

1. Set the scope for this task as follows:
   a. In the Setup and Maintenance work area, search for the Manage Legal Reporting Units for Human Capital Management task. Expand the entry to display a list of related tasks.
   b. Click Select Scope for the Manage Legal Reporting Unit task.
   c. On the Selected Scope window, select Search Legal Reporting Units.
   d. Select the Legal Entity and the Legal Reporting Unit.
   e. Click Apply and Go to Task.

2. On the Manage Legal Reporting Unit page, select the LRU name row, and click Contact.

3. On the Manage Contacts page, click Create Contact.

4. Enter the Role, First Name, Last Name, and the From Date. The From Date is the first date this person became a contact.

5. In the Contact Points tab, enter the phone details of the contact person.

6. Select the Contact Roles tab, and select Record of employment contact in the Legal Role field.

    If you define multiple contacts, you must identify one as the primary. To override the ROE contact information, you must set the contact person you want to include in the archive information, as primary.

7. Select the Additional Identifiers tab on the Manage Contacts page.

8. Select Preferred Language in the Identifier Type field, and enter one of the following values:
   a. F or f for Canadian French
   b. E or e for English

9. Click Save and Close.

Correcting the ROE Contact

To change the ROE Contact, use the Contact icon on the Manage Legal Reporting Units page and select another contact.

Legal Reporting Unit Registrations: Examples

For Canada, tax registrations are done at the legal reporting unit (LRU) or tax reporting unit (TRU) level. The following examples illustrate how you can override the registration information. The registration information is set up for the parent legal entity to which the LRU or the TRU belongs.

1. Set the scope for this task as follows:
   a. In the Setup and Maintenance work area, search for the Define Legal Reporting Units for Human Capital Management task. Expand the entry to display a list of related tasks.
   b. Click the Select Scope link for the Manage Legal Reporting Units for Human Capital Management task.
   c. On the Select Scope window, select the Legal Entity and select Select and Add in the Legal Reporting Unit field.
   d. Click Apply and Go to Task.
   e. On the Select and Add: Legal Reporting Unit page, search and select the legal reporting unit and click Save and Close.

2. Select Go to Task for the Manage Legal Reporting Unit Registrations task.

3. Click Create.
4. On the Create Registration page, enter the required information as given in the examples below.

Federal Registration Setup

1. Select Canada Federal Tax as the Jurisdiction.
2. Select Registered Address from the list of values.
3. Enter the LRU name in the Registered Name field. If you have multiple LRUs, enter a name that distinguishes them in the Alternate Name field. The name you provide is the name you register with Canada Revenue Agency and it is reported as the employer name in the year end slips.
4. Enter the number under which to remit statutory deductions in the Legal Entity Registration Number field. This number is assigned by the Canada Revenue Agency. The remaining fields are optional.
5. Click Save.

Quebec Registration Setup

1. Select Quebec Provincial Tax as the Jurisdiction.
2. Select Registered Address from the list of values.
3. Enter the LRU name in the Registered Name field. If you have multiple LRUs, enter a name that distinguishes them in the Alternate Name field. The name you register with Revenu Québec is the name you enter as the alternate name. This name is reported as the employer name in the year end slips.
4. Enter the number under which to remit statutory deductions in the Legal Entity Registration Number. This number is assigned by Revenu Québec. The remaining fields are optional.
5. Click Save.

Northwest Territories Payroll Tax Registration Setup

1. Select Northwest Territories Payroll Tax as the Jurisdiction.
2. Select Registered Address from the list of values.
3. Enter the name registered with Northwest Territories Department of Finance as the company name in the Registered Name field.
4. Enter the number under which to remit the Northwest Territories Payroll Tax in the Legal Entity Registration Number. This number is assigned by Northwest Territories Department of Finance. The remaining fields are optional.
5. Click Save.

Alberta Workers' Compensation Registration Setup

1. Select Alberta Workers Compensation as the Jurisdiction.
2. Select Registered Address from the list of values.
3. Enter the name registered with the Workers' Compensation Board as the company name in the Registered Name field.
4. Enter the number under which to remit Workers' Compensation premiums in the Legal Entity Registration Number. This number is assigned by the Workers' Compensation Board. The remaining fields are optional.
5. Click Save.

Jurisdictions and Legal Authorities
Defining Quebec Legal Reporting Unit Registration Code: Worked Example

This example demonstrates how you can set up the Quebec Identification Number (QIN) as the Legal Reporting Unit Registration Code. If you operate in the province of Quebec, the Quebec Provincial Tax jurisdiction must have QIN set up as the Legal Reporting Unit Registration Code. The Quebec Provincial Tax jurisdiction is predefined in the application.

Prerequisites

1. A legislative data group is defined for Canada.
2. You have used the Load Geographies task to load the province of Quebec.
3. You have employees in the province of Quebec, and you have a valid QIN assigned to you by the Quebec government.

Setting Up the Legal Reporting Unit Registration Code

1. On the Manage Legal Jurisdictions page, select QC (territory code for Quebec) in the Territory field and click Search.
2. Select the Quebec Provincial Tax row in the search results. Complete the fields in the Edit Legal Jurisdiction page as given in the table below:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal Entity Registration Code</td>
<td>Legal Entity Registration Number</td>
</tr>
<tr>
<td>Legal Reporting Unit Registration Code</td>
<td>Quebec Identification Number</td>
</tr>
</tbody>
</table>

3. Click Save and Close.

Defining Legal Authorities: Procedure

A legal authority is a government or legal body charged with powers to make laws, levy and collect fees and taxes, and remit financial appropriations for a given jurisdiction. Use the Manage Legal Authorities task to create legal authorities.

It is optional to define legal authorities for Canada. Some examples of legal authorities that you can set up for Canada include: Canada Revenue Agency, Revenu Québec, Workplace Safety and Insurance Board, Ministry of Finance, and so on.

To define legal authorities:

1. Select Manage Legal Authorities in the implementation project task list.
2. On the Manage Legal Authorities page, click Create.
3. On the Create Legal Authority page:
   - Select the Tax Authority Type based on the type of interaction. Typically, this is set to Collecting and Reporting.
   - Add one or more addresses.
   - Add one or more legislative categories, such as the predefined Provincial Tax category. This establishes a link between the legal authority and all jurisdictions associated with the selected legislative category.
   - Click Save and Close.
Workforce Structures

Creating a Location: Procedure

The first workforce structures to define are the locations where business is conducted or which are of interest to the business. Locations store information about the physical location of a workforce structure and can be assigned to workers to define their physical work location.

Use the Manage Locations task in the Setup and Maintenance work area to create locations. You enter information about a location only once. Subsequently, when you set up other workforce structures you select the location from a list.

To create or manage locations:

1. Select Go to Task for the Manage Locations task in the implementation project task list.
2. Click Create.
3. On the Create Location page, provide the required information.
4. In the Legislative Information section, select the Census Metropolitan Area of the employee’s work location, under the Canada Employment Equity Interface Rules section. This information is used for Employment Equity reporting.
5. Select the Workers Compensation Payroll Statutory Unit and the Workers Compensation Classification Unit Override to override the default rate specified at the PSU level.
6. Select the Provincial Medical Payroll Statutory Unit and the Provincial Medical Account Override to override the default rate specified at the PSU level.
7. Click Submit.

Related Topics

• Locations

Creating a Department: Procedure

A department is a division of a business enterprise dealing with a particular area or activity. You can assign workers to departments.

Use the Manage Departments task in the implementation task list to create departments. You can set up the overrides for workers compensation and provincial medical calculations for a department.

To create departments:

1. Select Go to Task for the Manage Departments task in the implementation project task list.
2. Click Create. On the Create Department page, provide the required information.
   Every time you associate this department to another entity, such as a worker, the location you select here connects to that entity by default.
3. Select the Department Details tab. You can enter the Workers Compensation override details for this department, in the Canada Workers Compensation Department Information section.
4. Select the Workers Compensation Province Override and the Workers Compensation Classification Unit Override.
When defining overrides at the department-level, you must specify the province override first, as this presents classification units specific to that province.

5. You can enter the Provincial Medical override details for this department, in the Canada Provincial Medical Department Information section.

6. Select the **Provincial Medical Payroll Statutory Unit**, **Provincial Medical Province**, and **Provincial Medical Account Override**.

7. Click **Submit**.

## Creating a Job: Procedure

A job defines a set of roles or duties that are linked to a worker. Each enterprise should create the job codes that are suited for its organization.

Use the Manage Jobs task in the implementation project task list to create jobs.

To create a job:

1. Select **Go to Task** for the Manage Job task in the implementation project task list
2. Click **Create**.
3. On the Create Job page, provide the required information.
4. Click **Next** to enter job details.
5. Under the Canada Job Information section, select an **EEOG** and **NOC Code** for this job.

   Employment Equity Occupational Groups (EEOGs) are job categories arranged in an hierarchal fashion based on groupings of National Occupational Classification (NOC) codes created by Statistics Canada. This information is required for Employment Equity reporting.

   You can enter the Workers’ Compensation override details for this job, in the Canada Workers’ Compensation Job Information section.

6. Select the **Workers' Compensation Province Override** and **Workers' Compensation Classification Unit Override**.

   When defining overrides at the job-level, you must specify the province override first, as this presents classification units specific to that province.

7. Click **Submit**.

### Related Topics

- Jobs

### Geography Information
Viewing and Editing Geography Information: Procedure

Once you have updated your installation’s geocode information using the Load Geographies for Canada task, you can use the Manage Geographies task to view and edit the information.

Follow these steps to verify geographies:

1. In the Setup and Maintenance work area, go to the following:
   - Offering: Workforce Deployment
   - Functional Area: Canadian Payroll
   - Task: Manage Geographies

2. In the Country Name field, type Canada, and click Search.

3. Select Manage Geography Hierarchy from the Action menu. The Manage Geography table displays rows for all Canadian provinces.

4. Expand each entry to view the subordinate entries, such as the cities and postal codes.

5. Click an entry’s link to view its geocode information in read-only mode.

6. Highlight an entry’s row, and click Edit to make manual changes to its geocode information.

7. Click Save and Close when done.

Managing Geography Information: Procedure

This topic describes how you can use the Manage Geographies task in the implementation project checklist and perform the following to manage geography information for Canada:

- Define Address Style Format Mapping
- View Geocode Information
- Manually Add a Geography
- Adding Postal Codes for Post Office Box Addresses

Defining Address Style Format Mapping

HR-only and Payroll implementations must update the Geography Mapping fields for the following formats:

- Canadian Postal Address Format
- Canadian Tax Address Format

HR-only implementations with no address validation must select the Canadian Postal Address Format. All other implementations must use the Canadian Tax Address Format.

To set your geography validation:

1. Select Go to Task for the Manage Geographies task in the implementation project checklist.

2. On the Manage Geographies page, enter CA in the Country Code field and click Search to view the predefined Canadian geography setup.

3. Select Manage Geography Validation from the Actions menu.

4. Select Canadian Postal Address Format in the Address Style Format field.

5. In the Geography Mapping and Validation section, select or deselect the Enable List of Values check box as appropriate for each geography type.
Note: Tax and geography validations are not used by Oracle Fusion HCM applications, so do not use the Tax Validation and Geography Validation check boxes. You can also ignore the fields in the Geography Validation Control section.

6. Verify the information and make any necessary changes, then click **Save and Close**.

You can repeat the process for the Canadian Tax Address Format.

**Viewing Geocode Information**

A geocode is a nine-digit numeric code used to identify specific legal jurisdictions accurately. Vertex assigns a geocode to all Canadian provinces and territories and all Canadian cities with a population of over 250.

To view the geocode for a particular geography:

1. Select **Go to Task** for the Manage Geographies task in the implementation project checklist.
2. On the Manage Geographies page, enter CA in the **Country Code** field and click **Search** to view the predefined Canadian geography setup.
3. Select **Manage Geography Hierarchy** from the Actions menu.
4. Expand a province folder to view the details of the province.
5. Double-click the appropriate geography name to see the tax geography code.

**Manually Adding a Geography**

You may have to manually update your geography information, in rare cases where your geography data is inaccurate or outdated.

Note: Oracle recommends that you first try to resolve the issue by running the Load Geographies for Canada process.

The following example shows how to add the city of Calgary in the province of Alberta (AB). Similarly you can add any other geography data, for example, postal codes.

To manually update a geography:

1. Select **Go to Task** for the Manage Geographies task in the implementation project checklist.
2. On the Manage Geographies page, enter CA in the **Country Code** field and click **Search** to view the predefined Canadian geography setup.
3. Select **Manage Geography Hierarchy** from the Actions menu.
4. Expand the AB province folder to view the list of cities. You notice that Calgary is not in the list.
5. Select the AB city row in the hierarchy, and click **Create**.
6. In the Primary and Alternative Names section of the Create City page, click **Create**.
7. Enter the information as given below.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Calgary</td>
</tr>
<tr>
<td>Data Provider</td>
<td>User entered</td>
</tr>
<tr>
<td>Language</td>
<td>American English</td>
</tr>
</tbody>
</table>
8. Click **Save**.
9. In the Primary and Alternative Codes section of the Create City page, click **Create**.
10. Enter the information as given below.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Code</td>
<td>Enter the geocode for the city.</td>
</tr>
</tbody>
</table>

*Note:* The geocode you provide must be unique within the province.

<table>
<thead>
<tr>
<th>Data Provider</th>
<th>User entered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Language</td>
<td>American English</td>
</tr>
<tr>
<td>Code Type</td>
<td>Select Tax geography code</td>
</tr>
</tbody>
</table>

11. Click **Save and Close**.

### Adding Postal Codes for Post Office Box Addresses

Add postal codes for employees who chose to use post office box addresses instead of a civic address.

To add a postal code:

1. Select **Go to Task** for the Manage Geographies task in the implementation project checklist.
2. On the Manage Geographies page, enter CA in the **Country Code** field and click **Search** to view the predefined Canadian geography setup.
3. Click the **Hierarchy Defined** tab.
4. Select a province and a city to add the postal code to and click **Create**.
5. Enter the postal code under the Primary and Alternate Names section.
6. Click **Save** or **Save and Close**.

The postal code is now available for selection.

### Changing Primary Display of Province Names: Procedure

This topic describes how you can change the primary display of province name in the user interfaces where province field is displayed. You can change the primary display to the full province name instead of the two-character province abbreviation.

Use the Manage Geographies task in the implementation project checklist to display the full name of province in the following:

- Employee home address
- Employee work address
- Province of employment on the employee tax card
- Statement of Earnings
- Balance view
- Payroll run results
To change the primary display of province name:

1. Select **Go to Task** for the Manage Geographies task in the implementation project checklist.
2. On the Manage Geographies page, enter CA in the **Country Code** field and click **Search** to view the predefined Canadian geography setup.
3. Select **Manage Geography Hierarchy** from the Actions menu.
4. Select a province code row and select **Action** and then **Edit**.
   
   By default the Primary field is selected to display the province abbreviation.
5. In the Primary and Alternative Names section, select the row with the province name and select **Actions** and then **Set Primary**.
6. Click **Save and Close**.

Similarly, repeat the above procedure to display the full name for each province.

---

**Tax Information**

**Viewing Payroll Tax Information: Procedure**

After you update your payroll tax information using the Load Payroll Tax Information for Canada task, you can view that information through the Manage Calculation Value Definitions task.

Using this task, you can view the following:

- Federal Basic Personal Amount
- Provincial Basic Personal Amount
- Employment Insurance (EI) Employee Federal Contribution Rate
- EI Employee Quebec Contribution Rate
- EI Maximum Annual Insurable Earnings
- Quebec Parental Insurance Plan (QPIP) Employee Contribution Rate
- QPIP Maximum Annual Insurable Earnings
- Canada Pension Plan (CPP) Contribution Rate
- CPP Maximum Annual Pensionable Earnings
- CPP Basic Exemption
- Quebec Pension Plan (QPP) Contribution Rate
- QPP Maximum Annual Pensionable Earnings
- QPP Basic Exemption

**Viewing Basic Personal Amount Information**

To view the basic personal amount information:

1. From the Payroll Calculation work area, start the Manage **Calculation Value Definitions** task.
2. In the Name field, enter the name of a province, for example Quebec.
3. Select a Canadian legislative data group (LDG) and enter the **Effective As-of Date**.
4. Click **Search**. The federal and provincial basic exemption amounts for Quebec are displayed.
5. Click a link to view its detailed information.
Viewing CPP Information
To view the CPP information:

1. From the Payroll Calculation work area, start the Manage Calculation Value Definitions task.
2. Enter Federal Tax. in the Value Definition Group field.
3. Select a Canadian LDG and enter the Effective As-of Date.
4. Click Search. The Canada Pension Plan Basic Exemption, Canada Pension Plan Maximum Annual Pensionable Earnings, and Canada Pension Plan Contribution Rate are displayed.
5. Click a link to view its detailed information.

Follow the same procedure to view similar information for EI, QPIP, and QPP.

Using Vertex Data File to Update Tax Information: Worked Example
In order for your installation to run the payroll application successfully for Canada, you must process the Vertex qfpt.dat data file to create an Indexed Sequential Access Method (ISAM) database. Vertex publishes and delivers this data file on a monthly basis to its customers, so you must perform the database update regularly.

Note: For SaaS customers, Oracle updates the files for them. The On-Demand and On-premise customers update the files themselves.

You can perform this operation in a Windows or UNIX environment.

Generating the Vertex ISAM Database for Windows
1. Set the $VERTEX_TOP environmental variable in the environment.properties file.
2. Copy the files in $VERTEX_TOP/utils and $VERTEX_TOP/lib into a local directory.
   Perform this step only after applying an Oracle update that includes a new version of Vertex.
3. Execute cbmaint.exe from the Vertex local directory.
4. Select Create Database.
5. Select Payroll Tax Database.
6. Type the directory path where you want to create the ISAM database ($VERTEX_TOP/data).
7. Execute vprtmupd.exe to populate the ISAM database files.
8. Select Update Payroll Tax Database.
9. Enter the directory path where the Vertex data file qfpt.dat is located.
10. Enter the directory location you chose for your ISAM database (step 6).
11. Copy all files of the newly created ISAM database into $VERTEX_TOP/data.

Generating the Vertex ISAM Database for UNIX
1. Set the environmental variable for shared libraries to $VERTEX_TOP/lib. This varies according to your UNIX operating system as given in the table below:

<table>
<thead>
<tr>
<th>Operating System</th>
<th>System Environmental Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIX</td>
<td>LIBPATH</td>
</tr>
<tr>
<td>HP-UX 11.11</td>
<td>SHLIB_PATH</td>
</tr>
<tr>
<td>All Others</td>
<td>LD_LIBRARY_PATH</td>
</tr>
</tbody>
</table>

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2. Execute `cbmaint.exe` from `$VERTEX_TOP/utils`.
3. Select **Create Database**.
4. Select **Payroll Tax Database**.
5. Type the directory path where you want to create the ISAM database ($VERTEX_TOP/data).
6. Run `vptmupd.exe` to populate the ISAM database files.
7. Select **Update Payroll Tax Database**.
8. Enter the directory path where the Vertex data file `qfpt.dat` is located.
9. Enter the directory location you chose for your ISAM database (step 5).
10. Copy all files of the newly created ISAM database to `$VERTEX_TOP/data`.

**Troubleshooting Vertex and Tax Issues**

Payroll implementations must run the Load Geographies for Canada and the Load Payroll Tax Information for Canada processes as part of the initial setup for the implementation project. Once the files are installed, all customers must run the required processes, on a monthly basis, to update their geography data, tax data, or both.

**Troubleshooting Vertex Issues**
The table below lists the likely issues with Vertex and their solutions.

<table>
<thead>
<tr>
<th>Problem</th>
<th>Solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invalid Address Data</td>
<td>Is the combination you are trying to enter valid? Confirm it on canadapost.ca. If valid, contact help desk. When entering an address, it is good practice to enter the Postal Code first. The application automatically populates other fields based on the Vertex data.</td>
</tr>
<tr>
<td>You do not have a Canada Payroll license and do not want address validation</td>
<td>Switch the license to ‘Human Resources or None’, and run the Load Geographies for Canada task again. If you have never run the process, you need not run it. Setting the license to HR-only should be sufficient.</td>
</tr>
</tbody>
</table>
| Error during Vertex file load (does not apply to SaaS customers) | If the database contains information with data integrity issues, you receive an error.  
  - Do not copy over an existing database.  
  - When installing a new data file, remove the existing ISAM database and install the new database in an empty directory.  
  - Do not load an older version of the file.       |

When installing a new data file, remove the existing ISAM database and install the new database in an empty directory.

**Troubleshooting Tax Issues**
The table below lists the likely issues when uploading and using the tax information and their solutions.

<table>
<thead>
<tr>
<th>Problem</th>
<th>Solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Errors during payroll calculation</td>
<td>Confirm that a tax reporting unit (TRU) is properly associated with the employee’s tax card.</td>
</tr>
<tr>
<td>Problem</td>
<td>Solution</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Error during payroll calculation that a geography code is missing or</td>
<td>Edit the federal tax card component on the employee’s tax card. Ensure the province and primary work address are populated correctly. These fields are populated by default once the tax card association is created. If the work location is missing for the employee’s assignment, these fields are not populated by default when the tax card association is created. You must then define these fields.</td>
</tr>
<tr>
<td>primary work address is missing</td>
<td></td>
</tr>
<tr>
<td>Periodic Archiver does not archive any Canada balances</td>
<td>Check that the Canada Federal Tax registration exists for the TRU.</td>
</tr>
<tr>
<td>Payroll run produces inaccurate tax calculations</td>
<td>1. Verify the following for the affected employee:</td>
</tr>
<tr>
<td></td>
<td>• They have a Tax Credit Information calculation card.</td>
</tr>
<tr>
<td></td>
<td>• It is associated with a TRU.</td>
</tr>
<tr>
<td></td>
<td>• Their tax and exempt information is correct.</td>
</tr>
<tr>
<td></td>
<td>2. Verify the federal and provincial wage basis rules.</td>
</tr>
</tbody>
</table>
8 Set Up Payroll Fundamentals

Payroll Business Definitions

Overview

An integral part of the payroll setup is defining payroll business definitions. Use the Define Payroll Business Definitions task in the Define Payroll tasks list to create lookups, value sets, and descriptive flexfields that you need to support payroll.

Lookups

Lookups are lists of values in applications. Use lookups to provide validation or a list of values for a user input field in a user interface. You define a list of values as a lookup type consisting of a set of lookup codes, each code’s translated meaning, and optionally a tag. The tags control which countries can have access to the lookup codes being defined. End users see the list of translated meanings as the available values for an object.

The following table contains an example of a lookup type for highest education level (PER_HIGHEST_EDUCATION_LEVEL) for Canada that has lookup codes for users to specify the education level of an employee.

<table>
<thead>
<tr>
<th>Lookup Code</th>
<th>Meaning</th>
<th>Tag</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA10</td>
<td>High school graduate</td>
<td>+CA</td>
</tr>
<tr>
<td>CA20</td>
<td>Associate graduate</td>
<td>+CA</td>
</tr>
<tr>
<td>CA30</td>
<td>Bachelor’s degree</td>
<td>+CA</td>
</tr>
<tr>
<td>CA40</td>
<td>Master’s degree</td>
<td>+CA</td>
</tr>
<tr>
<td>CA50</td>
<td>Doctoral degree</td>
<td>+CA</td>
</tr>
<tr>
<td>CA60</td>
<td>College diploma or certificate</td>
<td>+CA</td>
</tr>
<tr>
<td>CA70</td>
<td>CEGEP</td>
<td>+CA</td>
</tr>
<tr>
<td>CA80</td>
<td>Other education level</td>
<td>+CA</td>
</tr>
</tbody>
</table>

When managing lookups, you need to understand the following.

- Using lookups in applications
- Configurable levels
- Accessing lookups
- Enabling lookups
- The three kinds of lookups: standard, common, and set enabled
Descriptive Flexfields

Use descriptive flexfields to add customer-defined attributes to business object entities, and define validation for them.

All the business object entities that you can use in the application are enabled for descriptive flexfields. However, configuring descriptive flexfields is an optional task.

Configuring descriptive flexfields involves managing the available flexfields registered with your Oracle Applications Cloud database and configuring their flexfield-level properties, defining and managing descriptive flexfield contexts, and configuring global and context-sensitive segments.

Extensible Flexfields

Extensible flexfields are like descriptive flexfields, with some additional features.

Unlike descriptive flexfields, the columns corresponding to extensible flexfields segments are part of specific tables, separate from the base application table. Unlike descriptive flexfield contexts, the set of attributes in an extensible flexfield context remains constant and doesn’t differ by context value.

An extensible flexfield describes an application entity, with the run time ability to expand the database that implementation consultants can use to define the data structure that appears in the application.

Extensible flexfields support one-to-many relationships between the entity and the modified attribute rows.

To get a list of predefined extensible flexfields, open the Setup and Maintenance work area, and use the Manage Extensible Flexfields task.

The following aspects are important in understanding extensible flexfields:

- Usages
- Categories
- Pages
- Security
- Protected Extensible Flexfield Data

Value Sets

A value set is a group of valid values that you assign to a flexfield segment to control the values that are stored for business object attributes.

An end user enters a value for an attribute of a business object while using the application. The flexfield validates the value against the set of valid values that you configured as a value set and assigned to the segment.

For example, you can define a required format, such as a five digit number, or a list of valid values, such as green, red, and blue.

Related Topics

- Validation Type Options for Value Sets
- How Flexfields and Value Sets Work Together
- Considerations for Managing Descriptive Flexfields
- Overview of Extensible Flexfields
- Overview of Lookups
Profile Options

Creating and Editing Profile Options: Procedure

Use profile options to manage user preferences and control the general function of applications. For example, you can control user preferences involving language, date, time, currency, and other similar general settings.

You can create a profile option and also determine the level at which that profile option takes effect. You can also define the profile values for the profile option. The profile values appear on the Manage Administrator Profile Values page when you select the profile option.

For example, use the Create DIR Card profile option parameter to enable or disable the automatic update of the province of employment. Set the value of the parameter to CA_HRSYNC, to automatically update the province of employment on employee’s tax card.

Creating a Profile Option

1. In the Setup and Maintenance work area, go to the Manage Profile Options task.
2. On the page, click Actions > New.
3. On the Create Profile Option page, fill all the fields with relevant details with specific attention to the following:
   - Use the SQL Validation field to provide an SQL statement that displays the permissible profile values to be used. Using an SQL statement, you can select the values from another table and display them as a list of values.
     For example, to display the values Yes and No from a lookup table, you can use the following SQL statement:
     ```sql
     select MEANING, LOOKUP_CODE from FND_LOOKUPS where LOOKUP_TYPE='YES_NO'
     ```
     As a result, on the Manage Administrator Profile Values page, the profile values Yes and No are available for selection for that profile option.
   - You can specify a date range to keep the profile option active during that period. Beyond the specified duration, the profile option automatically becomes inactive. If you no longer require the profile option, you must manually delete it from the Manage Profile Options page.
4. Click Save and Close.
5. On the Manage Profile Options page, search for the newly created profile option and from the results, select it.
6. In the Profile Option Levels section, do the following:
   - In Enabled, select the levels at which you want to enable the profile option.  
     ✏️ Note: You can enable a profile option at multiple levels, but a higher-level profile value overrides a lower-level value. Therefore, enable them only at the required levels.
   - In Updatable, select the profile level at which you want implementors to have update privileges. Leave the check box deselected if you don’t want the implementors to modify the profile values (they appear in read-only mode).
7. Click Save and Close.

To edit a profile option that you created, search for it and edit the necessary details.
Note: While creating and editing profile options and profile categories, you can translate the details to the preferred languages without changing the language session of the application. To specify the translations in all the enabled language rows, use the Translation Editor option. Once the updates are made, users can view the translated text for the specific details.

Related Topics
- Hierarchy in Profile Levels
- Set Profile Option Values
- Enter or Edit Translated Text

Pay Frequency

Pay Frequency Components: How They Work Together

Pay frequency components together provide the flexibility to implement complex time-related objects used in payroll definitions, payroll processes, and payroll tasks that use start and end dates. This topic explains how the following pay frequency components work together to provide payroll functionality for your organization. Each of the following components requires its own setup and implementation:

- Consolidation Groups
- Payroll Definitions
- Time Definitions
- Run Types

Consolidation Groups

Use consolidation groups to process the results from more than one payroll run in a single action or process the results for one payroll in separate actions. With consolidation groups, you produce one set of results per payment method for several payrolls, one set of reports, and one set of costing results. For example, you may submit a regular payroll run and a supplementary payroll run for the same payroll period. If the regular run and supplementary run both belong to the same consolidation group, use a single consolidation group to process all the results for the post-run processing. Optionally, you can enter a different consolidation group for the supplementary payroll run and use it to process the post-run results for the supplementary payroll separately from the regular payroll.

Payroll Definitions

Payroll definitions are essential to your payroll implementation because they indicate the payment frequency and processing schedule. Payroll definitions associate employees with the payroll run through payroll relationships.

Time Definitions

Time definitions can be static periods of unusual length based on a given static date, or they can create dates based on dynamic variables. You can specify dynamic variables for a time span, a retrieval date, or a more complex definition type to use with a user-defined date. The application uses time definitions in many areas, including payroll periods, payroll employment management, balance dimensions, retroactive and proration events, element start and end dates, and overtime periods.
Run Types
Run types control the elements and payment types to process in a payroll run. Two predefined run types, Regular and Supplemental, group the other run types and determine their processing sequence. The predefined Regular and Supplemental run types include the two component run types described in this table.

<table>
<thead>
<tr>
<th>Run Type Component</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process Separately</td>
<td>Generates a separate payroll calculation for each element entry marked to process separately.</td>
</tr>
<tr>
<td></td>
<td>After processing separate processes:</td>
</tr>
<tr>
<td></td>
<td>• Includes element run results with normal payroll run results in a single payment.</td>
</tr>
<tr>
<td></td>
<td>• Excludes element run results in regular tax calculation on the normal run, for example, to use supplemental tax rates.</td>
</tr>
<tr>
<td>Separate Payment</td>
<td>Creates a separate payment for each element entry marked to pay separately.</td>
</tr>
</tbody>
</table>

For each of the component run types, you can specify payment methods that override the default payment methods for the payroll definition. You can also select the element classifications processed by runs of this type, and exclude specific elements from these classifications.

Statutory and Earning Periods
When you create a payroll definition, you generate a payroll earnings calendar based on the first period end date. The calendar assigns each payroll period a period name that includes the period number. The statutory tax year must coincide with the dates generated for the earnings calendar. The statutory calendar ensures that the payroll run uses the correct period for taxation purposes.

Statutory frequencies are defined in months and weeks and map to the payroll definition frequencies. For example, a biweekly calendar is based on a weekly statutory calendar. A quarterly payroll calendar is based on a monthly statutory calendar. Typically, countries that support semimonthly payroll periods don’t use statutory periods.

When you submit a payroll calculation, such as a QuickPay process, you select a payroll period. The calculation uses the process date for the selected payroll period to identify the statutory period. The process date is the payroll run date on the payroll definition.

You can view period numbers and start and end dates on the Person Process Results page and statement of earnings.

FAQs for Pay Frequency

When would I close a payroll period?

Closing a payroll period can prevent changes to recurring entries. Payroll periods aren’t like General Ledger periods. Closing payroll periods is not necessary.
Why can't I find my organization payment method when creating other payroll objects?

When updating an object’s organization payment method, the effective start date of the organization payment method must be on or before the effective date of the change. For example, to create a payroll definition effective on 4/1/2012 with a default organization payment method, the organization payment method must have an effective start date on or before 4/1/2012. You can only select an organization payment method that has an effective start date on or before the date you are creating or updating the object.

Consolidation Groups

Overview

A consolidation group enables you to process the results of more than one payroll runs in a single action. It is a grouping of payroll runs within the same period for the same payroll. You can produce one set of results, one set of reports, and one set of costing groups. These are runs you make in addition to your regular payroll runs. For example, you can use a consolidation group to make supplemental payments to a group of employees who left the organization.

You can specify a default consolidation group for each payroll definition.

Use the Manage Consolidation Groups task in the Payroll Calculation work area to create consolidation groups.

To create a consolidation group:

1. Select the Manage Consolidation Groups task in the Payroll Calculation work area.
2. On the Manage Consolidation Groups page, click Add Row.
3. Enter a Name and select a Legislative Data Group. Adding the Description is optional, but it is useful to provide.
4. Click Save.

Examples of Consolidation Group Usage

You create consolidation groups by selecting the Manage Consolidation Groups task from the Payroll Calculation work area. The following scenarios provide examples of how you can use consolidation groups.

Post-Run Processing

Consolidation groups facilitate separating payroll run results for supplemental processing. For most payroll post-run processing, you can use the consolidation group as an input parameter. You may want the results of a supplemental payroll run to be kept separately from those of the regular payroll process that was already performed. To use a consolidation group to keep supplemental run results separate from the regular payroll runs:

1. Create a new consolidation group used to label the supplemental payroll run.
2. Initiate the supplemental payroll run, specifying the new consolidation group as an input parameter.
Separate Costing and Payment

You can use multiple consolidation groups to control processing. For example, you want to process and pay a particular set of employees separately within a single payroll to keep separate records of payment and costing.

To process employees separately:

1. Create a new consolidation group to specify when running the Calculate Payroll process.
2. Create payroll relationship groups that restrict the employees.
   
   You can use rules to identify them dynamically or you can specify the employees by their payroll relationship numbers.
3. Run the Calculate Payroll process for each payroll relationship group separately. Specify the original consolidation group in the first run and the new consolidation group in the next run.

Reporting

You can use consolidation groups for reporting purposes. For example, you may want to run the Payroll Activity Report for a subset of payrolls.

To process the report for a subset of payrolls:

1. Create a consolidation group to specify the payrolls for which you want to run the report.
2. Run the Payroll Activity Report, specifying the new consolidation group.

Payroll Definitions

Overview

Payroll definitions contain calendar and offset information, which determines when to calculate and cost payments. Use the Manage Payroll Definitions task in the Payroll Calculation work area to specify payment frequency, processing schedule, and other parameters for a particular payroll. Payroll period types, such as weekly or monthly, determine the interval at which you pay employees.

Create at least one payroll definition for each payroll period type that you use to pay employees. For example, to pay employees semimonthly, create a payroll definition using the semimonthly payroll period type, ensuring that tax calculations and other calculations produce correct results for those employees.

Creating Payroll Definitions

When you create a payroll definition, the application generates the complete payroll schedule based on the payroll period type, any offsets or calendar adjustments, and the number of years that you specify. Each payroll in the schedule is assigned a unique name. After you have saved a payroll definition, you can assign employees to it on the Manage Payroll Relationships page. A common scenario for creating a payroll definition is to replace one that is expired or end-dated.

Each payroll must belong to a consolidation group, which the application requires for processing purposes. Before you can create a payroll definition, the legislative data group and the consolidation group to use for it must already exist.
Modifying Payroll Definitions

When you modify a payroll definition, the application adjusts the payroll schedule based on the values you have modified. A common scenario for modifying an existing payroll definition is to increase the number of years and generate more payroll time periods that configure the payroll calendar.

Note: You can configure the payroll calendar by increments of ten or fewer years.

The names of the payrolls in the payroll schedule are unique. You can edit the generated payroll names, but you must ensure they are unique within the payroll definition.

Related Topics
- Creating Payroll Definitions: Worked Example

Managing Payroll Definitions: Points to Consider

When you create or modify payroll definitions, the application generates a calendar of payroll periods based on your selections. The choices you make for the following values determine the resulting schedule of payroll periods:

- Effective start date
- First period end date
- Number of years
- Offsets
- Changes to specific dates

Effective Start Date

The effective start date is the first date that the payroll definition is available for employee data. The start date must be on or before the earliest date of any historical data that you want to load. For example, for a payroll starting on 01-JAN-2013 with five years of historical payroll data to load, you set the start date of the payroll definition to 01-JAN-2008.

The effective start date does not affect the generated calendar of payroll periods. The start date for the first payroll period is based on the first period end date.

First Period End Date

The first period end date is the end date of the first payroll period that the application generates for a payroll definition. The first period end date is typically based on the date of implementation, tax year, benefits enrollments, or a particular payment cycle. For example, if your weekly payroll work week is Saturday through Friday, and your first payment date is on 06-JAN-2012, you could use 30-DEC-2011 as your first period end date.

Number of Years

The number of years you enter represents how many years of time periods to generate starting from the beginning of the first payroll period, which is determined by the first period end date. This table shows an example for a semimonthly payroll definition.

<table>
<thead>
<tr>
<th>Effective Start Date</th>
<th>First Period End Date</th>
<th>Number of Years</th>
<th>Generated Time Periods</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-JAN-2014</td>
<td>15-JUN-2014</td>
<td>5</td>
<td>01-JUN-2014 to 31-MAY-2018</td>
</tr>
</tbody>
</table>
Once you save a payroll definition, you can later only increase but not reduce its number of years because a calendar of time periods for the payroll was already generated.

**Note:** The application generates the calendar of payroll periods in increments of ten or fewer years. For example, if you want a 12-year calendar of payroll periods, you first enter 10 years and submit your changes. Then you edit the payroll definition setting the number of years to 12.

**Offsets**

Depending on the payroll period type, you can elect for your payroll cycle events to occur on specific dates, or to have the application calculate dates based on offsets from period start or end dates.

This table describes the predefined payroll cycle events that you can offset.

<table>
<thead>
<tr>
<th>Date</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cutoff Date</td>
<td>Final date that payroll information can be entered for the payroll period.</td>
</tr>
<tr>
<td>Payslip Availability Date</td>
<td>Date on which payees can view payslips.</td>
</tr>
<tr>
<td>Payroll Run Date</td>
<td>Date used by payroll calculation processes to retrieve effective values such as employee details. The process date, if provided when submitting a payroll process, overrides this value. This date should be the same as the Date Paid date.</td>
</tr>
<tr>
<td>Date Earned</td>
<td>Date on which the application processes element entries for the payroll run. The date earned must be within the effective dates of the payroll period.</td>
</tr>
<tr>
<td>Date Paid</td>
<td>Date the employee is marked as paid. This should be the same as the Payroll Run Date. For cheque payments, this is the date that the cheque is valid for cash or deposit. For Direct Deposit payments, it is the transfer date.</td>
</tr>
</tbody>
</table>

**Dynamic Offsets**

When creating a payroll definition, you can use dynamic offsets for payroll cycle events. All of the predefined payroll time periods you can use support dynamically generated dates for offsets. Using dynamic offsets, you can offset each payroll cycle event by a specified number days before or after the start or end date, as shown in this table.

<table>
<thead>
<tr>
<th>Offset Day Types</th>
<th>Offset Value</th>
<th>Base Date Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of work days</td>
<td>Before</td>
<td>Period Start Date</td>
</tr>
<tr>
<td>Number of calendar days</td>
<td>After</td>
<td>Period End Date</td>
</tr>
</tbody>
</table>

For example, you might want to set the cutoff date three work days before the payroll end date. This offset accommodates differences in the number of days in the payroll period and also accounts for weekends and holidays.

**Fixed-Date Offsets**

The predefined Monthly (Calendar) payroll time period supports using both dynamic offsets and fixed-date offsets. Using fixed dates, you can adjust the exact date of each of the payroll cycle events for the first payroll period. Any adjustments that you
make are reflected in the payroll calendar for subsequent payroll time periods. For example, if you set the cutoff date as the 25th of the month, then all payroll periods in the calendar will have those offsets.

**Specific Date Adjustments**

Once you generate the payroll time periods, you can further adjust any specific calendar dates, as needed. For example, if you know of a particular bank holiday that falls on a payment date, you might want to adjust the dates manually on the payroll calendar’s time period. You can make these adjustments when creating a payroll definition or any time after then, as long as the time period is in the future. Adjust the dates of an existing time definition on the Time Periods tab on the Manage Payroll Definitions page.

**Creating a Payroll Definition: Worked Example**

This example demonstrates how to create a payroll definition for the purpose of assigning a payment method to an employee. The employee is associated with one consolidation group and one legislative data group. The payment is for a semimonthly payment frequency.

**Prerequisites**

1. Ensure that the legislative data group for your payrolls exists, for example, CA LDG.
2. Ensure that organization payment methods exist for your payrolls, for example, Canadian Cheque.
3. Create a consolidation group assigned to CA LDG, for example, CA LDG Employee Group.

**Creating the Payroll Definition**

To create a payroll definition:

1. In the Payroll Calculation work area, click **Manage Payroll Definitions**.
2. In the Search Results section of the Manage Payroll Definitions page, click **Create**.
3. Select the **Legislative Data Group** for this payroll definition, for example CA LDG.
4. Enter 1/1/11 as the **Effective As-of Date**. This is the start date that the payroll is available for use. Click **Continue**.

In this example, your company hires all employees after the effective start date of this payroll definition, so there is no issue with loading historical employee data.

5. In the Basic Details section, complete the fields as shown in the following table. Note the following while completing the information:
   - You must select an existing consolidation group.
   - To enter a valid payment method, click **Add Row** in the Valid Payment Methods section, and add one or more organization payment methods that are valid for this payroll. You can select any organization payment method defined for the LDG that is linked to this payroll definition.
   - Default Payment Method is the payment method that is used if no Personal Payment Method is entered. The Default Payment Method you can select is the payment type of either cheque or cash.

<table>
<thead>
<tr>
<th>Field</th>
<th>Semimonthly Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>CA LDG Employee Semimonthly</td>
</tr>
<tr>
<td>Reporting Name</td>
<td>CA LDG Semimonthly</td>
</tr>
<tr>
<td>Consolidation Group</td>
<td>CA LDG Employee Group</td>
</tr>
<tr>
<td>Field</td>
<td>Semimonthly Value</td>
</tr>
<tr>
<td>------------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Period Type</td>
<td>Semimonthly</td>
</tr>
<tr>
<td>Ledger</td>
<td>Select a Ledger appropriate for this payment.</td>
</tr>
<tr>
<td>First Period End Date</td>
<td>8/12/14</td>
</tr>
<tr>
<td>Effective Start Date</td>
<td>8/31/15</td>
</tr>
<tr>
<td>Default Payment Method</td>
<td>Canadian Cheque</td>
</tr>
</tbody>
</table>

6. Click **Next**.
7. On the Payroll Offsets page, in the **Number of Years** field, enter **5**.

**Note:** The application generates the calendar of payroll periods in increments of 10 or fewer years. For example, if you want a 12-year calendar of payroll periods, you first enter 10 years and submit your changes. Then you edit the payroll definition, setting the number of years to 12.

8. For the semimonthly payroll, use dynamic variables to define offsets as shown in this table, and then click **Next**.

<table>
<thead>
<tr>
<th>Field</th>
<th>Falls Value</th>
<th>Day Type Value</th>
<th>Offset Value</th>
<th>Base Date Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cutoff Date</td>
<td>5</td>
<td>Work Days</td>
<td>Before</td>
<td>Period End Date</td>
</tr>
<tr>
<td>Payroll Run Date</td>
<td>3</td>
<td>Work Days</td>
<td>Before</td>
<td>Period End Date</td>
</tr>
</tbody>
</table>

9. On the Payroll Calendar page, adjust payroll days to account for a bank holiday, as shown in this table.

<table>
<thead>
<tr>
<th>Column</th>
<th>Semimonthly Value</th>
<th>Monthly Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Run Date</td>
<td>Old Value: 11/28/13</td>
<td>Old Value: 5/27/13</td>
</tr>
</tbody>
</table>

10. Click **Next**.
11. Review the details of the payroll definition, and then click **Submit**.

**Time Card Required Option: Critical Choices**

If a worker’s pay calculations depend upon the worker submitting time cards, you must indicate that a time card is required at the appropriate employment level. Select the Time Card Required check box for each assignment level that the requirement applies. Don’t select the Time Card Required check box for these scenarios:

- A salaried employee completes project time cards for billing purposes, but isn’t paid based upon those time entries
- An hourly employee is normally paid based on a predefined work schedule and only submits a time card for overtime or when absent
Selecting the Time Card Required Option

Your role determines where typically you select the Time Card Required check box:

- HR specialists can select the check box on the Employment Information page of the new hire flow.
- Payroll managers and payroll administrators can select the Manage Payroll Relationship task in the Payroll Calculations or Payroll Administration work areas. The Payment Details section of the Manage Person Details page includes the Time Card Required check box on the Assignment sections.

The following table shows which hours the payroll calculation uses for elements with a calculation rule of hours multiplied by rate.

<table>
<thead>
<tr>
<th>Time Card Required</th>
<th>Hours Used in Calculations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Time card entries</td>
</tr>
<tr>
<td>No</td>
<td>Work schedule, unless you enter hours as element entries</td>
</tr>
</tbody>
</table>

Related Topics

- Creating Elements for Time Card Entries: Procedure
- Processing Time Entries in Payroll: Explained

Time Definitions

Using Time Definitions for Severance Pay: Example

The following example illustrates how to set up a user-defined time definition and associate it with elements so that payroll administrators can extend the latest entry date for severance payments to employees.

Scenario

The InFusion Corporation makes severance payments, including regular salary, and car allowance. For most terminated employees, these payments should end on the termination date. However, payroll administrators must be able to make payments for employees who receive severance pay.

Element Duration Dates

When you create an element, you select the latest entry date. The options are predefined time definitions: last standard earnings date, last standard process date, or final close date. Typically, standard earnings elements use the last standard earnings date. However, this option doesn’t support severance payments because you can’t have a last standard earnings date that is beyond the termination date.

Analysis

To support severance payments, InFusion creates a user-defined time definition based on last standard earnings date and selects it as the latest entry date for payments after termination. On the payroll relationship record of terminated employees,
the value of the user-defined time definition is the termination date by default, but payroll administrators can edit it to make payments for certain employees.

**Resulting Setup**

To implement a user-defined time definition for this scenario, InFusion must complete the following setup during implementation:

1. Using the Manage Time Definitions task, create a time definition.

   This table lists field names and their respective values for creating a user-defined time definition.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>User-defined date</td>
</tr>
<tr>
<td>Name</td>
<td>Last Earnings or Severance Date</td>
</tr>
<tr>
<td>Short Name</td>
<td>LastEarnSevDate</td>
</tr>
<tr>
<td>User-Defined Date</td>
<td>Last Standard Earnings Date</td>
</tr>
<tr>
<td>User-Defined Date Usages</td>
<td>Assigned payroll end date</td>
</tr>
<tr>
<td></td>
<td>Element entry end date</td>
</tr>
<tr>
<td></td>
<td>Payroll assignment end date</td>
</tr>
<tr>
<td></td>
<td>Payroll relationship end date</td>
</tr>
<tr>
<td></td>
<td>Payroll term end date</td>
</tr>
</tbody>
</table>

   This creates a time definition based on the last standard earnings date.

2. Using the Manage Elements task, create the Regular Salary, Car Allowance, and Alimony elements.

3. In the Durations area, select **Last Earnings or Severance Date** as the latest entry date for the element.

To extend the payment date for a terminated employee, the payroll administrator then performs the following steps:

1. Using the Manage Payroll Relationship task, search for and select the terminated employee.

2. In the Payroll Details area, select the assignment.

3. In the Element Duration Dates area, in the row for the Last Earnings or Severance Date time definition, change the End Date value to the desired final entry date for payments.

   For example, add 6 months of severance pay for an employee who was terminated effective 20 November 2012. Change the End Date value of the Last Earnings or Severance Date time definition to 21 May 2013.

   The employee’s element entries for the Regular Salary, Car Allowance, and Alimony elements end on this date.

**Related Topics**

- Element Duration Dates in Payroll: Explained
- Defining Payroll Elements for Payroll Interface: Worked Example
User Defined Tables

Example to Create a User-Defined Table for Matched Row Values:

User-defined tables store a date effective list of values that you can use in a formula. Set up your own structured tables to hold data such as wage codes or shift differentials. In this example, you create a user-defined table to store values for workers’ schedules. To create a new table, use the Manage User-Defined Tables task in the Payroll Calculation work area.

Scenario

Your organization works on a 10 hour a day, four day a week rotating schedule. The employees work for four consecutive days, 10 hours a day.

User-Defined Table Components

These are the main components of the user-defined table.

- Basic details
- Columns
- Rows
- Values

Analysis

As this figure shows, the user-defined table contains the schedules available in your organization.
Resulting User-Defined Table Components

This table shows the resulting user-defined table components for this scenario.

<table>
<thead>
<tr>
<th>Component</th>
<th>In This Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Details</td>
<td>The Unit of measure is a text since the row values are Days of the Week. The row title is Days of the Week.</td>
</tr>
<tr>
<td>Rows</td>
<td>Contain the name of a day of the week.</td>
</tr>
<tr>
<td>Columns</td>
<td>These are the schedules, such as Monday - Thursday. The data type for each column is number because they hold a number of hours.</td>
</tr>
<tr>
<td>Values</td>
<td>Represent the number of hours to work each day in each schedule.</td>
</tr>
</tbody>
</table>

Related Topics

- User Table Validation Formula Type

Example to Create a User-Defined Table for a Range of Row Values

Use the Manage User-Defined Tables task in the Payroll Calculation work area to create a user-defined table to store values for stock option allocations.

Scenario

Each year, your organization offers stock options to its employees. The amount of options depends on years of service and job category of the employee receiving them.

User-Defined Table Components

The main components of the user-defined table are the definition, columns, rows, and values.

- Basic details
- Columns
- Rows
- Values
Analysis
As this image shows, the user-defined table contains stock option allocations by job category and years of service.

Resulting User-Defined Table Components
This table shows the resulting user-defined table components for this scenario.

<table>
<thead>
<tr>
<th>Component</th>
<th>In This Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Details</td>
<td>The unit of measure is a number since the row values are years. The row title is <strong>Years of Service</strong>.</td>
</tr>
<tr>
<td>Rows</td>
<td>Represent a range of years of service during which employees receive the same number of stock options.</td>
</tr>
<tr>
<td>Columns</td>
<td>Represent job categories and the data type of each column is number because they hold a number of stock options.</td>
</tr>
<tr>
<td>Values</td>
<td>Represent the number of stock options awarded to the specified job category during the specified years of service.</td>
</tr>
</tbody>
</table>

Related Topics
- User Table Validation Formula Type
# Set Up Fast Formulas

## Using Formulas

### Overview

Fast formulas are generic expressions of calculations or comparisons that you want to repeat with different input variables. Each formula usage summarized in this topic corresponds to one or more formula types, requiring specific formula inputs and outputs. You can use the Manage Fast Formulas task in the Setup and Maintenance work area, or work areas relevant to the formula type, such as Payroll Calculation.

> **Note:** Requirements for specific formula inputs and outputs are explained in separate chapters of the Oracle Global HR Cloud: Using Fast Formula guide.

### Calculate Payrolls

You can write payroll calculations and skip rules for elements to represent earnings and deductions.

With fast formulas you can:

- Associate more than one payroll formula with each element to perform different processing for employee assignments with different statuses.
- Define elements and formulas for earnings and deductions with highly complex calculations requiring multiple calls to the database.
- Associate a skip rule formula with an element to define the circumstances in which it’s processed.
- Configure the predefined proration formula to control how payroll runs prorate element entries when they encounter an event, such as a mid-period change in an element entry value.

### Validate Element Inputs or User-Defined Tables

Use lookups or maximum and minimum values to validate user entries.

For more complex validations you can write a formula to check the entry. You can also use a formula to validate entries in user tables.

### Edit the Rules for Populating Work Relationship or Payroll Relationship Groups

You can define criteria to dynamically populate a payroll relationship group or work relationship group.

When you create a payroll relationship group or work relationship group formula type, you can choose to use an expression editor or a text editor. The expression editor makes it easy to build criteria to define the group. For more complex conditions, such as validations, you can select the text editor.
Example of Writing a Fast Formula Using Formula Text

This example demonstrates how to create a fast formula using the text editor to return the range of scheduled hours for managers and a different range for other workers.

Before you create your formula, you may want to determine the following:

<table>
<thead>
<tr>
<th>Decisions to Consider</th>
<th>In This Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is the formula for a specific legislative data group?</td>
<td>No, this is a global formula that can be used by any legislative data group.</td>
</tr>
<tr>
<td>What is the formula type for this formula?</td>
<td>Range of Scheduled Hours</td>
</tr>
<tr>
<td>Are there any contexts used in this formula?</td>
<td>No</td>
</tr>
<tr>
<td>Are there any database item defaults?</td>
<td>Yes, ASG_JOB</td>
</tr>
<tr>
<td>Are there any input value defaults?</td>
<td>No</td>
</tr>
<tr>
<td>What are the return values?</td>
<td>MIN_HOURS, MAX_HOURS, FREQUENCY</td>
</tr>
</tbody>
</table>

Creating a Fast Formula Using the Text Editor to Determine a Manager’s Scheduled Hours

1. In the Setup and Maintenance work area, go to the following:
   Offering: Workforce Deployment
   Functional Area: Payroll
   Task: Manage Fast Formulas
2. Click Go to Task.
3. On the Manage Fast Formula page, click the Create icon to create a new formula.
4. On the Create Fast Formula page, complete the fields as shown in this table.

<table>
<thead>
<tr>
<th>Fields for the Fast Formula</th>
<th>Values for the Fast Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formula Name</td>
<td>Manager Range of Scheduled Hours</td>
</tr>
<tr>
<td>Formula Type</td>
<td>Range of Scheduled Hours</td>
</tr>
<tr>
<td>Description</td>
<td>Manager’s Range of Hours</td>
</tr>
<tr>
<td>Effective Start Date</td>
<td>1-Jan-2010</td>
</tr>
</tbody>
</table>

5. Click Continue.
6. Enter the following formula details in the Formula Text section:

```/* DATABASE ITEM DEFAULTS BEGIN */
DEFAULT FOR asg_job IS ' ' 
/* DATABASE ITEM DEFAULTS END */
JOB_1 = ASG_JOB
IF JOB_1 = 'Manager' then
(MIN_HOURS = 25
MAX_HOURS = 40
FREQUENCY = 'H')
else
(MIN_HOURS = 20
MAX_HOURS = 35
FREQUENCY = 'H')
return MIN_HOURS, MAX_HOURS, FREQUENCY```

7. Click Compile.

8. Click Save.

Related Topics
- Overview of Using Formula Components
- Formula Operators

Example of Writing a Fast Formula Using Expression Editor

This example demonstrates how to create a fast formula that groups executive workers for reporting and processing. All executive workers are in department EXECT_10000. Once the formula is created, it will be added to the object group parameters so that only those workers in department EXECT_10000 are used in processing.

Before you create your formula, you may want to determine the following:

<table>
<thead>
<tr>
<th>Decisions to Consider</th>
<th>In This Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is the formula for a specific legislative data group?</td>
<td>Yes, InVision</td>
</tr>
<tr>
<td>What is the formula type for this formula?</td>
<td>Payroll Relationship Group</td>
</tr>
</tbody>
</table>

Creating a Fast Formula Using the Expression Editor

1. On the Payroll Calculation Tasks page, click Manage Fast Formulas to open the Manage Fast Formulas page.
2. On the Manage Fast Formula page, click the Create icon to create a new formula.
3. On the Create Fast Formula page, complete the fields as shown in this table.

<table>
<thead>
<tr>
<th>Fields for Fast Formula</th>
<th>Values for Fast Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formula Name</td>
<td>Executive Payroll Relationship Group</td>
</tr>
<tr>
<td>Type</td>
<td>Payroll Relationship Group</td>
</tr>
<tr>
<td>Description</td>
<td>Executive Workers</td>
</tr>
<tr>
<td>Legislative Data Group</td>
<td>Vision LDG</td>
</tr>
</tbody>
</table>
Fields for Fast Formula | Values for Fast Formula
--- | ---
Effective As-of Date | 1-Jan-2010
Type of Editor | Expression Builder

Note: For more complex conditions to create a group, you can select Text. However, once you save the formula, you can’t change the type of editor.

4. Click **Continue**.
5. In the Formula Details section, click **Add After** to add a row to enter the fields in this table.

<table>
<thead>
<tr>
<th>Conjunction</th>
<th>Database Item Name</th>
<th>Data Type</th>
<th>Operand</th>
<th>Literal Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>None applicable</td>
<td>DEPARTMENT</td>
<td>Character</td>
<td>=</td>
<td>‘EXECT_10000’</td>
</tr>
<tr>
<td>And</td>
<td>SELECT_EMP</td>
<td>Character</td>
<td>=</td>
<td>‘YES’</td>
</tr>
</tbody>
</table>

6. Click **Compile**.
7. Click **Save**.

Related Topics
- Formula Operators

### Formula Errors

#### Formula Compilation Errors

Compilation errors display in the Manage Fast Formulas page after you compile the formula. The compiler aborts the compilation process when it encounters an error. Error messages display the line number and type of error encountered.

### Common Compilation Errors

This table lists the type and description of several common formula compilation errors.

<table>
<thead>
<tr>
<th>Formula Error Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Syntax Error</td>
<td>The formula text violates the grammatical rules for the formula language. An example is using IF1 instead of IF for an IF statement.</td>
</tr>
<tr>
<td>Incorrect Statement Order</td>
<td>ALIAS, DEFAULT, or INPUT statements come after other statements.</td>
</tr>
<tr>
<td>Misuse of ASSIGNMENT Statement</td>
<td>Occurs when any of these conditions exist:</td>
</tr>
</tbody>
</table>

- An ASSIGNMENT assigns a value to a database item.
Formula Error Type | Description
--- | ---
| • A context is assigned a value externally to a `CHANGE_CONTEXTS` statement. • The formula assigns a value to a non-context variable within a `CHANGE_CONTEXTS` statement. | CHANGE_CONTEXTS statements can be used in a formula.
| Misuse of ALIAS Statement | You can only use an ALIAS statement for a database item.
| Missing DEFAULT Statement | A database item that specifies defaulting must have a DEFAULT statement.
| Misuse of DEFAULT Statement | A DEFAULT statement is specified for a variable other than an input or database item.
| Uninitialized Variable | The compiler detects that a variable is uninitialized when used. The compiler can’t do this in all cases. This error often occurs when the formula includes a database item that requires contexts that the formula type doesn’t support. The formula treats the database item as a local variable. For example, balance database items require the PAYROLL_REL_ACTION_ID PAYROLL_ASSIGNMENT_ID and CALC_BREAKDOWN_ID contexts. Generally you can only use them in formulas of type Oracle Payroll.
| Missing Function Call | The compiler does not recognize a function call. The combination of return type, function name, and parameter types does not match any available function.
| Incorrect Operator Usage | An instance of a formula operator use doesn’t match the permitted uses of that operator.
For example, the + operator has two permitted uses. The operands are both of data type NUMBER, or both of data type TEXT.
| Inconsistent Data Type Usage | The formula uses a formula variable of more than one data type. Or the formula uses a database item or context with the wrong data type.
For example, Variable A is assigned a NUMBER value at the start of the formula, but is assigned a TEXT value later in the formula.
| EXIT Statement Not Within WHILE Loop | A condition that eventually becomes false or an EXIT call for exiting the loop doesn’t exist.
| Misuse of Context | The formula uses a variable as a context, or a context as a variable.
For example, a formula assigns a value to AREA1 as an ordinary variable, but later uses AREA1 as a context in a GET_CONTEXT call.

**Formula Execution Errors**

Fast formula execution errors occur when a problem arises while a formula is running. The usual cause is a data problem, either in the formula or in the application database.

**Formula Execution Errors**

This table lists the type and description of each formula execution error.
<table>
<thead>
<tr>
<th>Formula Error Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uninitialized Variable</td>
<td>Where the formula compiler can’t fully determine if a variable or context is initialized, it generates code to test if the variable is initialized.</td>
</tr>
<tr>
<td></td>
<td>When the formula executes, this code displays an error if the variable or context isn’t initialized.</td>
</tr>
<tr>
<td>Divide by Zero</td>
<td>Raised when a numeric value is divided by zero.</td>
</tr>
<tr>
<td>No Data Found</td>
<td>Raised when a non-array type database item unexpectedly fails to return any data. If the database item can’t return data, then it should provide a default value.</td>
</tr>
<tr>
<td></td>
<td>You can do this by creating a default statement. An error in formula function code can also cause this error message.</td>
</tr>
<tr>
<td>Too Many Rows</td>
<td>Raised when a non-array type database item unexpectedly returns more than a single row of data. The cause is an incorrect assumption made about how the data is being accessed.</td>
</tr>
<tr>
<td></td>
<td>An error in the formula function code can also cause this error message.</td>
</tr>
<tr>
<td>NULL Data Found</td>
<td>Raised when a database item unexpectedly returns a NULL data value. If the database item can return a NULL value, then it provides a default value.</td>
</tr>
<tr>
<td></td>
<td><strong>Note:</strong> Some database items can’t return a NULL value. If it can, then you can provide a default value for that database item.</td>
</tr>
<tr>
<td>Value Exceeded Allowable Range</td>
<td>Raised for a variety of reasons, such as exceeding the maximum allowable length of a string.</td>
</tr>
<tr>
<td>Invalid Number</td>
<td>Raised when a formula attempts to convert a nonnumeric string to a number.</td>
</tr>
<tr>
<td>User Defined Function Error</td>
<td>Raised from within a formula function. The error message text is provided as part of the formula error message.</td>
</tr>
<tr>
<td>External Function Call Error</td>
<td>A formula function returned an error, but didn’t provide any additional information to the formula code. The function might have sent error information to the logging destination for the executing code.</td>
</tr>
<tr>
<td>Function Returned NULL Value</td>
<td>A formula function returned a NULL value.</td>
</tr>
<tr>
<td>Too Many Iterations</td>
<td>A single WHILE loop, or a combination of WHILE loops, has exceeded the maximum number of permitted iterations. The error is raised to terminate loops that can never end. This indicates a programming error within the formula.</td>
</tr>
<tr>
<td>Array Data Value Not Set</td>
<td>The formula attempted to access an array index that has no data value. This error occurs in the formula code.</td>
</tr>
<tr>
<td>Invalid Type Parameter for WSA_EXISTS</td>
<td>An invalid data type was specified in the WSA_EXISTS call.</td>
</tr>
<tr>
<td>Incorrect Data Type For Stored Item</td>
<td>When retrieving an item using WSA_GET, the actual data type doesn’t match that of the stored item. This error occurs within the calling formula.</td>
</tr>
</tbody>
</table>
###_formula Error Type_ | _Description_
--- | ---
Called Formula Not Found | The called formula couldn’t be resolved when attempting to call a formula from a formula. This issue could be due to an error in the calling formula, or because of installation issues.
Recursive Formula Call | An attempt was made to call a formula from itself. The call could be made directly or indirectly from another called formula. Recursive formula calling isn’t permitted.
Input Data Has Different Types in Called and Calling Formulas | When calling a formula from a formula, the input data type within the called formula doesn’t match the data type specified from the calling formula.
Output Has Different Types in Called and Calling Formulas | When calling a formula from a formula, the output data type within the called formula doesn’t match the data type specified from the calling formula.
Too Many Formula Calls | When a formula calls another formula in its text so it becomes a hierarchy. The maximum depth of the hierarchy is 10.

### FAQs for Fast Formulas

**When do I run the Compile Formula process?**

When you create or update multiple fast formulas at the same time, run the Compile Formula process on the Submit a Process or Report page from the Payroll Administration work area.

**What's the difference between a formula compilation error and an execution error?**

Compilation errors occur on the Manage Fast Formulas page when you compile the formula. An error message explains the nature of the error. Common compilation errors are syntax errors resulting from typing mistakes. You can view error messages on the dashboard or go to the messages tab directly after the process is run.

Execution errors occur when a problem arises while a formula is running. The usual cause is a data problem, either in the formula or in the application database.
10 Set Up Balances

Balance Definitions

Payroll Balance Definitions

Payroll balances show the accumulation of values over a period of time. Payroll processes, such as Calculate Payroll and Calculate Gross Earnings, update the balance values. The values can be an amount, hours, or any other numeric value. You manage balance definitions in the Payroll Calculation work area.

Most of the balances you require are predefined, and depending on your country extension, the application creates additional balances automatically when you create elements. You can edit the definition of these generated balances, or create additional balances for calculations or reporting.

Important aspects of balance definitions are:

- Balance Categories
- Balance Dimensions
- Balance Feeds
- Balance Groups
- Units of Measure
- Generated Balances and Database Items
- Base Balances
- Remuneration

Balance Categories

When creating a new balance in the implementation phase, you must associate it to one of the predefined categories.

Units of Measure

The predefined units of measure available for selection are Day, Hour (with different combinations of minutes and seconds), Integer, Money, and Number. The unit of measure of the balance must match the unit of measure of the element input values that feed it.

Generated Balances and Database Items

The element template creates a primary feed to a new balance when you create:

- An earnings element in a legislative data group that uses the Payroll Interface country extension
- Any element in a legislative data group that uses the Payroll country extension

You select the type of configuration on the Manage Features by Country or Territory page.

The element template also creates a database item for each balance dimension. You can use the database items in your formulas or HCM extracts to use the value of a balance.
Base Balances

You can specify a base balance when there is a dependent relationship between balances for processing and reporting. For example, Loan Repayment could be the base balance for Loan Repayment Arrears.

Remuneration

Only one balance in each legislative data group is predefined as the remuneration balance. This balance generates payments for employees. For example, the remuneration balance might be Net Pay. This calculated balance is the sum of standard earnings and supplemental earnings minus all the deductions calculated for the run.

Balance Types and Balance Dimensions

A Balance is composed of a balance type and a balance dimension. Each payroll balance can have multiple dimensions. Balance dimensions are predefined and typically combine these components:

- A period of time, such as run, period to date, month to date, and so on
- A level such as a payroll relationship or payroll assignment
- A context such as tax reporting unit (TRU), element, statutory reporting type, or payroll

This is required for some balances only.

For example, a balance titled Assignment Tax Unit Year to Date indicates its value is for a given employee's assignment within a particular TRU, for the year to date time period.

The following types of balances are predefined in the application for Canada:

- Tax Balances
- Element Balances

Select a province to view the balances for a province. If an employee has balances for multiple provinces, the balances for all provinces combined are displayed if no context is selected for the province.

Tax Balances

Tax balances display the Current, Month to Date, Quarter to Date, and Year to Date values at the payroll relationship, payroll statutory unit (PSU), TRU, and assignment levels. You can view the balances on the View Person Process Results page for an employee, by the following:

- You can view both the federal or provincial balances.
- You can view employee or employer balances. The default values displayed are employee values.

Element Balances

Element balances display Current, Month to Date, Quarter to Date, and Year to Date values at the payroll relationship, PSU, TRU, or assignment levels. You can view the balances on the View Person Process Results page by the following:

Select the classification of the elements for which you want to view the balances. If you do not select a classification, balances for all the elements classifications are displayed.
Balance Categories

Each balance definition has a predefined balance category for quicker processing. Balance categories are a way of grouping balances so that you can set group attributes. Balance categories are predefined, and you cannot create your own balance categories. You can however, create your own localized version of the balance categories you want to use.

When creating a new balance in the implementation phase, you must associate it to one of the predefined categories. You cannot add or modify the balance categories in the implementation phase.

The following balance categories are predefined in the application for Canada:

- Absences
- Nonpayroll Payments
- Standard Earnings
- Employer Liabilities
- Employer Taxes
- Hours
- Information
- Involuntary Deductions
- Voluntary Deductions
- Miscellaneous
- Supplemental Earnings
- Employee Tax Deductions
- Taxable Benefits
- Pretax Deductions
- Total Deductions
- Total Nonpayroll Payments
- Total Employer Liabilities
- Total Employer Taxes
- Total Involuntary Deductions
- Total Payments
- Total Pretax Deductions
- Total Supplemental Earnings
- Total Tax Deductions
- Total Taxable Benefits
- Total Voluntary Deductions
- Total Standard Earnings
Balance Contexts

Contexts are a means of restricting the run results that are included in a balance value and are specified as part of the dimension. The secondary classifications associated with the primary classifications of earnings and deductions are associated with one of the following year-end reporting types:

- T4_RL1
- T4A_RL1
- T4A_RL2

The reporting type associated with an element’s secondary classification determines how that element is used in the payroll calculation and how it’s reported at the end of the year. These reporting types are captured on the secondary classification. The statutory reporting types are defined by default for the secondary classifications that are predefined in the payroll application. However, when you create a secondary classification, you must manually create the association to the reporting type.

For the purposes of balance initialization, statutory reporting type is one of the components of the dimension. You can use the Context columns in the Data Loader spreadsheet to define this attribute as follows:

- Context One = Year End Forms
- Context One Value = [Lookup Code]

The Lookup Codes are defined as T4_RL1, T4A_RL1, or T4A_RL2.

Balance Feeds

Balance feeds define the source of the payroll calculation results that contribute to a balance. The source could be input values of specific elements or the entire element classification. For example, the pay values of all earnings types contribute to the Gross Pay balance. The feeds can add to (+) or subtract from (-) a balance. The sign of a feed is independent of the sign of the result that feeds the balance. For example, deductions feed Net Pay with a negative feed. However, if an excess deduction of $100 is returned, the deduction result itself is -$100 and will effectively increase Net Pay by $100.

Balance Feeds by Element

Balance feeds by element indicate one or more element input values to add or subtract from a balance. For each balance feed, all input values must use the same unit of measure. For example, you wouldn’t mix money and hours in the same balance feed.

Each element and input value can be the primary feed for one balance only. When you create an element, the element template creates this balance and feed automatically.

Balance Feeds by Classification

Balance feeds defined by primary or secondary element classification use the input value that has the special purpose of **Primary Output Value**. The unit of measure of this input value must match the unit of measure of the balance.

If you add a primary classification as a balance feed, you can’t add its children from the secondary classifications. For example, if you use the Supplemental Earnings primary classification as a balance feed, you can’t also use any other children of Supplemental Earnings. Also, you can’t use the secondary classifications in the same balance feed.
Balance Feeds for Initial Balance Loading
You can select elements in the Balance Initialization classification to feed a balance for initialization purposes only. Select one element for each level of the employment hierarchy associated with a dimension that you want to initialize.

Balance Feeds for Year-End Processing
Before you start the end-of-year processing, you must review the balances required for year-end reporting to generate the year end slips. If required, perform balance adjustments and configure balance feeds. You must manually configure feeds for some of the balances reported on the year-end slips.

Balances in Net-to-Gross Calculations: Points to Consider
You determine which deduction balances the net-to-gross process uses to calculate the gross amount from the desired net amount for an earnings element. You set the default values through the Manage Balance Definitions task. You can also fine-tune which of the enabled balances are included for a specific net-to-gross earnings element.

Enabling Inclusion in Net-to-Gross Calculations
The Manage Balance Definitions task shows which dimensions are enabled for inclusion in net-to-gross calculations. It also shows which of the enabled dimensions are included by default for each new net-to-gross earnings element.

Excluding Balances from a Specific Net-to-Gross Earnings Element
If a balance is enabled but not included, you can still use it in the processing of a specific net-to-gross earnings element. To do so, you add the balance using the Manage Elements task. You can also use this task to exclude balances that are included by default.

Related Topics
- Net-to-Gross Earnings: How They’re Calculated
- Creating a Net-to-Gross Earnings Element: Worked Example

Generating Run Balances
The payroll calculation process generates run results and values for all balances. Creating or updating balance definitions and balance feeds can impact balance calculations and stored balance values for run balance dimensions.

When stored balance dimensions are no longer accurate, the Run Balance Status column on the Manage Balance Definitions task displays the status of the balance dimensions as invalid. Reports and processes continue to obtain accurate values from the summed run results, but summing run results can slow performance.

To improve performance and accuracy, recalculate the invalid balance values for saved run balance dimensions by submitting the Generate Run Balances process from the Payroll Checklist or Payroll Calculation work areas.

This topic covers:
- Submitting the Generate Run Balances process
- Using Generating Run Balances Examples
Submitting the Generate Run Balances Process
Submit the process before you submit the payroll run or after you create or update these tasks:

- Balance definition using the Manage Balances task, for example to add balance feeds or new balance dimensions
- Balance feeds to an element using the Manage Elements task

When you submit the process, you specify parameters that control which balances to generate as shown in the following table.

<table>
<thead>
<tr>
<th>Flow Submission Parameters</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balances to Include</td>
<td>Identifies the set of balances to include when submitting the process:</td>
</tr>
<tr>
<td></td>
<td>• All balances</td>
</tr>
<tr>
<td></td>
<td>• All invalid balances</td>
</tr>
<tr>
<td></td>
<td>• Single balance</td>
</tr>
</tbody>
</table>

**Note:** If you select a single balance, you must specify both a balance and a dimension name.

<table>
<thead>
<tr>
<th>Balance Name</th>
<th>Lists balance names marked as run balances when a single balance is selected.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dimension Name</td>
<td>Lists run dimensions when a single balance is selected. The list is filtered again when the balance name is selected.</td>
</tr>
</tbody>
</table>

Using Generating Run Balances Examples
There are different ways you can use generate run balances to improve performance and accuracy in your payroll system.

- **Updating a balance feed effective date**
  
  Your enterprise stops the transportation allowance element as of January 1. This ends the balance feeds between the element input value and the related balances, such as gross-to-net. It also sets the status of the balance values for completed payroll runs to invalid. You submit the Generate Run Balance process to recalculate the balance values and set the status to valid.

- **Adding a new balance feed**

  You receive notification January 31 that a non-taxable earning became taxable as of January 1. You add a balance feed to the earnings element so that the input value feeds a taxable pay balance. You submit the Generate Run Balances process and recalculate the balance values for the taxable pay balance.

Balance Groups and Usages
Balance Group Usages

For predefined balance group usages, you can add matrix items to the group and associate them with existing balance groups for use in reports, archives, and views. While you can't modify existing usages that are predefined, you can modify matrix items that are user-defined.

You can include balance dimensions for multiple time periods in your balance group usage, such as the current payroll run, month-to-date, or year-to-date.

Balance Group Usages make it easier to display balance values by allowing you to select a Balance Group Usage that the Balance Group is associated with. Additionally, you can sequence balances using Balance Group Usages in order to display in a certain sequence, which may not necessarily be a standard sort sequence.

The Balance Group Usages applicable for Canada are:

- Deductions
- Element Results
- End of Year Archive
- Payroll Archive
- Statement of Earnings
- Tax
- Earnings

Here are some examples of typical balance group usages using the predefined report types, including the different kinds of balance dimensions that may be used.

*Note:* The report type is the owner of the balance group usage. A usage can have only one report type.

<table>
<thead>
<tr>
<th>Report Type</th>
<th>Balance Dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Archive</td>
<td>Archive of current and year-to-date tax code balances for area 1</td>
</tr>
<tr>
<td>Deductions</td>
<td>Balances for involuntary, pretax, voluntary, and tax deductions</td>
</tr>
<tr>
<td>Element Results</td>
<td>Direct payments tax balances at the assignment and relationship levels</td>
</tr>
<tr>
<td>End of Year Archive</td>
<td>Payroll Relationship level balances</td>
</tr>
<tr>
<td>Statement of Earnings</td>
<td>Federal and provincial deductions for the current payroll period and year-to-date</td>
</tr>
</tbody>
</table>

Balance Group Usages: Examples

For predefined balance group usages, you can add matrix items to the group and associate them with existing balance groups for use in reports, archives, and views. While you can't modify existing usages that are predefined, you can modify matrix items that are user-defined.
You can include balance dimensions for multiple time periods in your balance group usage, such as the current payroll run, month to date, or year to date.

**Note:** The report type is the owner of the balance group usage. A usage can have only one report type.

<table>
<thead>
<tr>
<th>Report Type</th>
<th>Balance Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Archive</td>
<td>Archive of current and year-to-date city tax code balances for areas 1</td>
</tr>
<tr>
<td>Global Balance Views</td>
<td>Earnings default balances for the Balance Views page</td>
</tr>
<tr>
<td>Global Deduction</td>
<td>Balances for involuntary, pre-statutory, social insurance, and tax deductions</td>
</tr>
<tr>
<td>Global Element Results</td>
<td>Direct payments tax balances at the assignment, term and relationship levels</td>
</tr>
<tr>
<td>Global End of Year Archive</td>
<td>Payroll Relationship level balances</td>
</tr>
<tr>
<td>Global Payroll Activity Report</td>
<td>Earnings balances at the payroll relationship level for the current payroll period and year-to-date</td>
</tr>
<tr>
<td>Global Payroll Run Result Report</td>
<td>Balances for all earnings at the assignment, term and relationship levels</td>
</tr>
<tr>
<td>Global Statutory Deductions Report</td>
<td>All tax deduction balances for the current period and year-to-date</td>
</tr>
<tr>
<td>Global Gross to Net</td>
<td>Direct payment balances for a group tax unit for the current period and year-to-date</td>
</tr>
<tr>
<td>Statement of Earnings</td>
<td>Pretax deductions for the current payroll period and year-to-date</td>
</tr>
</tbody>
</table>

### Scenario

### Rules for Editing Balance Groups and Their Usages

The limitations on the changes you can make to balance groups and usages are different for predefined and user-defined groups.

#### Balance Group Rules

This table explains the actions you can take for both predefined and user-defined balance groups.

<table>
<thead>
<tr>
<th>Action</th>
<th>Predefined Balance Group</th>
<th>User-Defined Balance Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create balance group</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Edit balance group</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Action</td>
<td>Predefined Balance Group</td>
<td>User-Defined Balance Group</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>--------------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>Delete balance group</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Add balance definitions</td>
<td>No, unless the Add button in the table menu is enabled</td>
<td>Yes</td>
</tr>
<tr>
<td>Remove balance definitions</td>
<td>No, unless the balance definitions are added by the user.</td>
<td>Yes</td>
</tr>
<tr>
<td>Add restrictions</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Edit restrictions</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Delete restrictions</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Edit the balance group level</td>
<td>No</td>
<td>Yes, if the group contains no balance definitions, default inclusions or dimension restrictions.</td>
</tr>
<tr>
<td>Add default inclusions</td>
<td>No, unless the Add button in the table menu is enabled</td>
<td>Yes</td>
</tr>
<tr>
<td>Edit default inclusions</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Delete default inclusions</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**Balance Groups Usage Rules**

The only change you can make to a predefined balance group usage is to add matrix items.

For a user-defined usage, you can:

- Edit or delete the usage
- Edit the usage details
- Add or delete matrix items
- Create, edit, or delete sorting definitions

⚠️ **Caution:** You can’t change the format type of a usage after you save it. Additionally, you can’t change the sort method unless you delete the existing sort items.

**Create Balance Groups and Usages**

This example demonstrates how to create a balance group and balance group usage for a user-defined report of voluntary deductions.
Prerequisite
If you are creating a user-defined report, create a lookup code for the report in the PAY_BALANCE_REPORT_TYPE lookup.

1. In the Setup and Maintenance work area, go to the following:
   Offering: Workforce Deployment
   Functional Area: Payroll
   Task: Manage Common Lookups
2. Search for and select the PAY_BALANCE_REPORT_TYPE lookup type.
3. Add the lookup code, meaning, and description for the user-defined report in the Lookup Codes section.

Creating a Balance Group
1. In the Payroll Calculation work area, select Manage Balance Groups.
2. Click Create to open the Create Balance Group dialog box.
3. Select a legislative data group and enter a name for the balance group.
4. Click Continue.
   The Balance Group Details page displays.
5. Select Employee as the balance group level.
6. Click Save.
7. Select the Balance Definitions folder under the Balance Group Overview list.
8. Click Select and Add.
9. In the Select and Add: Balance Definitions dialog box, enter the following values.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dimension Name</td>
<td>Relationship Run</td>
</tr>
<tr>
<td>Category</td>
<td>Voluntary Deductions</td>
</tr>
</tbody>
</table>

10. Click Search.
11. In the Results section, select the balance definitions that you want to add and then click OK.

   Tip: You can select multiple balance definitions in the Select and Add window. Hold down the Shift key to select a group of consecutive balance definitions. To select individual balance definitions hold down the Control key and select the balance definitions that you want to add to the balance group. Click Apply and keep the dialog window open to add the query to search the selected balance definitions. Click OK to add the selected balance definitions and close the dialog window.

12. Click Submit.
13. Click Done.

Create a Balance Group Usage
1. In the Payroll Calculation work area, select Manage Balance Group Usages.
2. Click Create.
3. In the Create Balance Group Usage dialog box, complete the fields as shown in this table.
Set Up Balances

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative data group</td>
<td>Enter the same LDG as the balance group for which you are creating the usage.</td>
</tr>
<tr>
<td>Name</td>
<td>Employee voluntary deduction run balances</td>
</tr>
<tr>
<td>Balance Group</td>
<td>The group you created in the previous task</td>
</tr>
<tr>
<td>Format Type</td>
<td>Table</td>
</tr>
</tbody>
</table>

4. Click **Continue**.

You are returned to the Balance Group Usage Details page.

5. Select the report type (this was the report type that you added as a lookup code to the PAY_BALANCE_REPORT_TYPE lookup).

6. Click **Save**.

7. Select the **Sorting** folder under Balance Group Usage Overview list.

8. From the Actions drop down list on the right, select **Create**.

9. Complete the fields as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Any</td>
</tr>
<tr>
<td>Sort Method</td>
<td>Name</td>
</tr>
<tr>
<td>Sort By</td>
<td>Balance Type</td>
</tr>
<tr>
<td>Order</td>
<td>Ascending</td>
</tr>
</tbody>
</table>

10. Click **Save**.

11. Click **Done**.

**FAQs for Balances**

**Can I calculate balances that go back 12 months?**

Yes. You can use certain balance dimensions to calculate balances based on a 12-month period rolling back from the effective date. The 12-month rolling balance provides a sum total for the balance dimension that you select. If the balance dimension is used in a payroll run or report, however, it calculates a balance based on the 12-month period prior to the effective date of the run.

For example, let's say you wanted to retrieve balances for an employee for 12 months. If the effective date is 31-AUG-2015, you can then use a balance dimension to summarize all run results for the period from 01-SEP-2014 to 31-AUG-2015.
What balance dimensions can I use to calculate balances for a 12-month roll back period?

You can use these balance dimensions to calculate balances for a 12-month roll back period:

This table lists the available balance dimension types and balance dimensions.

<table>
<thead>
<tr>
<th>Balance Dimension Type</th>
<th>Balance Dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rolling 12 Month Balance Dimensions</td>
<td>• Relationship Tax Unit Rolling 12 Month</td>
</tr>
<tr>
<td></td>
<td>• Assignment Tax Unit Rolling 12 Month</td>
</tr>
<tr>
<td>Resident City Balance Dimensions</td>
<td>• Term Tax Unit Resident City Month-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Term Tax Unit Resident City Quarter-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Term Tax Unit Resident City Year-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Assignment Tax Unit Resident City Month-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Assignment Tax Unit Resident City Quarter-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Assignment Tax Unit Resident City Year-to-Date</td>
</tr>
<tr>
<td>Statutory Report Code Balance Dimensions</td>
<td>• Relationship Tax Unit Statutory Report Code Run</td>
</tr>
<tr>
<td></td>
<td>• Relationship Tax Unit Statutory Report Code Month-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Relationship Tax Unit Statutory Report Code Quarter-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Relationship Tax Unit Statutory Report Code Year-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Relationship Tax Unit Statutory Report Code Period-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Term Tax Unit Statutory Report Code Run</td>
</tr>
<tr>
<td></td>
<td>• Term Tax Unit Statutory Report Code Month-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Term Tax Unit Statutory Report Code Quarter-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Term Tax Unit Statutory Report Code Year-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Term Tax Unit Statutory Report Code Period-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Assignment Tax Unit Statutory Report Code Run</td>
</tr>
<tr>
<td></td>
<td>• Assignment Tax Unit Statutory Report Code Month-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Assignment Tax Unit Statutory Report Code Quarter-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Assignment Tax Unit Statutory Report Code Year-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Assignment Tax Unit Statutory Report Code Period-to-Date</td>
</tr>
</tbody>
</table>
Chapter 11

Set Up Pay Calculation Components

Calculation Information

Payroll Calculation Information

When you create an element, the application generates the rules and definitions required to calculate an earnings or deduction amount. For all types of elements, these rules and definitions include elements, formulas, and processing rules. This topic explains the additional rules and definitions generated for certain classifications and categories of elements, such as involuntary deductions, absence information, and time card entries.

The following figure shows the relationship between the payroll calculation information held at the legislative data group level and the values you can enter on a personal calculation card.

Note: You can also create calculation cards for a specific tax reporting unit (TRU) or payroll statutory unit (PSU) to capture information such as an employer’s contribution rate.
Task Summary

The following table summarizes the purpose of each type of calculation information and the task you can use to view or edit it.

<table>
<thead>
<tr>
<th>Calculation Information</th>
<th>Description</th>
<th>Task</th>
</tr>
</thead>
</table>
| Elements                | Elements specify how and when an earnings or deduction should be processed. When you create an element, several related elements are typically created with the same name prefix. You can view the related elements using the Manage Elements task. After creating an element, you must add eligibility rules. | Use the Manage Elements task to create elements and to view the generated elements and related items. After creating an element:  
• You must add eligibility rules |
### Calculation Information

<table>
<thead>
<tr>
<th>Calculation Information</th>
<th>Description</th>
<th>Task</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculation components</td>
<td>A payroll component is a group of rates and rules that the payroll run uses to calculate values for earnings and deductions. When you create elements in certain classifications and categories, such as involuntary deductions, the element template creates a payroll component with the same name. You can manage payroll components using predefined component groups, such as federal tax, employment insurance, taxes, retirement plans, involuntary deductions, and benefits.</td>
<td>Manage Payroll Calculation Information task to view payroll components and their associated rules.</td>
</tr>
<tr>
<td>Wage basis rules</td>
<td>Wage basis rules determine the earnings that contribute to a deductible amount or, for exemptions, the elements that reduce the amount subject to deduction. For example, wage basis rules might define which secondary classifications of standard and supplemental earnings are subject to a particular tax. Rules may vary based on reference criteria such as the province of employment.</td>
<td>Use the Manage Component Group Rules task to define the rules and references. Use the Manage Calculation Cards task to enter reference values for workers.</td>
</tr>
<tr>
<td>Calculation value definitions</td>
<td>Calculation value definitions store calculation rates and rules, which may vary based on other criteria. For example you can use the Manage Calculation Value Definitions UI to view the payroll tax information after you update your payroll tax information using the Load Payroll Tax Information for Canada task. The calculation value definition controls which calculation values are enterable on a calculation card.</td>
<td>Use the Manage Calculation Value Definitions task to view predefined definitions and the definitions that element templates create. Use the Manage Calculation Value Definitions task to update the annual maximum assessable wages are delivered for each province for processing Workers' Compensation. Note: You can edit definitions that element templates create, such as adding default calculation values.</td>
</tr>
<tr>
<td>Calculation components</td>
<td>Calculation components are individual calculations captured on a calculation card. When an element template creates a payroll component, it also creates calculation</td>
<td>Use the Manage Calculation Cards task to enter calculation components for a person.</td>
</tr>
</tbody>
</table>

- **Calculation Information**
  - Status processing rule - specifies the formula that processes the element entries
  - Input values - values that can be entered for, or returned from, the calculation

For more information, see the Elements for Canada: Explained topic in the Help Portal.
Calculation Cards

Creating Calculation Cards for Deductions at Different Levels: Examples

You can create and manage calculation cards at several different levels, from an individual person to a payroll statutory unit. Use the cards to capture information specific to a person or organization, such as an employee’s tax filing status or an employer’s tax identification number. Calculation card entries override default values defined at other levels. The priority of information, from highest to lowest, is as follows:

1. Personal calculation card (payroll relationship level)
2. Tax reporting unit calculation card
3. Payroll statutory unit calculation card
4. Calculation value definitions (legislative data group level)

Although the basic steps to create and manage calculation cards are the same at all levels, the enterable values at each level are different.

Use these examples to understand when you might define calculation cards at each level.

Personal Calculation Card
Scenario: An employee qualifies for a special reduced tax rate.
Task: Manage Calculation Cards task in the Payroll Administration work area.

Tax Reporting Unit Card
Scenario: The employer Employment Insurance (EI) rate may be defined at the legal entity level, but can be overridden at the legal reporting unit or tax reporting unit level for a specific employer to define a particular employer EI rate.
Task: Manage Legal Reporting Unit Calculation Cards task in the Setup and Maintenance work area.

Payroll Statutory Unit Card
Scenario: During application setup, the implementation team defines default contribution rates for the payroll statutory unit.
Task: Manage Legal Entity Calculation Cards task in the Setup and Maintenance work area.

Calculation Value Definition
Scenario: You can view the predefined income tax rates, but you cannot edit them.
Task: Manage Calculation Value Definitions task in the Payroll Calculation work area.

If an employer qualifies for a special tax rate, enter these values on a calculation card at the appropriate level.
Province of Employment: How It Works with Calculation Cards

The province in which an employee works affects their tax calculations. For example, if an employee lives in Ontario and works in Quebec, their payroll calculations are based on the Quebec taxation laws, and not of Ontario.

The new hire flow creates a calculation card as part of the flow. The province of employment is automatically set to the province from the location address of the assignment, if it’s available. However you can override the work location of the assignment. Use the Manage Calculation Cards task in the Payroll Calculation work area to manually set the province of employment on the Tax Credit Information calculation card.

You must manually set the province of employment when configuring calculation cards in the following instances:

- End dating the assignment associated with the default province of employment
- If multiple assignments are created with different location addresses (of different provinces)
- If the location address was not specified during the new hire flow.

Provincial Transfers

The province of employment is initially derived from the work location on the assignment. When an employee transfers provinces, the employee’s work location and the province of employment on the tax card must reflect the new location.

Once the new location is updated on the assignment, the province of employment on the tax card is updated automatically by default.

When a change is made to the employee’s work location, the province of employment on the employee’s tax card is updated automatically, unless it is disabled. Once the province of employment on the tax card is changed, the tax calculation uses the new location to determine where the employee is taxed.

Disabling Location Synchronization

To disable automatic update of the employee’s province of employee on their tax card:

1. From the Home Page, select Quick Actions.
2. Search for and select the Manage Payroll Process Configuration task.
3. Select the Default Group tab.
4. Select the Create DIR Card Using Global UI parameter.

Note: If the Create DIR Card Using Global UI parameter is not available for selection, click Create, add the parameter and its Default Value. You may find other values for other processes. Ensure the value HR_SYNC_OFF exists. If you need to enter other values here, enter them with a blank value to separate each value.

5. Click Edit and enter HR_SYNC_OFF.
6. Click Save and Close and then click Done.

Province of Employment Outside of Canada

The employee’s province of employment can be in the US or in any other country, designated as ZZ in the application. The payroll application supports the following features for employees whose province of employment is outside of Canada.

- Data Capture
The province of employment on the employee’s calculation card captures the province used for payroll and tax processing and is reported at year-end. The values in the province list of values in the calculation card are as given in the table below.

<table>
<thead>
<tr>
<th>Country</th>
<th>Province Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>US</td>
</tr>
<tr>
<td>Any Other Country</td>
<td>ZZ</td>
</tr>
</tbody>
</table>

- **Tax Processing**
  The US and ZZ province codes use the taxation formula 'Outside Canada and in Canada beyond the limits of any province or territory' for processing tax.

- **Overrides for Workers’ Compensation, Provincial Medical Liability, and Vacation Liability**
  If an employee’s tax card has a US or ZZ province code and their earnings should be included in Workers’ Compensation, Provincial Medical, or Vacation Liability calculations, you can override the province using the Manage Payroll Relationship UI. This allows you to select the province or the account, or both, to use for the Workers’ Compensation or Provincial Medical liability calculations at the payroll relationship level. You can only override the province for Vacation Liability calculations at the payroll relationship level.

- **End-of-Year Reporting**
  The province codes for US and ZZ are reported to the Canada Revenue Agency in Box 10 of the T4 (Statement of Pension, Retirement, Annuity, and Other Income) slip.

  > **Note:** You can use the province codes in the Province parameter in the Run End-of-Year tasks to isolate them when you run the year-end processes.

  If these codes are not available for selection, you must run the Load Geographies for Canada task to create the new province records for these provinces.

### Personal Calculation Cards: How Their Entries Fit Together

Personal payroll calculation cards capture information specific to a particular payroll relationship. Payroll runs use this information to calculate earnings and deductions. Actions such as hiring a person or loading data may create some cards automatically. Otherwise, you can create the card manually. You can also add components to cards and enter calculation values, which may override default values. Additionally, you can associate the card with a tax reporting unit (TRU).

To view and manage calculation cards use the Manage Calculation Cards task in the Payroll Administration or Payroll Calculation work area.

Understanding personal calculation cards include:

- Card types
- Card creation
- Calculation components and component groups
- Enterable calculation values
- TRU associations

**Card Types**

The type of calculation cards you can create and the type of information captured on a card are given below.

- Absences
- Benefits and pensions
- Tax Credit Information
- Involuntary deductions
- Reporting Information
- Statutory deductions
- Time cards
- Year-end reporting

Additional cards may be available to capture information for reporting purposes.

The following table lists the types of cards and a brief description of each one.

<table>
<thead>
<tr>
<th>Card Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absences</td>
<td>Identifies absence data and categories, such as:</td>
</tr>
<tr>
<td></td>
<td>• Vacation</td>
</tr>
<tr>
<td></td>
<td>• Maternity</td>
</tr>
<tr>
<td></td>
<td>• Sickness</td>
</tr>
<tr>
<td></td>
<td>• Other</td>
</tr>
<tr>
<td></td>
<td>Also used to track accrual balances, qualifications, or no entitlement.</td>
</tr>
<tr>
<td>Benefits and Pensions</td>
<td>Identifies:</td>
</tr>
<tr>
<td></td>
<td>• Contribution amounts</td>
</tr>
<tr>
<td></td>
<td>• Limits</td>
</tr>
<tr>
<td></td>
<td>• Payees</td>
</tr>
<tr>
<td></td>
<td>• Additional contributions</td>
</tr>
<tr>
<td>Tax Credit Information</td>
<td>Identifies:</td>
</tr>
<tr>
<td></td>
<td>• Federal and Provincial Deductions</td>
</tr>
<tr>
<td></td>
<td>• Tax Exemption Information</td>
</tr>
<tr>
<td></td>
<td>• Commission Information</td>
</tr>
<tr>
<td></td>
<td>• Associations</td>
</tr>
<tr>
<td>Involuntary Deductions</td>
<td>Identifies involuntary deductions for both employee and nonworker (retirees) person types.</td>
</tr>
<tr>
<td></td>
<td>Each card can support multiple deduction types and configurations. One card per payroll relationship.</td>
</tr>
</tbody>
</table>
| Reporting Information      | Captures Record of Employment information for an employee.
Card Name | Description
--- | ---
**Time Cards** | Depending on how they are configured, time cards capture:

- Hours and dates worked
- Categories of time, such as regular time, overtime, absence, vacation, and holiday

**Organization** | Organization configuration cards at the following levels:

- Legal Entity Calculation Card at the payroll statutory unit (PSU) level
- Legal Reporting Unit Calculation Card at the TRU level

## Card Creation

Some actions create or update a card automatically, as given below:

- When you record and approve an absence in the Manage Absence Record task for an employee, the task automatically creates an Absences card, unless one already exists.
- A Tax Credit Information card is created automatically when:
  - New hire
  - New payroll relationship assignment
  - Mass data upload through the HCM Data Loader

For other card types, you create calculation cards as needed for each employee. If you load absence, time card, or pension data from another application, the application automatically creates the calculation cards.

## Calculation Components and Component Groups

The Calculation Card Overview pane shows a hierarchy of calculation components within component groups. For example, federal and provincial tax components are calculation components in the Canadian Tax Credit Information calculation card.

Each component relates to an element, such as an income tax deduction. Adding a calculation component to the card creates an entry for the related element.

A calculation component may have one or more references that define its context, such as the employee's place of residence or tax filing status.

Click a row in the Calculation Components table to see component details. Use the Component Details section to enter additional values used to calculate the component.

## Enterable Calculation Values

When you select a calculation component, you may see the Enterable Calculation Values on the Calculation Card tab. Here you can enter specific rates or other values for the person, which may override default values held on a calculation value definition. For example, if an employee qualifies for a special reduced tax rate, you enter the rate as an enterable value on their personal calculation card.

You can't override values loaded from another application, but you may be able to add values, such as adding additional contributions to a pension deduction.
Tax Reporting Unit Associations

Click the Associations node in the Calculation Card Overview pane to associate a tax reporting unit with the card. Associations determine:

- Which rates and rules held at tax reporting unit level apply to the calculation of the components
- How the calculations are aggregated for tax reporting

Rules about what you can enter here vary by country:

- Typically, all components on a calculation card are associated with the same tax reporting unit by default.
- You may be able to associate individual components with different tax reporting units.
- If a person has multiple terms or assignments, you may be able to associate specific terms or assignments with calculation components.

Creating a Legal Entity Calculation Card: Procedure

This topic demonstrates how to create a calculation card at the legal entity level. The calculation card captures information for the organization at the legislative level, which can be overridden at the TRU-level. Use the Manage Legal Entity Deduction records task to create the card.

Creating a legal entity calculation card for Canada involves the following tasks:

- Creating the Calculation Card
- Defining the Federal Tax Calculation Components
- Defining the Canada Pension Plan Calculation Components
- Defining the Employment Insurance Calculation Components
- Defining the Provincial Tax Calculation Components
- Defining the Quebec Pension Plan Calculation Components
- Defining the Quebec Parental Insurance Plan Calculation Components

The following table summarizes the key decisions for this scenario.

<table>
<thead>
<tr>
<th>Decisions to Consider</th>
<th>In this Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>What type of calculation card do you want to</td>
<td>Calculation Rules for Tax Reporting and Payroll</td>
</tr>
<tr>
<td>create?</td>
<td>Statutory Unit</td>
</tr>
<tr>
<td>What deductions do you want to add to the</td>
<td>Federal and Provincial Tax</td>
</tr>
<tr>
<td>card?</td>
<td></td>
</tr>
<tr>
<td>What details must be captured on the card?</td>
<td>Calculation Components and Calculation Component</td>
</tr>
<tr>
<td></td>
<td>Details</td>
</tr>
</tbody>
</table>

Prerequisites

1. A legislative data group is defined for Canada.
2. A legal address is defined for the legal entity.
3. The required jurisdictions are defined for the legal entity.

Creating the Calculation Card

1. In the Setup and Maintenance work area, search for the Define Legal Entities for Human Capital Management task and expand the entry to display a list of related tasks.
2. Click the Select Scope link for the Define Legal Entities for Human Capital Management task.
3. On the Select Scope window, select Select and Add.
4. Click Apply and Go to Task.
5. On the Select and Add: Legal Entity page, search for and select the legal entity and click Save and Close.
6. Click Go to Task for the Manage Legal Entity Calculation Cards task.
7. Click Create.
8. Enter the Effective-As-of-date and select Calculation Rules for Tax Reporting and Payroll Statutory Unit as the card name.
9. Click Continue.

Defining the Federal Tax Calculation Components

1. Select Federal from the Components Groups in the Calculation Card Overview section.
2. Select Federal Tax as the Calculation Component.
4. In the Calculation Component Details tab:
   - Select Option 1 - General Tax Formula in the Federal Regular Tax Method
   - Select one of the following in the Federal Nonperiodic Tax Method:
     - Regular Bonus Calculation
     - Year-to-Date Bonus Calculation
5. Click Save.

Defining the Canada Pension Plan Calculation Components

1. Select Canada Pension Plan as the Calculation Component.
2. Select Edit-Correct in the Canada Pension Plan: Details section.
3. In the Calculation Component Details tab, select the CPP Self Adjust Method:
   - Self Adjust - adjusts the deduction based on the pensionable earnings every payroll
   - No Self Adjust - does not adjust the deduction
   - Self Adjust at Maximum - adjusts the deduction based on the pensionable earnings when the maximum annual pensionable earnings are reached
4. Click Save.

Defining the Employment Insurance Calculation Components

1. Select Employment Insurance as the Calculation Component.
3. In the Calculation Component Details tab, select the EI Self-Adjust Method:
   - Self-Adjust - adjusts the deduction based on the insurable earnings every payroll
   - No Self-Adjust - does not adjust the deduction
   - Self-Adjust at Maximum - adjusts the deduction based on the insurable earnings when the maximum annual insurable earnings are reached
4. In the Enterable Calculation Values on Calculation Cards tab:
   - Click Plus.
Select Employer EI Rate in the Name field and click OK.

Enter the rate value. Enter the rate to three decimals (for example 1.267).

Click OK.

5. Click Save and Close.

Defining the Provincial Tax Calculation Components

1. Select Regional from the Component Groups in the Calculation Card Overview section.
2. Click QC (or Quebec) under Regional.
3. Select Provincial Tax as the Calculation Component.
4. Click Plus in the Provincial Tax: Details section.
5. Select Provincial Tax in the Calculation Component Details field and click OK.
   - Select Regular Payments as the Provincial Regular Tax Method.
   - Select Bonus, Retroactive Pay or Lump Sum Payments - Method 1 as the Provincial Nonperiodic Tax Method.
6. Click Save.

Defining the Quebec Pension Plan Calculation Components

1. Select Quebec Pension Plan as the Calculation Component.
2. Click Plus in the Quebec Pension Plan: Details section.
3. Select Quebec Pension Plan in the Calculation Component Details field and click OK.
4. In the Calculation Component Details tab, select the QPP Self-Adjust Method:
   - Self-Adjust - adjusts the deduction based on the pensionable earnings every payroll
   - No Self-Adjust - does not adjust the deduction
   - Self-Adjust at Maximum - adjusts the deduction based on the pensionable earnings when the maximum annual pensionable earnings are reached
5. Click Save.

Defining the Quebec Parental Insurance Plan Calculation Components

1. Select Quebec Parental Insurance Plan as the Calculation Component.
2. Click Plus in the Quebec Parental Insurance Plan: Details section.
3. Select Quebec Parental Insurance Plan in the Calculation Component Details field and click OK.
4. In the Calculation Component Details tab, select the QPIP Self-Adjust Method:
   - Self-Adjust - adjusts the deduction based on the insurable earnings every payroll
   - No Self-Adjust - does not adjust the deduction
   - Self-Adjust at Maximum - adjusts the deduction based on the insurable earnings when the maximum annual insurable earnings are reached
5. Click Save and Close.

Creating a Statutory Deductions Calculation Card Manually: Worked Example

This example demonstrates how to create a calculation card at the payroll relationship level. The calculation card captures information for an income tax deduction that varies depending on a person’s tax filing status.

The following table summarizes the key decisions for this scenario.
Decisions to Consider | In this Example
---|---
What type of calculation card do you want to create? | Tax Credit Information Calculation Card
What deductions do you want to add to the card? | Federal and Provincial Tax
What details must be captured on the card? | Tax filing details of the employee as given in the TD1 form
Does the employee have multiple assignments? | No
Name of the Employee | Adams, Kay
Province of Employment of the employee | Ontario
What tax reporting unit (TRU) handles reporting for this card? | InFusion 1
Was this TRU selected during the new hire process? | No
Do you want to specify the Total Claim Amount for Federal tax? | Yes, 15,500 Canadian Dollars

Note: The basic annual amount for federal tax is presumed to be 14,500 Canadian Dollars.

Does the employee have an additional tax deduction? | Yes, 500 Canadian Dollars
Does the employee have dependents under the age of 19 | Yes, 2
Does the employee have disabled dependents | Yes, 1

Prerequisites
1. The new hire process for the employee is completed and the employee has a valid payroll relationship with a Canadian payroll statutory unit. The employee has at least one valid assignment under the payroll relationship.
2. The employee is assigned to a payroll.

Creating the Calculation Card
1. In the Payroll Administration or Payroll Calculation work area, select **Manage Calculation Cards**.
2. Complete the fields in the Search section, as shown in this table.
Field | Value
--- | ---
Name | Adams, Kay
Legislative Data Group | InFusion, Canada
Effective As-of Date | 01/01/2013

3. Click **Search** to display a list of matching payroll relationships.

   **Note:** A person can have multiple payroll relationships. In this example, only one payroll relationship exists for the person.

4. Click the row for Adams, Kay to open the Manage Person Details page. Any available calculation cards appear in the Search Results.

5. Click **Create** to open the Create Calculation Card window.

6. In the Name field, select **Tax Credit Information Calculation Card** as the calculation card type.

7. Click **Continue** to display the Manage Calculation Cards page.

   In the Calculation Card Overview pane, you can view the calculation groups associated with this calculation card. In this example, you can see the Federal and Regional calculation groups. You can also see Ontario under the Regional group.

**Adding Calculation Components for Federal Deductions**

To enter the federal deduction components:

1. In the Calculation Card Overview pane, select **Federal**.

   **Note:** The three calculation components under the Federal group are: Federal Tax Information, Tax Exempt Information, and Commission Information.

2. Enter **15,500** as the Total Claim Amount.

   **Note:** You enter a claim amount only if the employee has an amount that is different than the basic amount. If you do not enter an amount, the basic amount populated from the Load Payroll Tax Information process is used.

3. Enter **500** as the Additional Tax amount.

4. Select the **CPP Exempt** check box to exempt the employee from CPP deductions.

   **Note:** You cannot select the CPP Exempt check box and also enter the CPP Election Date. You can enter only either of them and not both.

5. Select the **EI Exempt** check box to exempt the employee from EI deductions.

**Adding Calculation Components for Regional Deductions**

To add provincial tax details for a province, for example Ontario:

1. In the Calculation Card Overview section, select **ON** under the Regional group. ON is the two-digit province code for Ontario.
Calculation Components under the Regional group are: Provincial Tax, Payroll Tax and Quebec Taxes. The values displayed in the card depend on the province of employment. In this example, you can see the components for Provincial Tax for Ontario.

2. Enter the **Total Claim Amount** to override the provincial tax deductions.
3. Select the **Provincial Tax Exempt** check box if you want to exempt the employee from Provincial Tax.
4. For the province of Ontario, specify 2 as the Number of Dependents Under Age 19 and 1 as the Number of Disabled Dependents.
5. Click **Save and Close**.

Creating an Association

You must associate the calculation card with a tax reporting unit (TRU). You must also associate the card to each employment assignment or term. A person with multiple assignments can have one TRU for each assignment, or each TRU can have one assignment or term. You cannot enter multiple TRU’s to an assignment or term.

1. In the Calculation Card Overview pane, click **Associations**.
2. Click **Create** in the Associations section.
3. In the Create Association window, select **InFusion 1**, the TRU responsible for reporting deductions for this employee.
4. Click **Save** to save the association.

> **Note:** You must save the association before you can create association details.

Creating Association Details

You must associate calculation components with employment assignments or terms.

1. In the Association Details section, click **Create**.
2. On the Create Association Details window, select **E300100008926055** in the Assignment Number field.
3. Repeat steps 1 and 2 for each assignment.
4. Click **Save and Close**.

Creating Calculation Cards Manually: Examples

If your Payroll Product Usage is set to Oracle Fusion Payroll or Payroll Interface, then the new hire process automatically creates a calculation card. However, sometimes you must create a personal calculation card manually. The following three scenarios show when you must manually create a personal calculation card for an employee.

In all examples, use the Manage Calculation Cards task in the Payroll Calculation work area to create the card.

**Additional Assignment for a Different TRU**

If an employee with an existing assignment and associated calculation card gets an additional assignment that reports to a different tax reporting unit (TRU,) you must:

- Associate the new TRU to the existing tax card
- Associate the new assignment to the card

> **Note:** The employee receives two different payslips, one for each assignment.
Upgrade to Oracle Fusion Payroll

When you upgrade your product usage from HR only to Payroll, you must create a calculation card for each existing employee who doesn't already have one.

Transfer of Employees to a New TRU

If you are transferring all or some employees to a new TRU, follow these general steps:

1. Create the TRU. Also create the tax and other additional registrations for the new TRU.
2. On the existing calculation cards, set the end date for all association details including the TRU association.
3. For each transferring employee, create a calculation card. Define an association to the new TRU and association details for the Federal and Regional components.

Editing the Tax Credit Information Calculation Card: Worked Example

This example demonstrates how to modify the Tax Credit Information calculation card that was automatically generated during the new hire process, to reflect employee-specific values that differ from the default values.

The following table summarizes key decisions for this scenario:

<table>
<thead>
<tr>
<th>Decisions to Consider</th>
<th>In this Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of the Employee</td>
<td>Adams, Kay</td>
</tr>
<tr>
<td>Province of Employment of the employee at the time of hiring</td>
<td>Ontario</td>
</tr>
<tr>
<td>What tax reporting unit (TRU) handles reporting for this card?</td>
<td>InFusion 1</td>
</tr>
<tr>
<td>Was this TRU selected during the new hire process?</td>
<td>Yes</td>
</tr>
<tr>
<td>Do you want to specify the Total Claim Amount for Federal tax?</td>
<td>Yes. 15,500 Canadian Dollars</td>
</tr>
<tr>
<td>Do you want to exempt the employee from Employment Insurance (EI)?</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Prerequisites

- The new hire process for the employee is completed and a TRU was selected on the Hire an Employee: Employment Information page.
- The employee has a payroll relationship and is assigned to a payroll.
- A calculation card definition that includes the federal and regional tax calculation exists at the legislative level.
- The employee takes on a new assignment in Quebec with a different TRU, InFusion2.
Opening the Calculation Card

1. Select Manage Calculation Cards from the Payroll Administration or Payroll Calculation work area.
2. On the Person Search page, complete the following fields:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Adams, Kay</td>
</tr>
<tr>
<td>Legislative Data Group</td>
<td>InFusion, Canada</td>
</tr>
<tr>
<td>Effective As-of-Date</td>
<td>01/01/2013</td>
</tr>
</tbody>
</table>

3. Click Search to display a list of matching payroll relationships.

A person can have multiple payroll relationships. In this example, only one payroll relationship exists for the person.

4. Click the row for Adams, Kay to open the Manage Person Details page. Any available calculation cards appear in the Search Results.

5. Click the Tax Credit Information calculation card that was automatically created for this payroll relationship.

In the Calculation Card Overview pane, you can view the calculation groups associated with this calculation card. In this example, you can see the Federal and Regional calculation groups. You can also see ON under the Regional group. The province of employment is shown as a two-character code.

6. Click ON to view the Payroll Tax Information details applicable for the employee in Ontario.

Editing the Federal Components

1. In the Calculation Card Overview pane, select Federal. The information you can edit includes:
   - Province of Employment
   - Federal Tax Information
   - Tax Exempt Information
   - Commission Information

2. Select Edit - Correct.

3. Enter the Total Claim Amount in the Federal Tax Information section.

4. Select the EI Exempt check box to exempt the employee from EI calculations.

5. Click Save.

Creating a Tax Reporting Unit Association

Since the employee has taken a new assignment with a different TRU, you must associate the new TRU with the existing tax card now.

1. In the Calculation Card Overview section, click Associations.
2. Click Create in the Associations section.
3. On the Create Association window, select InFusion 2 in the Tax Reporting Unit field.
4. Click Save.

Note: You must save the association before you can create association details.
Creating Association Details
You must associate calculation components with employment assignments or terms.

1. In the Association Details section, click Create.
2. On the Create Association Details window, select E300100008926055 in the Assignment Number field.
3. Click Save and Close.

Changing the Province of Employment
1. Select Quebec as the Province of Employment.
2. Click Save and Close.

When you open the card again, you see the codes for Ontario and Quebec under the Regional groups.

Editing the Regional Component
At the time of new hire, a provincial card was created automatically because the employee's province of employment was Ontario. Since you have changed the province of employment to Quebec, you can now view the Quebec provincial card. You can view and edit the provincial tax information for Quebec as required.

1. In the Calculation Card Overview section, select Regional.
2. Select Quebec under the Regional group.
3. Select Edit - Correct. The fields you can edit include:
   - Provincial Tax Information
   - Tax Exempt Information
   - Commission Information
4. Complete the fields as required. Click Save and Close.

Involuntary Deductions Calculation Cards

Overview
An involuntary deduction is a court ordered payment taken from the employee's pay and paid to a court or an individual person. The secondary classification determines the wage basis to be used for the calculation of the deduction. All processing occurs at the payroll relationship level. The secondary classifications defined for involuntary deductions for Canada include:

- Garnishments
- Maintenance and Support
- Tax Levy

Creating Involuntary Deductions for Canada includes the following tasks:

1. Creating involuntary deduction elements
2. Creating the element eligibility record
3. Creating the Involuntary Deductions calculation card
4. Processing the payroll and viewing the results
Prerequisites for Processing Involuntary Deductions

Before you process the involuntary deductions, you must complete the following:

- Create an Organization Payment Method that is unique for the involuntary deductions. For example, create an organization payment method with a payment type of cheque.
- Include this payment method as a valid payment method in the payroll.
- Create a third party as either a person or organization.

Creating Involuntary Deduction Elements

You must first define an involuntary deduction element for each involuntary deduction type you want to process. Use the Manage Elements task in the Payroll Calculation work area to create a new element with a primary classification of Involuntary Deductions. Select an appropriate secondary classification. The element template has specific questions for involuntary deductions.

Creating the Element Eligibility Record

After you create the element, you must create element eligibility records for the newly created element. It automatically creates the associated balances, feeds, input values, formulas, and related elements required for payroll processing. It also creates a calculation component that you can add to an employee's Involuntary Deductions card.

Creating the Involuntary Deductions Calculation Card

The deduction details are attached to an employee through the Involuntary Deductions calculation card. You can capture the details of the deductions on the card. While calculating these deductions, the application takes into consideration employee assignments, terms, and payrolls within the same payroll relationship.

Use the Manage Calculation Cards task in the Payroll Administration or Payroll Calculation work areas to create an Involuntary Deductions calculation card.

You can also edit the Involuntary Deductions calculation card of an employee to:

- Add calculation components
- Select the payees for the deduction
- Set the deduction rules
- Set calculation values to override the predefined calculation component values on the card

Although rules exist on how Involuntary Deductions are processed, the courts have the authority to override these rules on a case-by-case basis. Court orders from provinces other than the employee's province of employment can also be applied.

You can add multiple calculation components for the same or different involuntary deduction types. You can use the Subprocessing Order to specify the order in which the deductions are to be processed in the payroll run.

Processing the Payroll and Viewing the Results

You can run a payroll for the employee with involuntary deductions and view the involuntary deductions processed for the employee in the following:

- Employee’s Statement of Earnings
- Payroll run results
- Balance Views
During a payroll run, the deduction element calculates the deduction amount based on:

- The element eligibility rules defined for this element
- The information entered on the Involuntary Deductions calculation card

### Involuntary Deductions Calculation Card Components

Use the Manage Calculation Cards task in the Payroll Administration or Payroll Calculation work areas to create an Involuntary Deductions calculation card for an employee with involuntary deductions. You can edit the Involuntary Deductions calculation card of an employee and add calculation components, select the payees for the deduction, set the deduction rules, and set calculation values to override the predefined calculation component values on the card.

When managing these components, you must consider the following:

- Base information
- Calculation component details
- Involuntary deduction data
- Involuntary deduction payment details
- Involuntary deduction rules
- Start and end dates
- Involuntary deduction calculation values on calculation cards, such as:
  - Protected pay rules
  - Exemptions
  - Maximum rules

### Base Information

When creating a new calculation component, you are prompted to provide information related to the involuntary deduction. This consists of the following fields:

<table>
<thead>
<tr>
<th>Field</th>
<th>Required</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculation Component</td>
<td>Yes</td>
<td>Name of the involuntary deduction element type that you created for the garnishment, tax levy, or maintenance and support element that you want to attach to the employee.</td>
</tr>
<tr>
<td>Element Name</td>
<td>No</td>
<td>Reporting name of the element associated with this calculation component. This is not editable and is automatically defaulted based on the element selected.</td>
</tr>
<tr>
<td>Subprocessing Order</td>
<td>No</td>
<td>Processing order override for cases when multiple card components have been defined. Any positive number can be used for this value. The lower the number, the higher the priority. When multiple card components</td>
</tr>
</tbody>
</table>
Field | Required | Description
--- | --- | ---
exist, use the subprocessing order to ensure correct processing.

Enter a large number for the first card component, such as 100, and for subsequent card components, use a lower or higher number. The number you enter depends on whether you want it processed before or after the existing card components.

For example: An employee has both a maintenance and support and a garnishment order. Enter 50 for the maintenance and support component and 100 for the garnishment component. This ensures the maintenance and support processes before the garnishment.

In the case of duplicate subprocessing orders, involuntary deduction elements are processed in order by the element entry date.

In the case of duplicate involuntary deduction elements, where the same start date is used and no subprocessing order is specified, the elements are processed in order by the lowest element entry ID (the order in which the element entries were created).

Reference Code | Yes | Reference code as provided on the originating order.

This code is used to uniquely identify the deduction. An employee can have more than one order of the same deduction element. You can enter a court order number, remittance identifier, or other identifier provided by the issuing authority.

**Calculation Component Details**
Calculation component details contain settings shared across all involuntary deduction types.

These values are predefined based on the legislative rules. Use the Manage Calculation Value Definitions task to set overrides for them for all employees in the LDG.

The following calculation component details are created and applied automatically whenever an involuntary deductions card calculation component is created for an employee:

- Involuntary Deduction Data
- Involuntary Deduction Payment Details
- Involuntary Deduction Rules

Changes made in the Manage Calculation Cards task apply to the current employee only.
Involuntary Deduction Data

Involuntary deduction data provides configuration details for the involuntary deduction. You can add multiple calculation components for the same or different involuntary deduction types. You can use the Subprocessing Order to specify the order in which the deductions are to be processed in the payroll run. You can add calculation component details for Garnishments, Support or Tax Levy deductions.

Involuntary Deduction Payment Details

These values provide details on how involuntary deductions and their fees are paid. The list of available options for these fields is populated by persons and organizations defined through the Manage Third Parties task. The payee fields display all third-party person payees associated with this payroll relationship and all external payees defined for your legislative data group.

Note: To use a third-party organization payee, you must select "External Payee" in the Party Usage Code field on the Manage Third-Party Payment Methods task. This makes the organization payment method available for selection as a payee on the employee’s involuntary deductions card.

Involuntary Deduction Rules

In the Involuntary Deduction Rules section, enter the receipt date of the order, the start date of the deductions, the frequency of deductions, and the issuing authority.

You can override the order amount, fee, or other amounts used in the calculation on the Involuntary Deductions card.

The Frequency field specifies how often the deduction is made, such as monthly or weekly, regardless of the payroll frequency. If you leave the Frequency field blank, the payroll frequency is used.

Start and End Dates

The following start and end dates determine which involuntary deductions are included in payroll processing:

- **Effective As-of Date**
  
  Set when the involuntary deductions card is created.

- **Received Date**
  
  Found under Involuntary Deduction Rules for the calculation component, this field indicates when the deduction order was received. Used to specify when the deduction begins in payroll if no start date is specified.

- **Start Date**
  
  Found under Involuntary Deduction Rules for the calculation component, this field determines when the deduction should begin deducting in payroll. If not specified, Oracle Fusion Payroll uses the received date.

  The element entry starts on the same date as the card component effective date and not as of this start date. If applicable, the maximum withholding duration days are tracked from this date. The start date should be on or after the card component date.

- **End Date**
  
  When an involuntary deduction has been fully repaid, you must end date both the element and the calculation component. To end date a calculation component:

  a. End date all overrides associated with the calculation component and save.
  b. End date each of the calculation component details and save.
  c. End date the calculation component.
Once the calculation component is end dated, the element entry is end dated.

**Involuntary Deduction Calculation Values on Calculation Cards**

The Involuntary Deduction Calculation Values on Calculation Cards section has rules that are specific to the involuntary deduction or calculation component. These rules are configured for each involuntary deduction as defined by the calculation component.

**Fee and Proration Rules for Involuntary Deductions: Explained**

Creating an involuntary deduction creates calculation value definitions that include predefined fee and proration rules. These rules vary by country and territory.

The following table describes the global rules:

<table>
<thead>
<tr>
<th>Rule</th>
<th>Processing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee</td>
<td>Deduct the fee first, before calculating and paying the deduction amount.</td>
</tr>
<tr>
<td>Proration</td>
<td>Use the first come, first serve method.</td>
</tr>
<tr>
<td></td>
<td>If a person has multiple orders and there is insufficient money to pay them all, pay the deductions in the order in which they were received. Start with the oldest.</td>
</tr>
</tbody>
</table>

You can override these predefined fees and proration rules. For details, see the topic Involuntary Deduction Calculation Value Override Details for the US in the Help Portal.

**Adding Involuntary Deductions to a Calculation Card: Procedure**

You use element templates to create the involuntary deduction elements such as garnishments, maintenance and support payments, and tax levies. The templates also create calculation components, which you can add to a personal calculation card, so the deductions are processed during a payroll run.
This figure shows the steps involved in creating an involuntary deduction and adding it to a personal calculation card:

Create Third-Party Payees

Create Third-Party Payment Methods

Create Involuntary Deduction Element

Create Personal Deduction Card

- Create Involuntary Deduction Card
- Add Involuntary Deduction Component to Card
- Enter Values for Deduction Amounts and Fees

- Element Entry Created for Related Element
- Process Payroll

Prerequisites

Before you can add an involuntary deduction to a personal calculation card, you must first:

- Create an organization payment method that is unique for the involuntary deductions and has a payment type of cheque. Associate this payment method to the payroll.
- Create a third party (organization or person) to receive the payment and associate the organization payment method.
- Create an involuntary deduction element and the element eligibility.

You can create multiple elements for the same involuntary deduction type if processing information or other details vary. For example, each jurisdiction you deal with may have different processing rules for court orders.

Creating an Involuntary Deduction Calculation Card

Follow these steps:

1. In the Payroll Administration or Payroll Calculation work area, click the Manage Calculation Cards task.
2. Search for and select the payroll relationship.
3. If the person doesn’t already have an involuntary deduction calculation card, click Create.
4. Enter a start date for the card and select the involuntary deduction card type.
5. Click Continue.

Adding the Calculation Component to the Calculation Card

You can add multiple calculation components for the same or different involuntary deduction types. For example, you could add two child support components and one garnishment component to the same calculation card.
On the Manage Calculation Cards page:

1. In the Calculation Components section, click **Add Row**.
2. Select the calculation component with the same name as the involuntary deduction element.
3. Optionally, enter a number in the Subprocessing Order field if the calculation card will include more than one calculation component.
   - By default, the payroll run processes these element entries in order by date received, starting with the oldest entry.
4. Enter a reference code to uniquely identify this deduction, such as a court order number, case number, or other identifier provided by the issuing authority.
5. Complete the fields on the Calculation Component Details tab.
   - In the Involuntary Deduction Payment Details section, select all payees for the deduction.
     - The payee fields display all third-party person payees associated with this payroll relationship and all external payees defined for your legislative data group.
   - In the Involuntary Deduction Rules section, specify the information you require, including:
     - The date the involuntary deduction order was received
     - The issuing authority (such as a court)
     - The frequency of the deduction such as monthly or weekly, regardless of the payroll frequency. If you leave the Frequency field blank, the application uses the payroll frequency.

### Involuntary Deductions Calculation Values on Calculation Cards

You enter the order amount, fee, or other amounts used in the calculation on the calculation card.

The rules presented here are specific for each involuntary deduction as defined by the calculation component.

Under the Enterable Calculation Values on the Calculation Cards tab, complete the fields as shown in the following table. The values you can enter are described in the table below.

**Note:** For most values, you can enter either an amount or a rate. Enter a rate if you want the application to calculate the amount as a percentage of available pay. For example, to define a rate of 20 percent for the order amount, create an Order Amount (Rate) value. Then enter 0.20 in the Rate field. Enter the percentage rate as a decimal value. For example, 25 percentage is entered as 0.25 in the Rate field.

<table>
<thead>
<tr>
<th>Calculation Value</th>
<th>Description</th>
</tr>
</thead>
</table>
| Order Amount      | Rate or amount paid to the Order Amount Payee based on the frequency you specified.  
  For example, if you specified a frequency of monthly in the component details, enter the amount to deduct each month, regardless of the payroll period. The application automatically calculates the correct amount to deduct in each payroll period.  
  If you leave the Frequency field blank, this amount is deducted at the payroll frequency defined at the assignment level. |
| Organization Fee  | Rate or amount paid to the Organization Fee Payee each time the deduction is processed. |
| Person Fee        | Rate or amount paid to the Person Fee Payee each time the deduction is processed. |
| Processing Fee    | Rate or amount paid to the Processing Fee Payee each time the deduction is processed. |
Calculation Value | Description
--- | ---
Initial Fee | Rate or amount paid to Processing Fee Payee the first time this deduction is processed.

Maximum Withholding Amount and Minimum Withholding Amount | Maximum and minimum rates or amounts that can be withheld in one payroll period for this deduction.

Maximum Withholding Duration | The number of days after the Date Received that the order is valid. For example, a court order might only be valid for 90 days after the date issued.

Protected Pay Amount | Amount of the net pay an employee is left with after the involuntary deduction is taken.

Protected Pay Percentage | Percentage of the employee’s pay that must be remaining after the deduction is taken.

Exemption Percentage | Percentage of the employee’s pay that is exempt from this deduction.

**Protected Pay**

**Overview**

For each province and type of involuntary deduction, a portion of the earnings paid to an employee is exempt from involuntary deductions. These earnings are referred to as protected pay. The remainder of the earnings is considered disposable income. Regardless of multiple assignments or multiple runs in a pay period, protected pay should be applied.

Use the Enterable Calculation Values on Calculation Cards tab on the Manage Calculation Cards page, to create individual entries and define the rules. The payroll process calculates the protected pay amount based on the rules you configure on the involuntary deduction card for the employee.

You can configure protected pay rules for each involuntary deduction type as a protected pay amount, protected pay percentage, or a combination of both. You can have different methods of calculating protected pay as given below.

**Multiple Deductions of the same Deduction Type**

If an employee has multiple deductions of the same deduction type, the payroll process determines the highest value derived for protected pay within each deduction type. The process applies that value to all other deductions of that same deduction type.

For example, consider a case where multiple Garnishments are configured with different rules, one with a protected pay percentage of 40, and the other with a percentage of 50. The higher percentage of 50 is applied as the protected pay percentage for both Garnishments for the employee. In the same way, you can have one Garnishment with a protected pay amount of 300 and a protected pay percentage of 50. In this case, both protected pay entries are used to calculate the highest value of the two. The process compares this value to other Garnishment entries to come up with a final protected pay value for Garnishments.

**Multiple Deductions of Different Deduction Types**

If the deduction types are different, the payroll process does not apply the highest protected pay across deduction types. Each deduction type determines its own protected pay value.
The order in which the application processes elements are determined by the subprocessing order. If a Maintenance and Support deduction is processed first, that deduction impacts how much of the disposable income is available for subsequent deductions processed.

For example, consider a case where a Maintenance and Support deduction is configured with a protected pay percentage of 50 and a subprocessing order of 1. In addition a Garnishment deduction is configured with a protected pay percentage of 80 and a subprocessing order of 2. The disposable income remaining for the Garnishment is affected by the first calculation of protected pay of the Maintenance and Support deduction. There may not be enough disposable income left to guarantee the 80 percent protected pay rule, so no Garnishment deduction would happen.

**Protected Pay Rules**

Configure provincial protected pay rules for each individual deduction on the involuntary deduction card for the employee. The payroll process calculates the protected pay amount based on the rules configured on the involuntary deduction card for the employee. Use the Enterable Calculation Values on Calculation Cards tab on the Manage Calculation Cards page, to create individual entries and define the rules.

The following rules are predefined in the application. You can use a combination of these rules to meet the requirements defined on the court order.

**Apply Protected Pay Percentage to Income Above Protected Pay Amount Rule**

The Apply Protected Pay Percentage to Income Above Protected Pay Amount rule applies the protected pay percentage on the non-exempted portion of the wages to calculate the protected pay amount. The result of the percentage calculation is added to the base amount to calculate the total protected pay. For example, use this rule, if the court order specifies a protected pay exemption amount, plus a percentage of the wages above that exemption.

This is a Yes or No option that specifies how the protected pay calculation applies the percentage.

- If your selection is Yes, the protected pay percentage is calculated on the disposable income over the protected pay amount, and then added to the protected pay amount, as follows:

  \[
  \text{Protected Pay} = (\text{Disposable Income} - \text{Protected Pay Amount}) \times \text{Protected Pay\%} + \text{Protected Pay Amount}
  \]

- If your selection is No, the protected pay is the maximum of the protected pay percentage or the protected pay amount. This is the default behavior.

**Exemption Rule**

The Exemption rule is an exemption amount used to reduce the gross or net wages, prior to applying the deduction percentage in the calculation.

**Maximum Protected Pay Amount Per Month Rule**

The Maximum Protected Pay Amount Per Month Rule specifies a maximum value for the protected pay amount for each deduction in a month. If there are multiple deductions of the same type, for example two garnishments, this value serves as the maximum for all deductions of the same deduction type. This applies only to the specific deduction you set up.

**Maximum Withholding Amount Per Month Rule**

The Maximum Withholding Amount Per Month Rule specifies a maximum withholding value for the deduction in a month.
British Columbia Protected Pay Rule

The British Columbia Family Maintenance Enforcement Program (BC FMEP) has a prescribed rate for protected pay based on the amount of wages paid per period. This is only for maintenance and support deductions and is addressed by configuring the following rule. This is a Yes or No option that specifies whether the protected pay calculation for British Columbia FMEP is enabled.

The requirements for British Columbia FMEP are preconfigured by Oracle.

- If your selection is Yes, the British Columbia FMEP protected pay calculations are applied.
- If your selection is No, the British Columbia FMEP protected pay calculations are not applied. This is the default behavior.

If other protected pay rules are configured, the British Columbia FMEP protected pay calculations are overridden and the other protected pay rules are used in the calculations.

Disposable Income Calculation Rule

The following rules regarding the Disposable Income Calculation Rule are predefined in the application.

- If the Disposable Income Calculation Rule is not defined, the default value is Percentage of Net Pay. This means that the employee’s net pay is used in the protected pay calculations. Net pay represents gross pay less statutory deductions.
- The Disposable Income Calculation Rule works in the same way for the Deduction Percentage as it does for the Protected Pay Percentage rule.
  - If the rule is Percentage of Gross, the percentage entered on Calculation Values is the percentage of gross pay
  - If the rule is Percentage of Net, the percentage entered on Calculation Values is the percentage of net pay
  - If rule is Percentage of Net Pay Less Specific Deductions, the percentage entered on Calculation Values is the percentage of net pay less specific deductions

If multiple Involuntary Deduction components exist, each with a differing Protected Pay Percentage entered, the formula uses the highest percent defined.

Select the rule from the list of values in the Edit Calculation Values within the Involuntary Deductions Calculation Card for the employee. The protected pay amount calculated for the deduction, as well as additional details, are displayed in the run results for the Results and element’s shadow elements. Any amounts in arrears observe the protected pay limits.

Record of Employment

Overview

A Record of Employment (ROE) is given to an employee when there is an interruption in their earnings due to termination or leave of absence. The ROE is only issued to employees who work insurable hours and receive insurable earnings.

The ROE information helps Service Canada officials determine if an employee qualifies for Employment Insurance (EI) benefits when not working.
Before you generate the ROE file, you must consider the following:

- Insurable earnings
- Legal reporting unit (LRU) contacts
- Reporting Information calculation card
- Archiving ROE information
- Generating the ROE file

For more information, refer to Record of Employment Processing (2333848.1) at My Oracle Support.

**Insurable Earnings**

Insurable earnings are subject to EI premiums and are designated as such in the wage basis rules defined for the secondary classification. Use the Manage Elements task to specify whether the insurable earnings are allocated by date earned or date paid when defining the element. You can also specify if there are insurable hours associated with the element.

Use the Manage Component Group Rules task to view the earnings that are subject to Employment Insurance.

Use the View Person Process Results task to open and view the Statement of Earnings (SOE). You can view insurable earnings and insurable hours calculated for an element within the Run Results section of the SOE. You can also verify the insurable earnings and insurable hours that would be recorded in the ROE process for a pay period.

To exempt an employee from EI premiums, select the EI Exempt check box on the employee’s tax card on the Manage Calculation Cards page. An employee exempted from EI premiums is not issued an ROE.

**LRU Contacts**

The Run Record of Employment Archive process requires the primary contact details entered for the LRU associated with the legal employer.

Define the ROE contacts on the Manage Contacts page opened from the Manage Legal Reporting Unit page, while defining the LRU. You must set up the primary contact with phone details and attach the Legal Role of Record of employment contact. You can define additional contacts; however, designate the contact you want reported on the ROE as the primary contact.

**Reporting Information Calculation Card**

Use the Reporting Information calculation card to capture the following ROE details pertaining to an employee:

- ROE Comments
- ROE Other Monies
- ROE Special Payments
- ROE Statutory Holiday Pay
- ROE Vacation Pay
- ROE Data

**Note:** The Reporting Information card must be created with an effective date within the employee’s final pay period or termination date.

After you create an ROE calculation component, create the associated calculation component details and capture the attributes of the component. You must also specify the payroll in which the employee is paid. Multiple ROE calculation components can be created for the same component if multiple payments are being reported.
When adding some calculation components, you must specify the reference code. The reference code is a unique identifier for the payment.

The calculation card must have an association with a tax reporting unit.

**ROE Reason Mappings**

Use the Manage Legal Entity HCM Information task in the Setup and Maintenance work area to configure the ROE Reason defaults. Configure the ROE Reason in the Payroll Statutory Unit Details region. Create the following mappings in the Record of Employment Mappings section:

- Termination Actions -> ROE Reason
- Absences Secondary Classification -> ROE Reason

If required, you can create a Reporting Information calculation card to override the default ROE Reason configured for the payroll statutory unit (PSU). If no calculation card is created with an override, the ROE Reason from the PSU is reported on the ROE.

**Archiving the ROE Information**

Run the Run Record of Employment Archive process for an individual employee or a group of employees. The output of the process is an archive of the ROE information and a Record of Employment Worksheet.

Use the View Person Process Results task in the Payroll Calculation work area to open and view the ROE archive results. The Record of Employment Worksheet is accessible from the Regulatory and Tax Reporting work area when the archive is run. You can view the ROE Worksheet by searching for the ROE archive payroll flow name within the Regulatory and Tax Reporting work area.

**Generating the ROE File**

The Run Record of Employment Interface task uses the archived information to generate the ROE file. You can submit the generated file to Service Canada through ROE Web.

**ROE Amendments**

Generate an amended ROE when you must change, correct, or update the information you entered on an ROE you previously issued. The amended ROE must include the original data, the updated data, and the serial number of the original ROE. Use the following two processes to issue an amended ROE:

1. Import Record of Employment Data
2. Run Record of Employment Amendment Archive

**Related Topics**

- Defining Legal Reporting Unit Contacts for Canada: Procedure
- Viewing the Statement of Earnings: Procedure

**Creating the Reporting Information Calculation Card: Worked Example**

This example demonstrates how to create the Reporting Information calculation card. You must capture the Record of Employment (ROE) details pertaining to an employee on the Reporting Information calculation card. While processing the
ROE card details, the application takes into consideration employee assignments, terms, and payrolls within the same payroll relationship. Create the card within the employee's final pay period.

Use the Manage Calculation Cards task in the Payroll Administration or Payroll Calculation work areas to create the Reporting Information calculation card for an employee.

Creating the Reporting Information card in this example involves:

- Creating the calculation card
- Defining ROE Information for ROE Blocks 14 and 16 - ROE Data
- Defining ROE Information for ROE Block 17A - Vacation Pay
- Defining ROE Information for ROE Block 17B - Statutory Holiday Pay
- Defining ROE Information for ROE Block 17C - Other Monies
- Defining ROE Block 18 - Comments
- Defining ROE Information for ROE Block 19 - Special Payments
- Creating an association for the Reporting Information card

**Prerequisites**

Before you create the card, ensure that:

1. The new hire process for the employee is complete.
2. The employee has a payroll relationship and is assigned to a payroll.

**Creating the Calculation Card**

To create the Reporting Information card:

1. Select **Manage Calculation Cards** from the Payroll Administration or Payroll Calculation work area.
2. On the Person Search page, complete the following fields:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>The name of the employee for whom you are defining the ROE details.</td>
</tr>
<tr>
<td>Legislative Data Group</td>
<td>The Legislative Data Group of the employee.</td>
</tr>
<tr>
<td>Effective As-of Date</td>
<td>The effective date of the card.</td>
</tr>
</tbody>
</table>

The Reporting Information card must be created with an effective date prior to the day the payroll is processed.

3. Click **Search** to display a list of matching payroll relationships.
4. Select the row for the person you entered in the Search section. This opens the Manage Person Details page. Any available calculation cards appear in the Search Results.
5. Click **Create** to open the Create Calculation Card window.
6. In the Name field, select **Reporting Information** as the calculation card name.
7. Click **Continue** to display the Manage Calculation Cards page.

Create appropriate components as required. The various blocks on the ROE display the data captured within the application.
Defining Block 16 Information - ROE Data
To define the ROE Data:

1. Click Create in the Calculation Components section.
2. On the Create Calculation Component window, select the ROE Data.
3. Select the Payroll. This is a required field. The default is the payroll associated with the payroll relationship, but you can select a different payroll, if required.
4. Click OK.
   The component details are enabled by default for the related calculation component.
5. Click Expand in the ROE Data Calculation Component Details row.
6. Enter the following details in the ROE Data: Details window:
   a. Select the Reason for Issuing ROE. This is a required field. These values are defined by Service Canada and cannot be updated.
   b. Select the Expected Recall Code. The options are:
      • Not returning
      • Unknown (default)
      • Expected date of recall
   c. Enter the Expected Recall Date, if applicable. This field is mandatory if the Expected Recall Code is Yes. The Expected Recall Date is the expected date of return to work, if the date is known.
7. Enter the Override First Day Worked, if applicable. This date is reported as the first day worked instead of the derived date.
8. Enter the Override Last Day for Which Paid, if applicable. This date is reported as the last day for which paid instead of the derived date.
9. Click Save.

Defining Block 17A Information - Vacation Pay
To define the vacation pay details:

1. Click Create in the Calculation Components section.
2. On the Create Calculation Component window, select the ROE Vacation Pay.
3. Select the Payroll. This is a required field. The default is the payroll associated with the payroll relationship, but you can select a different payroll, if required.
4. Click OK.
   The component details are enabled by default for the related calculation component.
5. Click Expand in the ROE Data Calculation Component Details row.
6. Enter the following details in the ROE Vacation Pay: Details window:
   a. Select the Pay Type. The default is Balance. If ‘Amount’ is selected, all ROE Vacation Pay balances are ignored.
      If multiple codes are paid on the final pay period, ‘Paid because no longer working’ is reported.
   b. Select one of the following Pay Codes:
      • Included with each pay
      • Paid because no longer working
      • Paid for a vacation leave period
      • Anniversary paid on a specific date each year
   c. Enter the Start Date and the End Date, if applicable.
      These dates pertain to Vacation Pay dates being reported if applicable.
7. Enter the vacation pay amount in the **Amount** field. An entry is mandatory if the Pay Type is Amount. This field is left blank if the Pay Code is ‘Included with each pay’ or if the Pay Type is ‘Balance’.

8. Click **Save**.

**Defining Block 17B Information - Statutory Holiday Pay**

To define the Statutory Holiday Pay:

1. Click **Create** in the Calculation Components section.
2. On the Create Calculation Component window, select **ROE Statutory Holiday Pay**.
3. Select the **Payroll**. This is a required field. The default is the payroll associated with the payroll relationship, but you can select a different payroll, if required.
4. Select the **Reference Code**. The Reference Code is used as a unique description for the payment. This code is not reported on the ROE.
5. Click **OK**.
   The component details are enabled by default for the related calculation component.
6. Click **Expand** in the ROE Data Calculation Component Details row.
7. Enter the following details in the ROE Statutory Holiday Pay: Details window:
   a. Enter the **Date**.
   b. Enter the statutory holiday pay amount in the **Amount** field.
8. Click **Save**.
   If multiple statutory holidays are to be reported, a new component must be created for each entry.

**Defining ROE Block 17C Information - Other Monies**

To define the Other Monies details:

1. Click **Create** in the Calculation Components section.
2. On the Create Calculation Component window, select the **ROE Other Monies**.
3. Select the **Payroll**. This is a required field. The default is the payroll associated with the payroll relationship, but you can select a different payroll, if required.
4. Select the **Reference Code**. The Reference Code is used as a unique description for the payment. This code is not reported on the ROE.
5. Click **OK**.
   The component details are enabled by default for the related calculation component.
6. Click **Expand** in the ROE Data Calculation Component Details row.
7. Enter the following details in the ROE Other Monies: Details window:
   a. Select the **Pay Type**. The default is Balance. If ‘Amount’ is selected, all ROE Other Monies balances are ignored.
   b. Select the **Pay Code**. These values are defined by Service Canada and cannot be updated.
   c. Enter the **Start Date** and the **End Date**, if applicable.
   d. Enter the Other Monies amount in the **Amount** field. An entry is mandatory if the Pay Type is ‘Amount’. This field is left blank if the Pay Type is ‘Balance’.
8. Click **Save**.
   If multiple ‘Other Monies’ are to be reported, a new component must be created for each entry.

Up to three Other Monies balances are reported in the Other Monies section of the worksheet and interface. If there are more than three entries for Other Monies, they are reported in the Comments section. If data has been entered in Comments, details of the Other Monies are appended to this data up to 150 characters. It is displayed as `code:amount`. For example, `B11:445.90, B06:654.25`. 
Defining Block 18 Information - Comments

To define the ROE Comments details:

1. Click **Create** in the Calculation Components section.
2. On the Create Calculation Component window, select the **ROE Comments**.
3. Select the **Payroll**. This is a required field. The default is the payroll associated with the payroll relationship, but you can select a different payroll, if required.
4. Click **OK**.

The component details are enabled by default for the related calculation component.
5. Click **Expand** in the ROE Data Calculation Component Details row.
6. Enter the free-form comments in the ROE Comments: Details window. The field length is limited to 150 characters.
7. Click **Save**.

Defining ROE Block 19 Information - Special Payments

To define the ROE Special Payments details:

1. Click **Create** in the Calculation Components section.
2. On the Create Calculation Component window, select the **ROE Special Payments**.
3. Select the **Payroll**. This is a required field. The default is the payroll associated with the payroll relationship, but you can select a different payroll, if required.
4. Select the **Reference Code**. The Reference Code is used as a unique description for the payment. This code is not reported on the ROE.
5. Click **OK**.

The component details are enabled by default for the related calculation component.
6. Click **Expand** in the ROE Data Calculation Component Details row.
7. Enter the following details in the ROE Special Payments: Details window:
   a. Select from one of the following **Pay Codes**:
      * Paid Maternity, Parental, Compassionate Care, Ill Children
      * Paid sick leave
      * Not Employment Insurance insurable wage loss indemnity
      * ROE insurable wage loss indemnity
   b. Enter the **Start Date** and the **End Date**.
   c. Enter the ROE special payments amount in the **Amount** field.
   d. Select a **Period**, Per Day or Per Week.
8. Click **Save**.

Creating an Association for the Reporting Information Card

You must associate the calculation card with a tax reporting unit. The TRU association is created automatically based on the employee’s payroll relationship. If an employee transfers to a different TRU, you must associate the calculation card. To define associations:

1. In the Calculation Card Overview pane, click **Associations**.
2. Click **Add Row** in the Associations section.
3. On the Create Association window, select the **Tax Reporting Unit** you want to associate for this person:
4. Click **OK**, and then click **Save and Close**.
Calculation Value Definitions

Calculation Value Definitions: Explained

A calculation value definition specifies how a value is provided or calculated. The value is not necessarily monetary. Typically, it's a flat amount or rate, but it could be a date or a text value, such as a tax code, depending on the calculation type. Some definitions hold the values in a table, so that different values apply to different employees.

The application provides a set of predefined calculation value definitions used to calculate statutory and involuntary deductions. You can't edit predefined calculation value definitions.

You can create or edit calculation value definitions using the Manage Calculation Value Definitions task in the Payroll Calculation area. For example, you can set defaults, turn the values into a range (0 -100), and make them enterable on the calculation card.

Value Definition Groups

When you create a calculation value definition, you can select an existing group or create a new one. The group categorizes related calculation value definitions. A set of standard groups is delivered with the application and available to all countries or territories.

Examples of value definition groups predefined for Canada include:

- Absences
- End of Year
- Deduction Rules
- Exemption Rules
- Federal Tax
- Fee Rules
- Limit Rules
- Provincial tax
- Time

Calculation Value Definition Rules

Calculation value definition rules help determine how the application processes deductions and calculates payments. The rules include:

- Deduction Rules
- Exemption Rules
- Fee Rules
- Limit Rules

Deduction Rules

Involuntary deductions may be calculated as a percentage of gross pay, net pay, all monies or a flat dollar amount. The court may set maximum amounts that can be deducted for each pay run, pay period, or on a monthly basis.
Exemption Rules

Protected pay is the amount of net pay an employee is left with after the involuntary deduction is taken. For each province and type of involuntary deduction, a portion of the earnings paid to an employee is exempt from involuntary deductions and set aside as protected pay. Regardless of multiple assignments or multiple runs in a pay period, protected pay should be applied.

These rules apply to all employees in your legislative data group. If you set an override on a calculation component on the Involuntary Deductions card, it impacts only the employee associated with that card.

Fee Rules

Some involuntary deduction types have additional fees payable to the employer, the court, or other third-party organization. These rules define how those fees are levied. Canada supports the following two types of fees:

- Initial Fee: One time payment normally paid on the first run of the deduction.
- Processing Fee: Recurring fee normally paid each time the involuntary deduction is made. If you have selected an initial fee, the processing fee is deducted separately.

The fee amount can be paid to a person or organization other than the recipient of the deduction payments.

Limit Rules

Limit rules define the total owed amount for involuntary deductions.

To view and edit the rules or create them:

1. Start the Manage Calculation Value Definitions task.
2. Perform a search for a specific value definition groups.

You can narrow this search by providing additional information in the Name field.

For example, for Quebec Exemption Rules, query by the province name, such as "Quebec%". To search for federal values, use "Tax Levy%", "Garnishments%", or "Maintenance and Support%",

3. Select a predefined rule to view its details.

Click Create to define a new rule.

Calculation Value Definitions: Examples

The following deduction examples, the calculation value depends on where the employee falls in an earnings range. The From and To values of the range can be static or dynamic. Dynamic values are a fraction of the value of a database item, such as gross earnings. These examples also illustrate how to override the default calculation type for selected values in the range.

Static Values

The calculation value definition for a regional income tax uses a default calculation type of Flat Rate. However, for the lowest and highest incomes, a flat amount applies. For these two values, the Flat Amount calculation type overrides the default type, and uses a monetary value rather than a percentage. The Basis of Calculation Values field is blank, so the values are static.

The following table shows sample static values for this calculation value definition:
Dynamic Values

The calculation value definition for a tax exemption uses a default calculation type of Incremental Rate. The first and last values specify the Flat Amount calculation type, which overrides the default type. The Basis of Calculation Values field specifies the Gross Earnings YTD database item. This means the From and To values represent a percentage of year-to-date gross earnings.

The following table shows sample dynamic values for this calculation value definition:

<table>
<thead>
<tr>
<th>From Value</th>
<th>To Value</th>
<th>Calculation Type Override</th>
<th>Rate or Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>199</td>
<td>Flat Amount</td>
<td>0</td>
</tr>
<tr>
<td>200</td>
<td>999</td>
<td></td>
<td>4 (percent)</td>
</tr>
<tr>
<td>1000</td>
<td>1999</td>
<td></td>
<td>6 (percent)</td>
</tr>
<tr>
<td>2000</td>
<td>999,999,999</td>
<td>Flat Amount</td>
<td>300</td>
</tr>
</tbody>
</table>

The first row defines a flat amount of 300 CAD that applies to the first 10 percent of gross earnings. The second row defines a 10 percent rate that applies to the next 10 percent of gross earnings. The third row defines a 30 percent rate that applies to between 20 and 90 percent of gross earnings. The final row defines a flat amount of 0 CAD between 90 and 100 percent.

Enterable Values on Calculation Cards

Some values entered on a calculation card override values defined in a calculation value definition. For example, you might set a default tax rate for the legislative data group, and allow the rate to be overridden by a flat amount entered on a personal calculation card.

The following table explains where you can enter override values on calculation cards. It also provides the order in which the Calculate Payroll process checks for values entered on calculation cards. When the process finds an entered value, it stops checking and uses the values defined at that level.

<table>
<thead>
<tr>
<th>Order</th>
<th>Type of Values</th>
<th>Task</th>
<th>Offering/Functional Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Values for a payroll relationship on any type of calculation card</td>
<td>Manage Calculation Cards</td>
<td>Payroll Calculation or Payroll Administration</td>
</tr>
</tbody>
</table>
Allowing Enterable Values on Calculation Cards

The ability to enter values on calculation cards is controlled by the Enterable Calculation Values on Calculation Cards section of the calculation value definition:

- For user defined calculation value definitions, you can specify an enterable calculation value in this section. You provide:
  - The display name to appear on the calculation card.
  - The value type, such as total amount or additional amount.

- Enterable values for statutory and involuntary deductions are predefined. You can’t allow new enterable values for predefined calculation value definitions.

Enterable Value Types

The list of value types available for entry depends on the calculation type. For example, you can allow users to enter the percentage value for a flat rate calculation or the monetary value for a flat amount calculation.

The following value types are available for all calculation types except text:

<table>
<thead>
<tr>
<th>Value Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculation value definition</td>
<td>Uses the calculation value definition entered on a calculation card to calculate the amount.</td>
</tr>
<tr>
<td>Total amount</td>
<td>Uses the amount entered on the calculation card as the total amount.</td>
</tr>
<tr>
<td>Additional amount</td>
<td>Adds the amount entered on the calculation card to the calculated amount.</td>
</tr>
</tbody>
</table>
Enterable Values on the Personal Calculation Card

The application provides the predefined Tax Credit Information personal calculation card for use with the Canadian legislation. Aspects of the card include:

- Component Groups and Calculation Components
- Associations
- Calculation Card Overrides

Together, these components define how to calculate, process, and report taxes.

Some values entered on a calculation card override values defined in a calculation value definition. For example, the exemption rules for protected pay for a legislative data group can be overridden for an employee on their Involuntary Deduction card.

Canadian statutory calculations are broadly categorized into the following two component groups:

- Federal
- Regional

Statutory calculations are based on the taxability rules and tax deduction rates at both the federal and provincial levels. For all provinces except Quebec, the federal and provincial taxes are collected as a single component: federal tax. For Quebec, they are separated into two components: federal tax and provincial tax. In addition, you also have applicable provincial and payroll taxes depending on your province of employment.

Component groups appear in the Calculation Card Overview section of the Manage Calculation Cards page. Each component group supports a set of calculation components that capture data used to process the calculation.

Federal Component Group

The federal calculation group has the following three calculation components:

- Federal Tax
- Employment Insurance (EI)
- Canada Pension Plan (CPP)

You can enter information in the following three sections of the tax card:

- Federal Tax Information
- Tax Exempt Information
- Commission Information

Federal Tax Information

The Federal tax calculation is applicable in all provinces. The values you can enter for Federal Tax Information include the following:

- Total Claim Amount: This value represents the federal basic personal amount. The Tax Information Upload process loads the basic tax exemption amount values into a table that is then displayed on the calculation card. Each year Vertex updates the basic amount only. If an employee only has the basic personal amount they need not enter anything in the Total Claim Amount field.
The Basic Personal Amount is used for calculation of federal taxes. However, if you enter a Total Claim Amount in the Payroll Batch Loader, then that value is used for federal tax calculations. The entered value is read as an override value and the Load Payroll Tax Information process does not update the value when the basic amount changes.

If the employee has a total claim amount greater than the basic amount, the higher amount should be entered here. This override is not reset to the basic amount or updated at the beginning of the year. It remains the same until modified by you. In this case, the total claim amount must be entered as 0.

Vertex does not automatically reset this value during the annual tax upload process. The value remains the same until you modify it.

If an employee states that their total expected income from all sources is less than the total claim amount, no federal, provincial or territorial tax is deducted from the employee.

- **Annual Deduction**: This value represents a tax reduction relating to child care and alimony expenses that is authorized by a tax services office, government or court. It applies to federal tax calculations.
- **Federal Tax Rate**: This overrides the federal tax calculations.
- **Prescribed Zone Deduction**: An employee living in a prescribed zone is eligible for additional tax exemptions. Enter the deductions in the Prescribed Zone Deduction field on the employee’s personal card. For Quebec, enter the deduction in the Designated Remote Area Deduction field.
- **Federal Tax Amount**: This is an override to the federal tax calculations.

The Federal Tax Amount does the following:

- In a payroll where only elements with regular taxation are processed, the Federal Tax Amount replaces the tax calculation.
- In a payroll where only elements with nonperiodic taxation are processed, the Federal Tax Amount replaces the tax calculation.
- In a payroll run where elements with regular and nonperiodic taxation are processed, the Federal Tax Amount replaces the tax calculation for elements with regular taxation. The tax on the elements with nonperiodic taxation is calculated independently.
- In a payroll run where elements with lump sum taxation are processed, the Federal Tax Amount is ignored.

If an Additional Tax value is entered for the employee, it is deducted in addition to the Federal Tax Amount.

To exempt an employee from paying federal tax:

- Select the Federal Tax Exempt check box on the calculation card.
- If the employee is Status Indian, select the Indian Exempt Status check box in the Payment Details: Additional Information section of the Hire an Employee - Employment Information page. Selecting the check box stops the tax from calculating.

**Tax Exempt Information**

The values you can enter in this region are:

- **CPP Exempt**: Use this check box to indicate if the employee is exempt from CPP tax calculations.
- **CPP Revocation Date**: This date is applicable to those who have elected in a previous year to stop contributing to CPP and want to revoke that election. CPP contributions will begin after this date. If the date is not the first of the month, CPP contributions will begin from the month following this date.
- **CPP Election Date**: This date is applicable to those who are currently receiving a CPP or Quebec Pension Plan (QPP) retirement pension and want to stop contributing to the CPP.
CPP is paid to retired employees who are between the ages of 65 and 70. The above two date fields become enterable if the person is between these ages.

- EI Exempt: Use this check box to indicate if the employee is exempt from EI tax calculations.
- Indian Exempt Status: Use this check box to indicate if the employee has an Indian status.

This information is captured at the assignment level. If the employee has multiple assignments and if one of them has Indian Exempt Status, the employee is exempt from federal and provincial tax deductions.

- Federal Tax Exempt: Use this check box to indicate if the employee is exempt from federal tax calculations.

**Regional Component Group**

Calculation Components under the Regional group are: Provincial Tax, Payroll Tax and Quebec Taxes. The values displayed in the card depend on the province of employment.

- Payroll Tax: Payroll tax is applicable only in Nunavut and Northwest Territories. Select the Payroll Tax Exempt check box to exempt an employee from this tax.
- Provincial Tax: Provincial tax is an income tax applicable only for Quebec. Select the Provincial Tax Exempt check box to exempt the provincial tax deductions for this employee. You can override the tax calculation with a flat amount or rate.
- Quebec Taxes: For all provinces other than Quebec, the federal and provincial taxes are collected as a single component: federal tax. For Quebec, they are separated into two components: federal tax and provincial tax.

  - Quebec Pension Plan (QPP) is similar to CPP and is applicable only in the province of Quebec.
  - Quebec Parental Insurance Plan (QPIP) contribution is for parental leaves in Quebec.

  You can select the relevant check box to exempt the employee from both or either QPP or QPIP tax calculations.

- Ontario Tax Credits: Employees in the province of Ontario are eligible for an additional reduction in their taxes depending on the following:
  - Number of the employee’s dependents under the age of 19
  - Number of disabled dependents the employee supports

- Commission Information: Commission Remuneration and Commission Expenses apply at the federal level and to Quebec. The values you can enter for Commission Information include the following:
  - Commission Remuneration: The amount of income a commissioned employee is expected to earn in the calendar year. This value is derived from the employee’s TD1X and TP1015R forms and it is entered on the tax card.
  - Commission Expenses: The amount of expenses a commissioned employee is expected to have in the calendar year. This value is derived from the employee’s TD1X and TP1015R forms and it is entered on the tax card.

- Labour Fund Contributions: A tax calculation reduction applicable only when the employee has deductions related to labour-sponsored funds. The annual value of the contribution is entered on the tax card. This is applicable to British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Quebec, Saskatchewan, and Yukon.

  **Note:** For Quebec, there is a 15 percent tax credit on the value entered.
• Additional Tax: This value represents the amount an employee elects to have deducted as extra tax, in addition to the tax calculation. The amount is entered in Canadian Dollars only and it applies to Quebec only. This value is derived from the forms and it is entered on the tax card.

Associations
A calculation card must be associated with a tax reporting unit (TRU). The association happens automatically if you select the TRU in the payment details. This association enables the payroll process to apply rules and rates defined for the TRU when calculating deductions. It also controls the aggregation of deductions for tax reporting.

Association details link calculation components with terms or assignments. Each component must be associated with one or more assignments in a 2-tier model.

Changing the TRU for an Assignment
Use the Manage Calculation Cards task in the Payroll Calculation work area to change the TRU for a preexisting assignment on the tax card. To change the TRU:

1. Navigate to the Manage Calculation Cards page.
2. Search for and select the person record.
3. Click Tax Credit Information.
4. Click Associations under the Component Groups tree.
5. Select the Tax Reporting Unit under Associations for which the assignment currently exists.
6. Select the assignment number to change under Association Details.
7. Click Edit, Update.
8. Select the Calculation Component for the new TRU.
9. Click Save and Close.

This end dates the record for the assignment associated with the previous TRU and creates a new record for the new TRU.

Calculation Card Overrides
Calculation cards at different levels capture different information. The information defined at a lower-level overrides value defined at higher levels. An entry defined on the personal calculation card overrides the values defined at the TRU or payroll statutory unit level.

Indian Exempt Status
Under certain conditions, an employee with an Indian Exempt Status may be eligible for federal and provincial tax exemptions. In this case their exempt status must be captured to stop the tax calculations. However, payroll tax is still deducted for Nunavut and Northwest Territories.

The Indian Exempt Status of the employee is captured during the new hire process. This status is captured as a check box in the Additional Information section under Payment Details of the Hire an Employee - Employment Information page. This can also be updated using the Manage Payroll Relationships task. To exempt the employee from federal and provincial taxes, use the check box in the Additional Information section of Payment Details under Assignment.

If an employee has multiple assignments and at least one assignment has a status of Indian Exempt Status, the Indian Exempt Status displays as Yes. The status is displayed on the personal calculation card of the employee. The employee is then exempted from federal and provincial tax. You cannot update this status on the personal calculation card because it’s only a display field.
Calculation Types in Calculation Value Definitions

The calculation type determines which values you must provide in the Calculation Values section of the Create or Edit Calculation Value Definition page. For example, if you select Flat Amount as the calculation type, then you must provide a flat amount value. You specify a default calculation type for the definition, which you can override on individual rows in the Calculation Values section.

Predefined Calculation Types

You can choose from several predefined calculation types, as described in this table:

<table>
<thead>
<tr>
<th>Calculation Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat Amount</td>
<td>Uses the specified flat amount as the total deduction amount.</td>
</tr>
<tr>
<td>Flat Amount Times Multiplier</td>
<td>Multiplies a flat amount by a multiplier value. If you select this option, you must specify a database item that provides the value of the multiplier.</td>
</tr>
<tr>
<td>Conditional Flat Amount</td>
<td>Uses the specified flat amount if the condition defined in the Calculation section is met. For example, a person might qualify for an exemption if their filing status is married or head of household. If you select this option, you must specify a database item that provides the value of the condition.</td>
</tr>
<tr>
<td>Flat Rate</td>
<td>Applies the specified rate to the balance. For example, to apply a rate of 10 percent, enter 10.</td>
</tr>
<tr>
<td>Incremental Rate</td>
<td>Applies a different rate to portions of the balance. For example, assuming that the balance is 80,000 USD, you could apply a 1 percent rate for the first 20,000 of the balance. A 3 percent rate for the next 30,000, and a 5 percent rate to the next 30,000. This is also referred to as a blended rate.</td>
</tr>
<tr>
<td>Standard Formula 1</td>
<td>Calculates the total amount based on the following formula: $y = Ax - Bz$ Where: $y$ is the deducted amount. $x$ is the calculated amount. $A$ and $B$ are specified values. $z$ is a factor from a predefined formula. The value defaults to 1.</td>
</tr>
<tr>
<td>Standard Formula 2</td>
<td>Calculates the value based on the following formula: $y = (x - A) x B + Cz$</td>
</tr>
</tbody>
</table>
Oracle Human Resources Cloud
Implementing Payroll for Canada

Chapter 11
Set Up Pay Calculation Components

<table>
<thead>
<tr>
<th>Calculation Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Where:</td>
</tr>
<tr>
<td></td>
<td>• y is the deducted amount.</td>
</tr>
<tr>
<td></td>
<td>• x is the calculated amount.</td>
</tr>
<tr>
<td></td>
<td>• A, B, and C are specified values.</td>
</tr>
<tr>
<td></td>
<td>• z is a factor from a predefined formula. The value defaults to 1.</td>
</tr>
<tr>
<td>Text</td>
<td>Uses the specified character string as the calculated value.</td>
</tr>
</tbody>
</table>

Specifying View Objects

A view object is a query result set. You can specify a view object to define the valid values that are available to the selected calculation type.

📝 Note:
- The view objects you can specify vary depending on the calculation type. For example, if the calculation type is **Conditional Flat Amount**, then specify view objects for the condition and flat amount values.
- When you specify a view object, include the fully qualified path name, such as: `oracle.apps.hcm.locUS.payrollSetup.details.publicView.UsStatePVO`

Wage Basis Rules

Overview

Wage basis rules introduce a way to identify the federal and provincial factors that determine the calculation of balances. The calculation of balances is based on the references (contexts) selected at the deduction level. Each wage basis rule is associated with a secondary element classification.

Wage basis rules are predefined for all the available secondary classifications. In case you create a new classification, you must create the wage basis rules for the new classification. Wage basis rules are either at the regional level or at the federal level.

Use the Manage Component Group Rules task in the Payroll Calculation work area to view the predefined rules or create rules. The rules are based on the deduction types. The wage basis rules are date effective.

Contexts for Wage Basis Rules

You can associate a wage basis rule with up to four references that define the context for the rule. Each reference has a number that determines the sequence in which it’s evaluated for processing relative to other references.

Contexts or references are defined for each deduction type and each context has a context usage defined. The context usages defined for Canada include:

- Statutory reporting types or combinations of year end forms
- The primary and secondary classification of the elements
- The province associated to the deduction type. This is only applicable to regional component wage basis rules.
Deduction Types and Classifications
The wage basis rules are based on the deduction types.

Oracle Fusion Human Capital Management for Canada delivers the current wage basis rules for federal and provincial levels for a number of secondary classifications. These wage basis rules define if a particular classification of earning is subject to the following:

- Federal and Provincial Tax
- Payroll Tax
- Canada Pension Plan or Quebec Pension Plan
- Employment Insurance
- Quebec Parental Insurance Plan
- Provincial Medical
- Workers’ Compensation
- Vacation

The wage basis rules also define how earnings contribute to the disposable income for the different involuntary deduction types. For Earnings, a check mark indicates that the earning is subject to that tax.

Regular and overtime earnings are always subject to Federal and Provincial taxes. However, Pretax Deductions, Supplemental Earnings and Taxable Benefits, may be subject to different types of taxes and tax withholding at the federal and provincial levels.

For Pretax Deductions, a check mark indicates that the deduction does not reduce the subject wages. If no check mark is present, the deduction reduces the subject wages.

Statutory Reporting Types
You must associate the secondary classification to a reporting type. This enables the element template and the wage basis rules to automatically create the required feeds and contexts so that the correct tax processing occurs. The values for the reporting types are:

- T4/RL1
- T4A/RL1
- T4A/RL2

Wage Basis Rules: Examples
The following examples illustrate how wage basis rules affect a tax calculation and pay.

Province of Employment
The province in which you carry out work controls your payroll deductions. So, if I live in Ontario but work in Quebec, my deductions are based on the Quebec deduction guidelines, and not those of Ontario.

Each province has two levels of Income Tax, Federal Tax and Provincial Tax. In all provinces except Quebec, this tax is calculated separately but deducted as one tax called Federal Tax. Each employee paid in Quebec receives both a Federal Tax and Quebec Tax (provincial tax) deduction.

Quebec Parental Insurance Plan (QPIP) provides wage loss replacement to those who take time off from work for parental, maternity, or adoption leave. This tax is deducted only in Quebec.
Similarly, the Northwest Territories and Nunavut territories each have a Payroll Tax based upon the total wages paid to an employee.

For example, a person working in:

- Ontario is subject only to Federal Tax deductions, Canada Pension Plan (CPP), and Employment Insurance (EI).
- Quebec is subject to the Federal Tax, Provincial Income tax and, Quebec Pension Plan, QPIP, EI.
- Northwest Territories is subject to the Federal Tax deductions, CPP, EI, and the territorial taxes.

The table below gives examples of how wage basis rules for tax calculation vary for three different provinces:

<table>
<thead>
<tr>
<th>Region (Reference Value)</th>
<th>Federal Deductions</th>
<th>Provincial Income Tax Deductions</th>
<th>Territorial Taxes</th>
<th>Parental Insurance Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ontario</td>
<td>Yes</td>
<td>Included in Federal Tax Deductions</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Quebec</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Northwest Territories</td>
<td>Yes</td>
<td>Included in Federal Tax Deductions</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

Wage Basis Rules for Involuntary Deductions

The processing rules for Canadian involuntary deductions vary for each province and for each type of involuntary deduction. The application provides the provincial rules for all predefined primary and secondary classifications. Wage basis rules define how earnings contribute to the subject wages for the different involuntary deduction types.

Use the Manage Component Group Rules task in the Payroll Calculation work area to create and view wage basis rules.

The calculation of an involuntary deduction can be based on one of the following:

- Gross pay: Includes all earnings (excluding Nonpayroll payments).
- Net pay: Includes Gross pay minus the following statutory deductions:
  - Canada Pension Plan
  - Quebec Pension Plan
  - Employment Insurance
  - Quebec Parental Pension Plan
  - Federal Tax
  - Provincial Tax
  - Payroll Tax
- Net pay less specific deductions: Includes Gross pay minus the following statutory and specific deductions:
  - Canada Pension Plan
  - Quebec Pension Plan
Viewing Predefined Wage Basis Rules
To view the wage basis rules predefined at the provincial and federal level:

1. From the Payroll Calculation work area, select the Manage Component Group Rules task.
2. On the Manage Component Group Rules page, select a Canadian Legislative Data Group and click Search.
3. In the tree structure, expand the Involuntary Deductions node. You can resize the Calculation Component Group Overview pane to view the tree.
4. Expand the Wage Basis Rules node.
5. Expand the Related Deductions node. You can see the three secondary classifications of Garnishments, Maintenance and Support, and Tax Levy.
6. Select the appropriate classification and select a Province node to view province-specific rules.

A table of all wage basis rules display, organized by province and deduction type.

The deductions column has different meanings for earnings and deductions:

- For earnings, they identify the classifications that contribute to the disposable income for that deduction type.
- For deductions, they identify the classifications that are subject to disposable income and do not reduce the disposable income for calculations of the indicated involuntary deductions.

Creating Wage Basis Rules
When you create a new secondary classification, earnings or deduction, you can also define wage basis rules for it:

1. From the Payroll Calculation work area, select the Manage Component Group Rules task.
2. On the Manage Component Group Rules page, select a Canadian Legislative Data Group and click Search.
3. Select the Component Group Involuntary Deductions.
4. Under the Component Group Rules pane, navigate in the tree structure to the Related Deductions node for the appropriate deduction type.
5. Select the Wage Basis Rules node. A table of all wage basis rules displays, organized by province and deduction type.
7. Enter the information required for new wage basis rule as listed in the following table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective Start Date</td>
<td>It's recommended to use either the implementation date or the earliest date a pay period exists.</td>
</tr>
<tr>
<td>Year End Forms</td>
<td>Select the year end form for reporting this deduction or earning.</td>
</tr>
<tr>
<td>Province</td>
<td>Select the Province for which you are defining the wage basis rules, example, Ontario.</td>
</tr>
</tbody>
</table>
Creating a Wage Basis Rule: Procedure

Wage basis rules are predefined for all the delivered secondary classifications. You cannot change the predefined rules; you can only create date-effective rules. When you create a new secondary classification, create the wage basis rules for the new classification.

Use the Manage Component Group Rules task from the Payroll Calculation work area to create a wage basis rule.

To create a wage basis rule:

1. From the Payroll Calculation work area, select the Manage Component Group Rules task.
2. On the Manage Component Group Rules page, select a Canadian Legislative Data Group and click Search.
3. Select the Regional node, to define wage basis rules at the provincial level. For example, Workers Compensation rules for Ontario.

   The earnings considered to determine the amount used to calculate the Workers’ Compensation liability amount is dependent on the rules defined for the province.


5. Select Actions > Create. to open the Create Wage Basis Rule page.
6. Enter the following information:

<table>
<thead>
<tr>
<th>Field</th>
<th>Requirement</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective Start Date</td>
<td>Required</td>
<td>It's recommended to use either the implementation date or the earliest date a pay period exists.</td>
</tr>
<tr>
<td>Year End Forms</td>
<td>Optional</td>
<td>Select the year end form for reporting this deduction or earning.</td>
</tr>
<tr>
<td>Province</td>
<td>Optional</td>
<td>Select the Province for which you are defining the wage basis rules, example, Ontario.</td>
</tr>
</tbody>
</table>

7. Click Submit.
7. Select Yes or No in the Select all secondary classifications option. Select Yes if all secondary classifications under the primary classification should be defined the same way. For the purpose of this example, select No.

8. Select a Secondary Classification.

9. Select either Yes or No, to determine if the selected secondary classification is subject to wage basis rule.

10. Click Submit.

To view the data you just created, search by the province on the Manage Component Group Rules page. In the field directly above Province, enter the abbreviation of the province, for this example it’s ON. This filters the data in the UI for Ontario. If a blank field is not available for entry above Province, select the filter icon (Query by Example).

These rules that you have created are linked to a Legislative Data Group. They cannot be overwritten by the rules predefined by Oracle Fusion Human Capital Management for Canada.

**Viewing Wage Basis Rules: Procedure**

Use the Manage Component Group Rules task from the Payroll Calculation work area to view the wage basis rules for the federal and regional components.

To view the wage basis rules information:

1. From the Payroll Calculation work area, select the Manage Component Group Rules task.
2. On the Manage Component Group Rules page, select a Canadian Legislative Data Group and click Search.

**Viewing the Federal Components**

To view the federal components:

1. Select the Component Group Federal.
2. For example, to view the wage basis rules for the Standard Earnings, under the Component Group Rules pane, navigate in the tree structure to Related Deductions > Standard Earnings > Wage Basis Rules.
3. View the wage basis rules for Supplemental Earnings, Pretax Deductions, and Standard Earnings as they relate to each federal-level tax.

- For Earnings, a check mark indicates the earning is subject to that tax. If no check mark is present, then the earning is not subject to tax. The absence of an entire row is the same as no check mark.
- For Pretax Deductions, a check mark indicates that the deduction is subject to taxation and it does not reduce the subject wages. If no check mark is present, then the deduction is not subject to taxation and it reduces the subject wages. The absence of an entire row is the same as no check mark.

**Viewing the Regional Components**

To view the regional components:

1. Select the Regional node.
2. For example, to view the wage basis rules for Workers Compensation, under the Component Group Rules pane, navigate in the tree structure to Related Deductions > Workers Compensation > Wage Basis Rules > Year End Forms; Province.
3. View the wage basis rules for Provincial Tax, Quebec Pension Plan, Quebec Parental Insurance Plan, Payroll Tax, Provincial Medical, Workers Compensation, and Vacation Liability. Due to the large volume of data, you may have to filter the data to view a particular province. Use the field above the Province column to enter the abbreviation of the province whose details you want to view. You can also sort the province in ascending or descending order to view the details.

Process Provincial Medical Liability

Overview

Oracle Fusion Human Capital Management for Canada supports the following provincial medical liability processing:

- Ontario Employer Health Tax
- Manitoba Health and Post Secondary Education Tax
- Quebec Health Services Fund
- Newfoundland and Labrador Health and Post Secondary Education Tax

The wage basis rules define the subject wages for each province. Quebec is the only province where the liability is calculated directly through the payroll process. All other liabilities are calculated through the Provincial Medical report. For employees outside of Quebec, the subject wages are accumulated by account per payroll run. Employer premiums are calculated within the report by multiplying the provincial subject wages for the period by the rate defined for the account.

The account number and name is not captured for Quebec because the Quebec Identification Number (QIN) is used as the account number.

The provinces and the corresponding agency that administers the provincial medical are predefined in the application. Use the Manage Legal Entity HCM Information task in the Setup and Maintenance work area to define the provincial medical account and the related information at the payroll statutory unit (PSU) level.

The details you define at the PSU level are valid for all the tax reporting units associated with the PSU.

An employee’s province of employment determines which provincial medical account is associated to their term or assignment. The default account is used to calculate the provincial medical liability. You can override the Provincial Medical Account Number at the employee’s assignment or term, the department or location.

Provincial Medical Liability Processing: Points to Consider

Provincial medical liability processing depends on the following factors.

Rate Retrieval

You can use one of the following rates for processing provincial medical liability:

- The rate associated with the default Provincial Medical Account Number for employee’s province of employment.
- The rate associated with the Provincial Medical Account Number Override you enter at the Location, or Department levels.
- The rate associated with Provincial Medical Account Number Override on the assignment.
Note:

1. If no rates are defined at the payroll statutory unit (PSU) level, then no provincial medical liability is calculated.
2. When defining overrides, you must specify the PSU and province first, as this presents the account specific to that province.

Calculation of Liability
The employer liability is calculated as a percentage of the provincial medical subject wages for a period, less the exemption amount, if applicable. The liability is calculated in the report, except for Quebec, which is calculated within the payroll run. The period is specified by the Starting Payment Date and Ending Payment Date. The liability is based on the rates and the thresholds defined by you at the PSU level. The thresholds are dependent on the annual provincial medical subject wages year-to-date.

Ontario Employer Health Tax (EHT)
EHT is an Ontario payroll tax for health insurance premiums that is paid by the employer. Employers are required to pay EHT on the annual subject wages paid to Ontario employees less the annual exemption, if applicable. The amount of EHT payable is calculated by multiplying the Ontario Provincial Medical subject balance by the provincial medical rates entered on the PSU. The liability is calculated in the Provincial Medical Report.

Quebec Health Services Fund Rate
The Quebec Health Services Fund Rate is assigned by Revenu Québec. Employers are required to pay the Quebec Health Services Fund amount on the annual subject wages paid to their employees.

The amount of Quebec Health Services Fund payable is calculated by multiplying the Quebec Provincial Medical subject balance by the rates entered on the PSU. The liability for the Quebec Health Services fund is calculated during the payroll run. It’s calculated as a straight percentage of earnings without any exemptions or thresholds.

Manitoba Health and Post Secondary Education Tax (HAPSET)
HAPSET is a Manitoba tax payable by employers whose annual remuneration exceeds a predetermined exemption threshold. Employers are required to pay HAPSET on the annual subject wages paid to Manitoba employees.

The amount of HAPSET payable is calculated by multiplying the Manitoba Provincial Medical subject balance by the rates entered on the PSU. The liability is calculated in the Provincial Medical Report.

Newfoundland and Labrador HAPSET Rate
Employers are required to pay Newfoundland and Labrador HAPSET on the annual subject wages paid to employees in that province. The exemption is shared across associated groups of employers.

The amount of HAPSET payable is calculated by multiplying the Newfoundland and Labrador Provincial Medical subject balance by the rates entered on the PSU. The liability is calculated in the Provincial Medical Report.

Wage Basis Rules
The following balances are created and tracked for provincial medical:

- Provincial Medical Gross that represents the gross earnings paid to employees in the province.
- Provincial Medical Subject that represents:
  - The earnings taken into consideration when determining the amount used to calculate the provincial medical liability.
  - Provincial Medical Gross minus the Provincial Medical Exempt balances.
• Provincial Medical Exempt represents wages that are exempt from the wage basis rules, or wages that have been exempted from provincial medical at the assignment.

Note: The exemption for the province is not included in this balance as it’s considered part of the Provincial Medical Subject balance.

Provincial Medical Liability Processing Overrides

You can override the default provincial medical account number at three levels:

• Assignment or term
• Location
• Department

Assignment-level Overrides

The employee’s province of employment is used to determine the Provincial Medical Account Number for the assignment, unless any overrides exist.

For a new person, enter the provincial medical overrides on the Employment Information page, while defining the employment and person information for the employee. For existing employees, use the Manage Payroll Relationships task to override default Provincial Medical Account Number.

Location-level Overrides

Use the Manage Locations task in the Setup and Maintenance work area to enter the Provincial Medical Account Number Override value. Enter the value in the Canada Legislative Information section of the Create Location page. The override account you enter here is used to process the provincial medical premiums for the entire location.

Department-level Overrides

Use the Manage Departments task in the Setup and Maintenance work area to override the Provincial Medical Account Number value. Enter the value in the Department Legislative Information section of the Create Department: Department Details page. The override account you enter here is used to process the provincial medical premiums for the entire department.

Exempting an Employee from Provincial Medical Premiums: Examples

Provincial Medical Exempt represents wages that are exempt from the wage basis rules, or wages that have been exempted from provincial medical at the assignment. This topic illustrates two scenarios when you can exempt an employee from provincial medical premiums.

Scenario

While defining the employee’s Person and Employment information during the new hire process. Use the Hire an Employee task under New Person in the Workforce Management work area. Select the Provincial Medical Exempt check box in the Assignment section of the Hire an Employee: Employment Information page of the employee, to indicate if the assignment of the employee should be exempt from the provincial medical employer liability calculations.
Scenario

Certain employees may be exempt from provincial medical premiums. Provincial medical calculations are not processed for the exempted employees. Use the Manage Payroll Relationships task in the Payroll Calculation work area to exempt the employee after the hire process. Select the Provincial Medical Exempt check box at the assignment level while updating the assignment record on the Manage Person Details page.

If an employer is exempt from provincial medical liability, you need not set up the provincial medical account information for the PSU. Provincial Medical balance accumulation and calculation of liability occurs only when the account setup is completed and the default account is set up.

FAQ for Process Provincial Medical Liability

How can I exempt an employee from Provincial Medical Liability processing?

You can exempt an employee from Provincial Medical Liability calculations while defining the person and employment information of the employee during the new hire process. Use the Hire an Employee task under New Person in the Workforce Management work area. Select the Provincial Medical Exempt check box in the Assignment section of the Hire an Employee: Employment Information page of the employee.

Process Workers' Compensation

Overview

Workers' Compensation programs protect employees from financial hardships associated with work-related injuries and occupational diseases.

Workers' Compensation Boards administer workers' compensation in each province. Each board publishes a list of classification units for various types of work being performed. The board also assigns a rate for each classification unit.

The provinces and the corresponding workers' compensation board are predefined in the application. Use the Manage Legal Entity HCM Information task in the Setup and Maintenance work area to define the workers' compensation classification unit and account information at the payroll statutory unit (PSU) level. Consider the following while defining the workers' compensation information:

- Since an employer can have multiple accounts within a province, you must designate one account as the default for the province.
- Since multiple classification units can apply to each account and each classification unit has an associated rate, you must designate one classification unit as the default for an account. There is a 1:1 relationship between the classification units and its associated rate.

The details you define at the PSU level are valid for all the tax reporting units associated with the PSU.
The province of employment determines which workers’ compensation board is associated to the term or assignment of the employee. The rate associated with the default account is used to calculate the workers’ compensation liability, unless you override the details. You can define overrides for workers’ compensation processing for a person at the assignment or term level, job, location, or department. Certain assignments of employees may be exempt from workers’ compensation premiums. This exemption is set at the assignment level.

The employer liability is calculated as a rate multiplied by the assessable wages, up to a maximum assessable wage defined for the province.

Workers' Compensation Liability Processing: Points to Consider

Workers' Compensation liability processing depends on the following factors:

- Rate Retrieval
- Calculation of Liability
- Provincial Factors
- Wage Basis Rules
- Annual Maximum Assessable Wages for a Province

Rate Retrieval

One of the following rates is used to calculate Workers' Compensation liability:

- Rate associated with the default Workers’ Compensation Account of the payroll statutory unit (PSU).
- Rate associated with the Workers’ Compensation Classification Unit Override and the Workers’ Compensation Province Override you enter at the Location, Job, or Department levels.
- Rate associated with the default rate of the default Workers’ Compensation Account for the Workers' Compensation Province Override on the assignment.
- Rate associated with the default rate of the Workers' Compensation Account Override on the assignment.
- Rate associated with the Workers’ Compensation Classification Unit Override entered on the assignment.

If any of the above overrides are defined, that information should be used to capture the appropriate rate set up at the PSU level.

Tip: If no rates are defined at the PSU level, then no Workers’ Compensation liability is calculated.

Calculation of Liability

The employer liability is calculated as a rate multiplied by the assessable wages up to the maximum assessable wage defined for the province. The rate is defined as an assessed amount per 100 Canadian dollars.

Provincial Factors

The province of employment determines which Workers’ Compensation Board is associated to the term or assignment of the employee. The rate associated with the default account is used to calculate the Workers’ Compensation liability, unless you override the details.

If an employee moves to another province, the assessable wages and liability are not carried forward to the new province.
Wage Basis Rules
The following balances are created and tracked for Workers’ Compensation:

- **Workers’ Compensation Gross** represents the gross earnings.
- **Workers’ Compensation Subject** represents the earnings used to calculate the Workers’ Compensation liability amount. This also includes amounts above the maximum set for each province. It is the result of Workers’ Compensation Gross - Workers’ Compensation Exempt - Workers’ Compensation Exempt Employee.
- **Workers’ Compensation Taxable (also known as Assessable)** represents the earnings used to calculate the Workers’ Compensation liability amount. This is the amount below (or equal to) the maximum set for each province.
- **Workers’ Compensation Exempt Employee** represents the earnings that are exempt as a result of defining the employee as exempt from Workers’ Compensation in the assignment or the tax card.
- **Workers’ Compensation Exempt** represents earnings that do not have wage basis rules setup.
- **Workers’ Compensation Excess** is the earnings over the maximum assessable amount that is not used in Workers’ Compensation liability calculations.
- **Workers’ Compensation Liability** represents the calculated Workers’ Compensation amount due by the employer.

Annual Maximum Assessable Wages for a Province
Annual maximum assessable wages are delivered for each province. They are held in the Calculation Information Repository of each province and Oracle updates them on an annual basis.

Use the Manage Calculation Value Definitions task in the Payroll Calculation work area to view the annual maximum assessable wages values for each province and update them.

Workers’ Compensation Overrides
You can define overrides for Workers’ Compensation processing for a person at the assignment or term level, job, location, or department, as described below.

Assignment - Level Overrides
Use the Hire an Employee task under New Person in the Workforce Management work area to enter the following overrides for a person at the Assignment section of the Employment Information page:

- **Workers’ Compensation Province**: You can override the province of employment. The default account for that province is used unless overrides exist.
- **Workers’ Compensation Account**: You can select any valid account defined for the Payroll Statutory Unit (PSU) as the override. This uses the default classification unit and rate for this account unless lower-level overrides exist.
- **Workers’ Compensation Classification Unit**: You can use any valid classification unit defined for the Workers’ Compensation Account as the override. This override is used to determine the rate for calculating Workers’ Compensation liability.

Job - Level Overrides
Use the Manage Jobs task in the Setup and Maintenance work area and under Define Workforce Structures to enter the following override values in the Canada Job Information section of the Create Job: Job Details page:

- **Workers’ Compensation Classification Unit Override**
- **Workers’ Compensation Province**
Location - Level Overrides
Use the Manage Locations task in the Setup and Maintenance work area and under Define Workforce Structures to enter the following override values in the Canada Legislative Information section of the Create Location page:

- Workers’ Compensation Classification Unit Override

Department - Level Overrides
Use the Manage Departments task in the Setup and Maintenance work area and under Define Workforce Structures to enter the following override values in the Department Legislative Information section of the Create Department: Department Details page:

- Workers’ Compensation Classification Unit Override
- Workers’ Compensation Province

When defining overrides at the job or department-level, you must specify the province first, as this presents classification units specific to that province.

FAQ for Process Workers' Compensation

How can I exempt an employee from Workers' Compensation calculations?

You can exempt an employee from Workers' Compensation calculations while defining the person and employment information of the employee during the new hire process. Use the Hire an Employee task under New Person in the Workforce Management work area. Select the Workers’ Compensation Exempt check box in the Assignment section of the Hire an Employee: Employment Information page of the employee, to exempt the employee from Workers' Compensation calculations.

Process Vacation Liability

Overview

Vacation liability is the minimum amount of vacation pay an employee is legislated to receive in a given year according to the provincial statutory requirements. You may compare actual vacation paid in a given year to this minimum and pay the difference at the end of the vacation year.

Calculate the vacation pay as a percentage of the vacationable earnings. You can define percentages by length of service for each province within a vacation absence plan.
High-Level Steps
The setup steps for the processing of vacation liability are in the Absence Management and the Payroll Calculation work areas. Absence Management and Payroll Calculations are integrated. The following table outlines the high-level list of all the absence and payroll steps involved to configure and process Vacation liability.

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creating Absence Elements</td>
<td>Create an absence element with a secondary classification of Vacation that transfers absence payment information for payroll processing.</td>
</tr>
<tr>
<td>Creating Absence Plans</td>
<td>Create an absence plan, and ensure the following is defined for payroll:</td>
</tr>
<tr>
<td></td>
<td>• Select the Transfer absence payment information for payroll processing check box.</td>
</tr>
<tr>
<td></td>
<td>• Select the element for the plan in the Element field to link it to the absence plan.</td>
</tr>
<tr>
<td>Creating Absence Types</td>
<td>Create absence types, and associate them to the absence plans. Select 'Canada Vacation' in the Legislative Grouping Code. Add the absence plans to the type.</td>
</tr>
<tr>
<td>Configuring Vacation Liability Rates</td>
<td>Create vacation liability rates based on absence plan, province (optional), and length of service.</td>
</tr>
<tr>
<td>Configuring Wage Basis Rules</td>
<td>Create vacation wage basis rules for user-defined secondary classifications.</td>
</tr>
</tbody>
</table>

**Note:** The wage basis rules for the predefined secondary classifications are delivered by Oracle.

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creating Earnings Element</td>
<td>Create a vacation payout element.</td>
</tr>
<tr>
<td>Enrolling Employees in Absence Plans</td>
<td>Enroll employees in the absence plan, if explicitly required.</td>
</tr>
<tr>
<td>Assigning a Vacation Liability Plan</td>
<td>Select a vacation liability plan on the employee’s calculation card.</td>
</tr>
<tr>
<td>Entering a Vacation Service Date, if applicable</td>
<td>Enter a Vacation Service Date on the employee’s calculation card to override the hire or rehire date for vacation liability calculations, if applicable.</td>
</tr>
<tr>
<td>Assigning a Vacation Payout Element</td>
<td>Assign a vacation payout element to the employee when the liability balance is to be paid.</td>
</tr>
<tr>
<td>Creating Employee Absence Records</td>
<td>Record an absence for the employee. Absence information is transferred to payroll (assuming the absence is approved and the option to transfer information to payroll is configured).</td>
</tr>
</tbody>
</table>

Navigation
Use the following tasks located in the related work areas to configure objects for processing absences in payroll:

<table>
<thead>
<tr>
<th>Object</th>
<th>Setup Task</th>
<th>Work Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absence Element</td>
<td>Manage Elements</td>
<td>Payroll Calculation</td>
</tr>
</tbody>
</table>
The payroll application calculates vacation pay as a percentage of vacationable earnings for employees and pays the employee the accrued amount. You can define percentage rates by:

- The length of service for each province (if applicable) within a vacation absence plan.
- Default rates for the vacation plan or province.

Use the Manage Vacation Liability Rate Definitions task in the Payroll Calculation work area to define the rates.

The rates defined on the Manage Vacation Liability Rate Definitions UI are retrieved to calculate the vacation liability. The liability is calculated by applying the rate to the vacationable earnings in the payroll run (Vacation Liability = Vacationable Earnings * Percentage).

The hierarchy for the calculation of these rates are as follows:

1. Vacation plan
2. Province
3. Length of service

Deriving the Rates
The vacation liability rates are derived as follows:

- Check if the rates are set up for the vacation liability plan selected on the tax card. If there are no rates set up for the plan, use the vacation plan default rate. If there are no rates for the default plan, the application does not calculate the liability.
- After you select the vacation plan, check if rates are set up for the province of employment for the vacation plan. If no rates are set up for the province of employment, use the default rate for the province.
- After you select the province of employment, compare the length of service ranges with the employee’s length of service. If a rate exists for the employee’s length of service, use it to calculate the vacation liability.
Wage Basis Rules for Vacationable Earnings
The wage basis rules determine if an element is included in vacation liability calculations. A check mark in the **Use in Wage Basis** column for the component **Vacation** indicates the earning is included. The rules create a vacation earnings balance. Wage basis rules are predefined for all delivered secondary classifications but you must create them for user-defined secondary classifications.

Use the Manage Component Group Rules task in the Payroll Calculation work area to view the vacation earnings rules for each province.

Configuring Earnings Elements
While creating a supplemental earnings element with any secondary classification, answer Yes to the following question to payout a vacation liability balance to an employee:

- Is this a vacation payout element?

If Yes is selected, the processing priority of the element is set to 4000 to ensure that the payout occurs after all other vacation liability contributing element entries are processed. The liability balance may be paid out when the employee terminates, goes on a leave of absence or when reconciling at the end of the vacation year.

Use the Amount input value to make a partial payment of the vacation liability as given below:

- If the amount entered is less than or equal to the accrued vacation liability amount of the term, the amount is paid.
- If the accrued vacation liability amount of the term is negative, the amount entered is not processed.
- If the amount entered is negative the amount is not processed.

The application creates the following shadow elements when the payout element is created:

- **Vacation Liability Processor**
  - The input values of province, earnings and reporting type on the Earnings template, are passed to the vacation liability processor element.
  - The input values of pay value, province and reporting type on the Absence template, are passed to the vacation liability processor element.

- **Vacation Liability Distributor**
- **Vacation Liability Results**
  - The input value of Vacation Term on the results element links the run results for the Vacation Payout balance to a particular term.

The supplemental earnings payout base element input values include:

- **Vacation Payout** defined by the Vacation Payout rule value selected during element creation.
- **Vacation Accrual Reduction Date** you enter, that determines the vacation term balance that is reduced.

Employees not entitled to vacation time off, for example, part time or casual employees may have the vacation liability paid to them every pay period. You can enable this by introducing a recurring payout element that is processed every pay period. The payout element pays the vacation liability amount accrued in same pay period in which the element is processed.

Use the Manage Element Entries task in the Person Management work area to assign the payout element to the employee.

Enter the **Vacation Accrual Reduction Date** if the vacation payout is for a prior vacation year (or term). If the payout is for the current vacation period an entry in this date is not required. When the amount field is left blank, the accrued vacation liability for the vacation term is paid out. Vacation payout earnings reduce the vacation liability.
Assigning Employees in a Vacation Liability Plan

In order for vacation liability to calculate, the employee must be enrolled in a vacation plan and be assigned a Vacation Liability Plan.

Use the Manage Absences task in the Person Management work area to enroll employees in a vacation absence plan, or verify automatic enrollment into a plan.

Select the vacation liability plan for the employee in the Federal Component Group of the Tax Credit Information Calculation Card. The Vacation Liability Plan lists all vacation plans associated with the employee. Select one plan for each tax reporting unit. If there is no vacation liability plan on the employee’s calculation card, the liability is not calculated for the employee.

The employee’s hire date determines how the length of service of the employee is calculated. If the employee’s hire or rehire date is not the date that should be used to calculate the length of service for vacation pay purposes, use the Vacation Service Date on the employee’s calculation card to specify a different date. If the Vacation Service Date is entered, it is used to calculate the employee’s length of service.

Vacation Accrual Reduction Date

When creating an employee absence record, enter the Vacation Accrual Reduction Date in the Legislative Information area of the Absence entry screen. This date specifies the vacation period (or term) to reduce the accrued vacation liability balance by the vacation payment. The date displays only for absence plans associated with an Absence Type that has the Legislative Data Grouping selected as Canada Vacation.

The following rules apply to the Vacation Accrual Reduction Date:

- If you do not enter the date, or if it is for the current period, the current vacation period’s accrued vacation liability amount is reduced by the paid absence.
- If the date is for a previous vacation period, the previous vacation period’s accrued vacation liability is reduced by the paid absence.
- If the date is prior to the employee’s enrollment date to the vacation plan, the current vacation period’s accrued vacation liability is reduced by the paid absence.

If vacation earnings contribute to vacation liability, and both earnings and absences are processed in the same run, the earnings are added to the liability first, then the accrual is reduced.

Related Topics
- Absence Management for Canada: Overview

Component Group Rules

Cost Components, Cost Elements, and Cost Component Groups: How They Work Together

Cost components are user-defined or come from external sources, and are mapped to cost elements which the costing application uses to track the cost of items. Use cost component groups to map cost components to cost elements, and to map source cost elements to destination cost elements when items are transferred from one inventory organization to another.
This figure illustrates the relationship between cost components, cost elements, cost component groups, and cost profiles.

**Cost Components**

Cost components are the most granular representation of item costs. Examples of cost components are purchase order item price, material, freight, tax, and overhead. Cost Components come from different sources:

- Predefined costs from external sources such as Purchasing, Accounts Payable, and Inventory Management
- Landed cost charges from Oracle Fusion Landed Cost Management.

**Cost Elements**

A cost element is the level where the costs of an item are tracked through the inventory accounting life cycle. Cost components are mapped to cost elements, which enables you to calculate item costs at different granularity levels for different business needs. For example, you may want more granularity for high-value than for low-value items.

You can define cost elements for four types of costs:

- Material cost element type for incoming material cost components.
- Overhead cost element type for costs that are calculated by the cost processor based on user-defined overhead rules.
- Profit in Inventory cost element type for tracking of internal margins when items are transferred from one inventory organization to another, including global procurement and drop shipment flows. For cost elements of this type, indicate the Profit in Inventory organization that incurs the gain or loss due to the transfer of goods.
- Adjustment cost element type for separate tracking of cost adjustments, which provides a more detailed view of item costs and profit margins.

Cost elements are defined at the set level and thereby have the advantages of set-level definitions for sharing and segregation. A Profit in Inventory cost element must be assigned to the Common cost element set so that it can be shared across cost organizations.
The following table gives examples of cost element definitions:

<table>
<thead>
<tr>
<th>Cost Element Set</th>
<th>Cost Element</th>
<th>Cost Element Type</th>
<th>Inventory Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country 1</td>
<td>Metals Material</td>
<td>Material</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Country 1</td>
<td>Plastic Material</td>
<td>Material</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Country 1</td>
<td>Misc Material</td>
<td>Material</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Country 1</td>
<td>Misc Material</td>
<td>Adjustment</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Country 1</td>
<td>Plant Depreciation</td>
<td>Overhead</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Country 1</td>
<td>Equipment Depreciation</td>
<td>Overhead</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Country 1</td>
<td>Freight Charges</td>
<td>Overhead</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Common</td>
<td>Internal Margin</td>
<td>Profit in Inventory</td>
<td>Seattle</td>
</tr>
<tr>
<td>Country 2</td>
<td>Dairy Material</td>
<td>Material</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Country 2</td>
<td>Misc Material</td>
<td>Material</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Country 2</td>
<td>Dairy Material</td>
<td>Adjustment</td>
<td>Not Applicable</td>
</tr>
</tbody>
</table>

**Cost Component Groups**

Use cost component groups to define mappings of cost components from external sources to cost elements in the costing application. These mappings provide flexibility in the granularity level where you track costs. You can map one cost component to one cost element for a detailed cost breakdown, or several cost components to one cost element for a less granular view of costs. For cost components and cost elements that are related to landed cost charges, you can choose to capitalize them into inventory value, or expense them. All other costs are automatically capitalized.

You can also map source cost elements to destination cost elements when transferring items from one inventory organization to another. This helps to maintain visibility of the item cost structure from the source application and across the supply chain.

You can specify a default cost component mapping to cost element to be used in cases where the source cost element does not have a matching destination cost element. The default cost component mapping is helpful when:

- The detailed mapping of a cost component to cost element is not required, and you want to map it to a single cost element.
- The designated mapping for a cost component is missing. If the mapping is missing, the transaction automatically picks up the default cost component mapping.
Note: If the cost component mapping is missing, the cost processor logs a message in the processing log. If the cost component mapping is missing and there is no default mapping, you can create the mapping and the transactions will be processed in the next run. If there is a default mapping, the transaction is processed and you can review the message log to decide if you want to take further action: you can correct the mapping for future transactions, and you can create a cost adjustment to reclassify the costs as needed.

Cost component groups are one of the attributes of cost profiles, which the cost processor uses to determine how to calculate item costs. Cost component groups are defined at the set level and thereby have the advantages of set-level definitions for sharing and segregation. Cost component groups and cost profiles are both set enabled; therefore, only those cost component groups belonging to the same set as the cost profile are available to that cost profile.

Example 1: The following table describes mapping of one cost component to one cost element.

<table>
<thead>
<tr>
<th>Mapping Group</th>
<th>Cost Component</th>
<th>Cost Element</th>
</tr>
</thead>
<tbody>
<tr>
<td>MG1</td>
<td>PO Item Price</td>
<td>Material</td>
</tr>
<tr>
<td>MG1</td>
<td>PO Tax</td>
<td>Tax</td>
</tr>
<tr>
<td>MG1</td>
<td>Profit in Inventory</td>
<td>PII</td>
</tr>
<tr>
<td>MG1</td>
<td>Interorganization Freight</td>
<td>Freight Charges</td>
</tr>
<tr>
<td>MG1</td>
<td>Invoice Price Variance</td>
<td>IPV</td>
</tr>
<tr>
<td>MG1</td>
<td>Exchange Rate Variance</td>
<td>ERV</td>
</tr>
<tr>
<td>MG1</td>
<td>Tax Invoice Price Variance</td>
<td>TIPV</td>
</tr>
</tbody>
</table>

Example 2: The following table describes mapping of cost components to one or more cost elements.

<table>
<thead>
<tr>
<th>Mapping Group</th>
<th>Cost Component</th>
<th>Cost Element</th>
</tr>
</thead>
<tbody>
<tr>
<td>MG2</td>
<td>PO Item Price</td>
<td>Material</td>
</tr>
<tr>
<td>MG2</td>
<td>PO Tax</td>
<td></td>
</tr>
<tr>
<td>MG2</td>
<td>NR Tax</td>
<td></td>
</tr>
<tr>
<td>MG2</td>
<td>Invoice Price Variance</td>
<td></td>
</tr>
<tr>
<td>MG2</td>
<td>Exchange Rate Variance</td>
<td></td>
</tr>
<tr>
<td>MG2</td>
<td>Tax Invoice Price Variance</td>
<td></td>
</tr>
<tr>
<td>MG2</td>
<td>Interorganization Freight</td>
<td>Freight Charges</td>
</tr>
<tr>
<td>MG2</td>
<td>Profit in Inventory</td>
<td>PII</td>
</tr>
</tbody>
</table>
Example 3: The following table describes mapping of source cost elements to destination cost elements in an interorganization transfer.

<table>
<thead>
<tr>
<th>Mapping Group</th>
<th>Source Cost Element Set</th>
<th>Source Cost Element</th>
<th>Destination Cost Element Set</th>
<th>Destination Cost Element</th>
</tr>
</thead>
<tbody>
<tr>
<td>MG3</td>
<td>Country 1</td>
<td>Material Tax</td>
<td>Country 2</td>
<td>Material</td>
</tr>
<tr>
<td>MG3</td>
<td>Country 1</td>
<td>Freight Charges</td>
<td>Country 2</td>
<td>Freight Charges</td>
</tr>
<tr>
<td>MG3</td>
<td>Country 1</td>
<td>Other</td>
<td>Country 2</td>
<td>Other</td>
</tr>
</tbody>
</table>

You have flexibility in how you map cost component groups to items:

- Different items in a cost organization and book combination can have the same or different cost component group mappings if they use different cost profiles.
- One item can have different cost component group mappings in different cost books.
- Several cost organizations can share the same cost component group mappings if they belong to the same set, or if they are defined the same way in different sets.
The following figure illustrates different mappings of cost component groups to items. That is, in a cost organization, Item A maps to two cost groups, and item B and Item C maps to only one cost group.

Related Topics
- Cost Profiles, Default Cost Profiles, and Item Cost Profiles
- Cost Elements and Analysis Groups
- Can I delete, deactivate, or edit a user-defined cost component code

Planning Cost Organizations, Planning Cost Components, and Cost Estimate Mappings: How They Work Together

Standard cost planning refers to the process of estimating standard costs for use in the costing of inventory or manufacturing transactions. Planning cost organizations, planning cost components, and estimate mappings are the main elements used in the standard cost planning process.
This figure illustrates the relationship between the standard cost planning elements, and how they are used to generate standard cost estimates.

Planning Cost Organizations

Enabling a cost organization for cost planning helps to define and maintain costs across multiple locations and production facilities. One of the modeling options is to perform cost planning at the business unit level, by mapping all the inventory organizations belonging to the business unit to one cost organization.

Related Topics

- Cost Planning Process
Tax Calculation Methods

Overview

For Canada, payroll processing is done by Vertex. The calculation methods provided in the application are those supported by Vertex.

Canada supports the following two methods of tax calculations:

- General Tax Formula
- Tax Formula Based on Cumulative Averaging

With either of the above calculation methods, depending on the type of earnings paid, the following three tax formulas determine the tax deduction amount:

- Regular
- Nonperiodic
- Lump Sum

Regular

The regular taxation formula applies to payments made on a regular basis, for example, salary paid to an employee. This formula aggregates the total annual amount, reduces the personal exemption amount from it and then determines the tax deduction.

Nonperiodic

A nonperiodic taxation formula is used for infrequent payments that cannot be annualized accurately, for example, bonus paid to an employee. In this case, the tax formula uses the annualized wage (from the regular tax run), and then adds the nonperiodic payment on top of this. The tax deducted is the difference between tax deducted from annualized regular payments, and tax deducted on the annualized regular payments plus the nonperiodic payment.

Lump Sum

Lump sum payments (also referred to as single payment) include income from pensions and Deferred Profit Sharing Plans received when leaving a plan. They also include payments like severance or retiring allowance when leaving a company. All lump sum payments should be combined when determining the composite rate to use for income tax.

Federal Tax Calculations

The Federal level tax calculations include:

- Federal Tax Calculation Method - Regular:
  - Option 1 - General Tax Formula - Regular Payments
  - Option 2 - Cumulative Averaging Tax Formula

- Federal Tax Calculation Method - Nonperiodic
  - Option 1 - General Tax Formula - Regular Bonus Calculation
  - Option 1 - General Tax Formula - Year to Date Bonus Calculation
Provincial Tax Calculations
The Provincial level tax calculations include:

- Provincial Tax Calculation Method - Regular:
  - Regular Payments
  - Cumulative Averaging Method 1

- Provincial Tax Calculation Method - Nonperiodic
  - Bonus and Retroactive Pay Method 1
  - Cumulative Averaging Method 1

Organizational Tax
The organizational tax attributes that Canada supports include the following.

- Tax Multiple Payments as One

A payee may have multiple assignments, with each assignment consisting of different tax information. You have an option to combine all payments from the various assignments and tax them all as one payment. This is an option set at the payroll statutory unit (PSU) or tax reporting unit (TRU) level, with an override at the payroll relationship level. This option relates to both federal and provincial levels of taxes.

- Self-Adjust Methods

The Self-Adjust Method determines the calculation of withholding for taxes taken as a percentage of earnings, until an employee's earnings reach an upper earnings limit. The Self-Adjust Method bases withholding calculations on year-to-date earnings instead of earnings this period. This method is captured at the PSU or TRU level, with an override at the payroll relationship level. This option relates to both federal and provincial levels of taxes.

The Self-Adjust Method is applicable for the calculation of:

- Canada Pension Plan
- Employment Insurance
- Quebec Pension Plan
- Quebec Parental Insurance Plan

The Self-Adjust Method has the following options:

- Self-Adjust
- No Self-Adjust
- Self-Adjust at Maximum

- Employment Insurance (EI) Rate Per TRU

Employment Insurance is a federal tax that applies to both employees and employers, as they both contribute to this tax. EI is calculated from the first dollar earned, with no exemption and an annual maximum contribution limit is applicable. No override is necessary for the EI rate assigned to the TRU.
Oracle Human Resources Cloud
Implementing Payroll for Canada

Chapter 11
Set Up Pay Calculation Components

If multiple rates are required for different employee populations, you must create a new TRU for each rate. A separate Payroll Account Number is issued to each new TRU to report the EI amounts.

Rate Definitions

Overview

You can create rate definitions to calculate compensation rates, accrual rates, element entry values, or values defined by criteria. If the rate is based on multiple balance or element entries, or if it references other rate definitions, you can specify multiple rate contributors.

Use the Manage Rate Definitions task from the Payroll Calculation work area to define and manage rate definitions.

Categories

To create a new rate, select a category from this table.

<table>
<thead>
<tr>
<th>Category</th>
<th>What It Does</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derived and Rate</td>
<td>Retrieves values from one or more payroll balances or other rate definitions, including rates that retrieve element entry values. Use this option to create a rate that retrieves a value from one or more rate contributors.</td>
</tr>
<tr>
<td>Element</td>
<td>Retrieves a value from or posts to an element input value. The element input value must have a special purpose of either a Primary Input Value or Factor.</td>
</tr>
<tr>
<td></td>
<td>• Select the Primary Input Value special purpose for an amount value, such as a salary figure.</td>
</tr>
<tr>
<td></td>
<td>• Select the Factor special purpose for a factor value, such as a car allowance that you calculate as 3 per cent of average earnings (factor = 0.03).</td>
</tr>
<tr>
<td>Value by Criteria</td>
<td>Retrieves values from a single value by criteria definition. A value by criteria definition specifies one or more evaluation conditions that determine a particular value or rate. You can specify the conditions as a tree structure to define the evaluation sequence.</td>
</tr>
</tbody>
</table>

Creating Rate Definitions: Points to Consider

To create rate definitions you should know how to use the fields in the Returned Rate Details, Override and Defaulting Rules, and Contributor Rules sections to get your desired rate. For rates based on a single element entry value, you can also apply override and defaulting rules.

This table describes the fields that appear in the Basic Details section on the Create Rate Definition page for the Derived Rate, Element, and Value by Criteria category types.
### Field | Category | Description
--- | --- | ---
Storage Type | Element | If you select the Element category to define a rate, you must select a storage type of **Amount** or **Percentage**. For example, you can create a rate definition using the Salary element. If the salary is held as a monetary value, select **Amount**. If the salary is a factor of another value, such as a balance, select **Percentage**.

*Note:* This field is hidden for all rate definition categories other than **Element**.

| Element Name | Element | For the Element category, this field isn’t enabled until you select the storage type. Selecting an element automatically fills in the **Name** and **Short Name** fields with the element name.

If you select the Element category to define a rate, you must select an element name. This is required if you are creating a primary rate. This is a rate that retrieves a value from a single element such as salary.

For the Derived Rate category, the Element Name is enabled when you access the page.

| Employment Level | Derived Rate | Select either **Payroll Relationship**, **Term**, or **Assignment**. This field is mandatory for all derived rates and value by criteria rate definitions. It controls which employment ID the rates process uses when calling a rate.

If the employee has multiple assignments, the rates process uses the assignment ID to identify the correct assignment record for the employee.

If the contributor value is held at a different level to the employment level defined on the rate, the rates process uses the employment ID to locate the correct record.

| Status | Element | You can set the status of a rate to active or inactive. An inactive rate can’t be assigned to an employee. Employees that are allocated a rate while it was active aren’t impacted by a change in status to inactive.

| Base Rate | Element | Select this check box if the rate represents a base rate that another rate uses in its calculation. For example, you might have day rates that are based on a degree of days, but don’t use the rate as a calculation component.
Field | Category | Description
--- | --- | ---
 |  | shift employees and night shift employees, with different base pay rates.
 |  | If each set of employees receives an allowance that’s a percentage of the base rate, you only need to define one allowance rate that’s calculated based on the two rates that have the **Base Rate** check box selected.

| Overall Salary | Element | If you’re defining rates for use on the Salary page, you must use the derived rate category and define an Overall Salary. To do this, you must associate a salary element to the rate. It’s recommended that you define an Overall Salary Information element for this purpose.
| Derived Rate |  |  |

| Reporting Required | Element | Select this check box to indicate if the calculated rate value should be stored on the rate table for reporting purposes.
| Derived Rate | If you’re defining rates for use on the Salary page, you must select this option.
| Value by Criteria | Rate definitions with this check box selected are included when the Generate HCM Rates batch process is run. Use this feature to report on primary rates, not derived rates. It’s also used for HCM extracts to send data to third parties.

| Value by Criteria Name | Value by Criteria | If you select the Value by Criteria category to define a rate, you must select a Value by Criteria name. A value by criteria definition specifies one or more evaluation conditions that determine a particular value or rate.

**Returned Rate Details**

Use this section of the page to specify the periodicity of the returned rate, factor rules, currency, decimal display, rounding rules, and minimum and maximum rules. If the process returns a rate that’s outside the minimum and maximum range, you can set up an action that enforces the rule, displays a warning, or forces the user to fix the error. Additionally, you can select the **Return FTE Rate** check box to instruct the rate definition process to return a part-time value by applying an employee’s FTE to the rate value.

**Periodicities**

You must specify a periodicity, such as hourly or weekly, for the returned rate and each rate contributor. When you use the rate in a formula, you can, however, override the default periodicity.

The rate calculation converts each contributor to the periodicity specified on the rate contributor. It then adds or subtracts the rate contributors, even if the periodicities are different. In most cases, they will be the same. Once the rate contributors are summed, the rate calculation then converts them into the return periodicity and currency.
For example, for a rate with a periodicity of weekly using the Standard Rate Annualized conversion formula, the rate calculation does the following:

1. Calculates an annual figure from the value and periodicity of each contributing earning and deduction.
2. Converts the annual figure into a weekly value.

By default, rates are converted using these predefined rate conversion formulas:

- Standard Rate Annualized
- Standard Rate Daily
- Standard Working Hours Rate Annualized
- Assignment Working Hours Rate Annualized
- Periodic Work Schedule Rate Annualized

If the values in the predefined conversion rules don’t meet your requirements, you can create your own.

**Factor Rules**

You can apply a factor or multiplier to a calculated rate, or to an individual rate contributor. To apply a factor rule:

- Select Value as the factor rule
- In the Factor field enter the number by which you want to multiply the rate
- Add the contributor

You can apply a factor rule to the rate definition, rate contributors, or both. For example, you can define rate contributors to calculate hourly values based on salary and bonus. You can then apply a factor of 1.0 or 100 percent to the salary balance contributor and a factor of 0.5 or 50 percent to the bonus balance contributor. The factor rule is applied to the rate before the periodicity conversion is applied.

**Minimum and Maximum Values**

You can define minimum and maximum values for the returned rate, and for individual rate contributors. If the calculation returns a rate that’s outside the minimum or maximum range, you can set up an action if the value is out of the minimum or maximum range.

Use the **Limit Violation Action** field to display an error, warning, or enforce the application to use minimum or maximum value that you enter. For example, you can enter 500 as the minimum value and then select **Enforce Rules**. If the returned value comes back as 400, the application uses 500 as the value.

The following table explains the options for the minimum and maximum rate values

<table>
<thead>
<tr>
<th>Value</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Null</td>
<td>No minimum or maximum value</td>
</tr>
<tr>
<td>A specified value</td>
<td>Example: 2000</td>
</tr>
<tr>
<td>Based on another rate</td>
<td>Uses the calculated value of the rate definition that you select.</td>
</tr>
</tbody>
</table>

**Caution:** Be careful that you don’t create a loop. For example, Rate A has minimum value that is based on Rate B, which has a minimum value based on Rate A. This situation would result in a runtime error.
Override and Defaulting Rules

This tab only displays if you select Element as the category when you create your rate definition. On this tab, you can set up override rules for the element associated with your rate definition. If you select the **Override Allowed** check box, you can enter rate values on the Salary page.

> **Note:** You can't define override and defaulting rules if you select the Values by Criteria category to define a rate, you can select a formula to validate any rate that is returned and also use formulas to create default values.

For example, you could use the HCM Rates Default Value formula type to define the number of workdays in a year for your organization.

```
workday = 250
periodicity = YEAR
currency = CAD
return workday, periodicity, currency
```

In addition, you can use a value by criteria definition as the default type. In this example, the process uses the value for the first record created and then carries that value forward in subsequent records, unless it's manually overridden. The rate created using the value by criteria method is reevaluated by the rate engine for each subsequent record and could therefore change. For example, you could use a value by criteria definition to enable a default value of 10 percent for bonuses that are targeted to all eligible employees.

Contributor Rules

This tab enables you to specify the periodicity for the contributor total. You can also decide to process contributor totals as full-time equivalency amounts by selecting **Yes** in the **Process Contributor Total as FTE Amount** field. The final rate value is converted from this status to the Return Rate FTE status.

> **Note:** This tab is not available for rate definitions using the Element and Value by Criteria categories. In addition, you can't define contributor rules if you select the Value by Criteria category to define a rate.

Information

This tab enables you to enter text that instructs or explains the purpose of the rate, how the rate is calculated, or provides further details for the rate. Entering information in this section is optional. This tab is not available for rate definitions using the Value by Criteria categories.

Rate Contributors for Derived Rates

You can add four different types of rate contributors to your rate definitions. These rate contributors include, Balance, Base Rate, Overall Salary, and Rate Definitions. You can add rate contributors when you define a rate using the Derived Rate category. You can also manually add rate contributors for the Element category when the storage type is Factor.

For example, if you define a bonus rate which is 0.1 (10 percent) of average earnings, then you do these steps.

- Enter 0.1 as the factor on the element.
• Define a rate contributor based on your average earnings balance.

**Rate Contributor Types**

This table lists the types of rate contributors, descriptions, and the additional fields that display for each type.

<table>
<thead>
<tr>
<th>Type</th>
<th>What it Contains</th>
<th>Additional Fields</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance</td>
<td>Value calculated by these payroll processes.</td>
<td>Balance Name</td>
</tr>
<tr>
<td></td>
<td>• An employee’s average salary rate over their last three months of salary payments</td>
<td>Balance Dimension</td>
</tr>
<tr>
<td></td>
<td>• Taxable earnings for the last tax year</td>
<td>Divisional Balance</td>
</tr>
<tr>
<td></td>
<td>• Commissions paid in the last quarter</td>
<td></td>
</tr>
<tr>
<td>Base Rate</td>
<td>Value from the employee’s Base Rate</td>
<td>Employment Level</td>
</tr>
<tr>
<td>Overall Salary</td>
<td>Value from the employee’s Overall Salary rate</td>
<td>Employment Level</td>
</tr>
</tbody>
</table>

*Note:* If the rate definition is an Overall Salary Rate, you can’t select Overall Salary as a Contributor Type.

<table>
<thead>
<tr>
<th>Rate Definition</th>
<th>Other rate definitions that contribute to the rate definition you are creating.</th>
<th>Rate Name</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For example you can add regular salary, car allowance, and bonus pay rate contributors together to create an overall salary definition.</td>
<td></td>
</tr>
</tbody>
</table>

**Reference Dates**

You can select a reference date, which is the date the application uses to retrieve rate contributor information for the rate calculation. The reference date specifies the context for the balance dimension.

For example, to retrieve a rate as of the actual start of an absence, select Absence Start Date. To retrieve a rate as of a specific time period, select a specific time period.

The Reference Date field lists only these types of time definitions:

- Time Span - a period of time, such as three months
- Retrieval Date - a type of time definition that is based on a database item

Selecting a value for the Reference Date field is optional.

*Note:* If you don’t select a reference date, the application uses the effective as-of date that is used by the rate engine to calculate the rate.

**Single or Multiple Rate Contributors**

If the rate definition is based on multiple values, you may need to create multiple rate contributors, as explained in this table.
<table>
<thead>
<tr>
<th>Rate</th>
<th>Number of Rate Contributors</th>
</tr>
</thead>
<tbody>
<tr>
<td>A single earning or deduction, such as salary</td>
<td>One</td>
</tr>
<tr>
<td>A combination of earnings, such as the sum of salary and car allowance payments</td>
<td>Multiple, if salary and car allowance are stored as separate rate definitions</td>
</tr>
</tbody>
</table>

**Note:** All balances and element entries that contribute to a rate must use the same currency.

Example: Using multiple rate contributors, an hourly holiday pay rate could be based on adding together these values, which are all paid at the end of the previous year.

- Salary
- Incentive bonus
- Seniority bonus
- Other changeable components of remuneration

Configure Elements to Use Rate Definitions

If you create rate definitions that reference element input values, you must configure them for the different calculation rules, such as Flat Amount and Factor. This ensures that the values calculated by the rate are consistent with the values processed through payroll.

Do these element configuration steps if you’re using the rate feature.

1. Create an element of type **Recurring** or **Assignment level**.
2. Do not select the **Multiple Entries Allowed** check box.
3. Select a special purpose for each element input value.
   a. **Primary Input Value** for an Amount value.
   b. **Factor** for a Factor value.
   c. **Periodicity** for a Periodicity value.

   **Note:** When creating elements for use in rate definitions, do not select Periodically. The Rate Definition process is unable to convert rates with a periodicity of periodically to different frequencies such as annual, weekly, and daily.

4. If the flat amount is a full-time equivalent value, you must select Yes in the **Default** field for the Full-Time Equivalent input value.
5. Create element eligibility.

Configure Elements to Create Rate Definitions for Flat Amount Calculations

1. From the Payroll Calculation work area, select the **Manage Elements** task.
2. Click **Create**.
3. Enter these values.
Set Up Pay Calculation Components

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative Data Group</td>
<td>Select your legislative data group</td>
</tr>
<tr>
<td>Primary Classification</td>
<td>Standard Earnings</td>
</tr>
<tr>
<td>Category</td>
<td>Standard</td>
</tr>
</tbody>
</table>

4. Click **Continue**.
5. Enter a name, reporting name, and description.
6. Enter the effective date.
7. Answer the questions in the Duration and Standard Rules sections.

**Note:** Multiple entries are not allowed.

8. For the question, At which employment level should this element be attached? select **Assignment Level**.
9. For the question, Does this element recur each payroll period, or does it require explicit entry? select **Recurring**.
10. Click **Next**.
11. In the Calculation Rules section, select **Flat Amount** and then click **Next**.
12. Click **Submit**.
13. On the Element Summary page under the Input Values folder, select **Full-Time Equivalent**.
14. Check that these values exist.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value or Check Box Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Full-Time Equivalent</td>
</tr>
<tr>
<td>Special Purpose</td>
<td>Full-Time Equivalent</td>
</tr>
<tr>
<td>Unit of Measure</td>
<td>Character</td>
</tr>
<tr>
<td>Displayed</td>
<td>Selected</td>
</tr>
<tr>
<td>Allow User Entry</td>
<td>Selected</td>
</tr>
<tr>
<td>Required</td>
<td>Deselected</td>
</tr>
<tr>
<td>Create a Database Item</td>
<td>Selected</td>
</tr>
<tr>
<td>Default</td>
<td>No</td>
</tr>
<tr>
<td>Lookup Type</td>
<td>PAY_TMLTPL_YES_NO</td>
</tr>
</tbody>
</table>

**Configure Elements to Create Rate Definitions for Factor Calculations**

1. Repeat steps 1 through 9 in the first procedure.
2. In the Calculation Rules section, select **Factor** and then click **Next**.
3. Click **Submit**.
4. On the Element Summary page under the Input Values folder, select **Pay Value**.
5. Check that these values exist.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value or Check Box Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Pay Value</td>
</tr>
<tr>
<td>Special Purpose</td>
<td>Primary output value</td>
</tr>
<tr>
<td>Unit of Measure</td>
<td>Money</td>
</tr>
<tr>
<td>Displayed</td>
<td>Selected</td>
</tr>
<tr>
<td>Allow User Entry</td>
<td>Selected</td>
</tr>
<tr>
<td>Required</td>
<td>Deselected</td>
</tr>
<tr>
<td>Create a Database Item</td>
<td>Selected</td>
</tr>
</tbody>
</table>

6. On the Element Summary page under the Input Values folder, select **Factor**.
7. Check that the following fields and values exist.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value or Check Box Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Factor</td>
</tr>
<tr>
<td>Special Purpose</td>
<td>Factor</td>
</tr>
<tr>
<td>Unit of Measure</td>
<td>Number</td>
</tr>
<tr>
<td>Displayed</td>
<td>Selected</td>
</tr>
<tr>
<td>Allow User Entry</td>
<td>Selected</td>
</tr>
<tr>
<td>Required</td>
<td>Deselected</td>
</tr>
<tr>
<td>Create a Database Item</td>
<td>Selected</td>
</tr>
</tbody>
</table>

**Test Your Element Configuration**

You’re almost done. Now, to test your element configuration, follow these steps.

*Note:* These procedures are for payroll users only.
## Set Up Pay Calculation Components

<table>
<thead>
<tr>
<th>Step</th>
<th>Page</th>
<th>Do This Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Payroll Dashboard</td>
<td>Find a payroll and an employee that you can use for testing purposes.</td>
</tr>
<tr>
<td>2</td>
<td>Manage Elements</td>
<td>For the Flat Amount element, use the Pay Value balance feed to enter an Eligible Compensation balance for the Percentage element.</td>
</tr>
<tr>
<td>3</td>
<td>Manage Element Entries</td>
<td>Add the Flat Amount and Percentage elements to the employee as element entries and enter input values.</td>
</tr>
<tr>
<td>4</td>
<td>Submit a Process or Report</td>
<td>Enter a suitable period for the payroll you selected in step 1.</td>
</tr>
<tr>
<td>5</td>
<td>Submit a Process or Report</td>
<td>Run the payroll.</td>
</tr>
<tr>
<td>6</td>
<td>View Payroll Process Results</td>
<td>Check if the payroll results are correct.</td>
</tr>
</tbody>
</table>

### Create Rate Definitions for Leave

In this example, you calculate an employee's absence rate as of a particular date. The rate includes a combination of average salary and car allowance. The employee has an annual year-to-date salary of 26,000. The employee also receives an annual car allowance payment of 2,000. The absence rate is $26,000 + 2,000 = 28,000$. To provide a daily absence rate, you convert this rate into a daily rate.

This table summarizes the key information you use in the example.

<table>
<thead>
<tr>
<th>Decisions to Consider</th>
<th>In This Example</th>
</tr>
</thead>
</table>
| What elements do I need to create before I define the rate? | • Salary (assignment level) - This element contains the salary value to be retrieved by the rate definition. You must create it using the Flat Amount calculation rule.  
• Car Allowance (assignment level) - This element contains the car allowance value to be retrieved by the rate definition. You must create it using the Flat Amount calculation rule.  
• Absence - Use the Absence template to create the element. Enter Sickness as the classification and Absence as the category. |
| Which balances hold the contributing values? | • Salary is fed by the Salary element.  
• Car Allowance is fed by the Car Allowance element. |

| Should I process contributor totals as full-time equivalent amounts? | Yes |

### Create the Rate Definition

1. In the Payroll Calculation or Setup and Maintenance work area, select the Manage Rate Definitions task.

Offering: Workforce Deployment
2. In the Search Results section, click **Create**.
3. Enter these values.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category</td>
<td>Derived Rate</td>
</tr>
<tr>
<td>Effective Start Date</td>
<td>Select a date that is after the creation date of the objects that you are referencing</td>
</tr>
<tr>
<td>Legislative Data Group</td>
<td>Select your legislative data group</td>
</tr>
</tbody>
</table>

4. Click **OK**.
5. In the Basic Details section, enter these values.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Absence Rate - Salary and Car Allow</td>
</tr>
<tr>
<td>Short Name</td>
<td>ABS RATE - SAL/CAR ALLOW</td>
</tr>
</tbody>
</table>

6. In the Returned Rate Details section, select **Daily** as the value for the Periodicity field.
7. Click the Contributor Rules tab and then select **Yes** as the value for the Process Contributor Total as FTE Amount field.
   The balances referenced need to be populated using payroll runs for the periods covered by the balance dimension or the rate definition will not generate a meaningful value.

### Create Rate Contributors
1. In the Rate Contributors section, click **Create**.
2. Select **Balance** as the Contributor Type and then click **OK**.
3. On the Create Rate Contributors page, enter these values.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Add or Subtract</td>
<td>Add</td>
</tr>
<tr>
<td>Balance Name</td>
<td>Regular Salary</td>
</tr>
<tr>
<td>Balance Dimension</td>
<td>Assignment Period to Date</td>
</tr>
<tr>
<td>Periodicity</td>
<td>Daily</td>
</tr>
</tbody>
</table>

4. Click **Save and Continue**.
5. Click **Create**.
6. Select **Balance** as the Contributor Type and then click **OK**.
Set Up Pay Calculation Components

7. On the Create Rate Contributor page, enter these values.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Add or Subtract</td>
<td>Add</td>
</tr>
<tr>
<td>Balance Name</td>
<td>Car Allowance</td>
</tr>
<tr>
<td>Balance Dimension</td>
<td>Assignment Period to Date</td>
</tr>
<tr>
<td>Periodicity</td>
<td>Daily</td>
</tr>
</tbody>
</table>

8. Click **Save and Continue**.
9. Click **Submit**.
10. Assign an Absence element entry to the employee’s assignment.

💡 **Note:** You will then need to pass the absence entry through to payroll using the absence interface.

**Related Topics**
- Integrating Absence Management with Global Payroll: Procedure

Creating a Rate Definition for Basic Salary: Worked Example

This example demonstrates how to create a primary rate for a basic salary. After you run the rate engine, the Manage Element Entries - Manage Person Details page displays the values for eligible employees.

**Prerequisite**

💡 **Note:** Before you define the rate, create the salary element at the assignment level. This element contains the salary information to be retrieved by the rate definition. You can create it using the flat amount or factor calculation rule.

Creating the Basic Salary Rate Definition

1. In the Payroll Administration work area, click the **Manage Rate Definitions** task.
2. Click **Create**.
3. Complete the fields, as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category</td>
<td>Element</td>
</tr>
<tr>
<td>Effective Start Date</td>
<td>Enter the current date.</td>
</tr>
<tr>
<td>Legislative Data Group</td>
<td>Enter your legislative data group.</td>
</tr>
</tbody>
</table>

4. Click **OK**.
5. Complete the fields, as shown in this table.

<table>
<thead>
<tr>
<th>Fields</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Storage Type</td>
<td>Amount</td>
</tr>
<tr>
<td>Element Name</td>
<td>Regular Salary</td>
</tr>
</tbody>
</table>

6. In the Returned Rate Details section, complete the fields, as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Periodicity</td>
<td>Annual</td>
</tr>
<tr>
<td>Periodicity Conversion Formula</td>
<td>ANNUALIZED RATE CONVERSION</td>
</tr>
<tr>
<td>Currency</td>
<td>Canadian Dollar</td>
</tr>
</tbody>
</table>

7. Click Submit.

Creating Rate Definitions for Overall Salary: Worked Example

This example demonstrates how to create a rate definition for overall salary that includes multiple rate contributors. The following table summarizes the key decisions for this scenario.

<table>
<thead>
<tr>
<th>Decisions to Consider</th>
<th>In This Example</th>
</tr>
</thead>
</table>
| What components of pay should be included in an employee’s overall salary? | • Regular Salary  
|                                                             | • Car Allowance                  |
| Should I include all pay for car allowance in the overall salary? | No. Only include 50 percent of the amount paid for car allowance. |

In this example, we will:

- Create the overall salary rate definition
- Add the regular salary rate contributor
- Add the car allowance rate contributor

**Note:** The overall salary rate definition is a derived rate. To populate the Overall Salary check box, select a salary element in the Element name field. You then add the regular salary rate and car allowance rate contributors to the rate definition. The rate contributors that you add should be elements that you select from the Rate Name field on the Create Rate Contributor page.

Creating the Overall Salary Rate Definition

1. In the Payroll Administration work area, click the Manage Rate Definitions task.
2. Click **Create**.
3. Complete the fields, as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category</td>
<td>Derived Rate</td>
</tr>
<tr>
<td>Effective Start Date</td>
<td>Enter the current date</td>
</tr>
<tr>
<td>Legislative Data Group</td>
<td>Select your legislative data group</td>
</tr>
</tbody>
</table>

4. Click **OK**.
5. Complete the fields, as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Overall Salary</td>
</tr>
<tr>
<td>Short Name</td>
<td>OVERALL_SAL</td>
</tr>
<tr>
<td>Element Name</td>
<td>Salary</td>
</tr>
</tbody>
</table>

6. In the Returned Rate Details section, complete the fields, as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Periodicity</td>
<td>Weekly</td>
</tr>
<tr>
<td>Periodicity Conversion Formula</td>
<td>ANNUALIZED RATE CONVERSION</td>
</tr>
<tr>
<td>Currency</td>
<td>Canadian Dollar</td>
</tr>
</tbody>
</table>

**Adding the Regular Salary Rate Contributor**

1. In the Calculation section, click **Create**.
2. Enter **Base Rate** in the Contributor Type field and then click **OK**.
3. Complete the fields as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Add or Subtract</td>
<td>Add</td>
</tr>
<tr>
<td>Employment Level</td>
<td>Payroll Assignment</td>
</tr>
<tr>
<td>Periodicity</td>
<td>Weekly</td>
</tr>
</tbody>
</table>

4. Click **Save and Continue**.
Adding the Car Allowance Rate Contributor

1. In the Calculation section, click **Create**.
2. Enter **Rate Definition** in the Contributor Type field and then click **OK**.
3. Complete the fields as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Add or Subtract</td>
<td>Add</td>
</tr>
<tr>
<td>Rate Name</td>
<td>Car Allowance</td>
</tr>
<tr>
<td>Periodicity</td>
<td>Weekly</td>
</tr>
<tr>
<td>Factor Rule</td>
<td>Value</td>
</tr>
<tr>
<td>Factor Value</td>
<td>0.5</td>
</tr>
</tbody>
</table>

4. Click **Save and Continue**.
5. Click **Submit**.

Generate HCM Rates

Submit the Generate HCM Rates flow to calculate and store rates for reporting purposes or inclusion in payroll calculations. Run this batch process frequently to ensure the stored rate values are accurate. After you run this process, you can report on the rates using extracts. The user entity includes the database items that you can use in reports.

The application provides database items to support the rate batch process. These array database items return all rates associated with a payroll relationship record as of a specific date.

>Note: The REPORTING_RATE_VALUES and REPORTING_RATE_PERIODICITIES database items return values based on the return rate details defined on the rate definition. The other periodicity database items, such as REPORTING_RATE_QUARTERLY, return a rate that is converted to the specified periodicity.

The Generate HCM Rates process supports the database items listed in this table.

<table>
<thead>
<tr>
<th>Database Items</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>REPORTING_RATE_NAMES</td>
<td>Name of the rate</td>
</tr>
<tr>
<td>REPORTING_RATE_VALUES</td>
<td>Value of the rate</td>
</tr>
<tr>
<td>REPORTING_RATE_PERIODICITIES</td>
<td>Periodicity of the rate</td>
</tr>
<tr>
<td>REPORTING_RATE_FTE_FLAGS</td>
<td>Full-time status of the rate</td>
</tr>
<tr>
<td>REPORTING_RATE_TERM_NUMBERS</td>
<td>Term number associated to the rate values</td>
</tr>
</tbody>
</table>
Database Items | Description
--- | ---
REPORTING_RATE_ASG_NUMBERS | Assignment number associated to the rate values
REPORTING_RATE_WEEKLY | Weekly rate value
REPORTING_RATE_MONTHLY | Monthly rate value
REPORTING_RATE_QUARTERLY | Quarterly rate value
REPORTING_RATE_YEARLY | Annual rate value
REPORTING_RATE_PT_WEEKLY | Part-time weekly rate value
REPORTING_RATE_PT_MONTHLY | Part-time monthly rate value
REPORTING_RATE_PT_QUARTERLY | Part-time quarterly rate value
REPORTING_RATE_PT_YEARLY | Part-time annual rate value
REPORTING_RATE_FT_WEEKLY | Full-time weekly rate value
REPORTING_RATE_FT_MONTHLY | Full-time monthly rate value
REPORTING_RATE_FT_QUARTERLY | Full-time quarterly rate value
REPORTING_RATE_FT_YEARLY | Full-time annual rate value

Run the process if these conditions apply.

- Changes to the data referenced by the rate, which may include element entries, grade rates, and values defined by criteria. This process only reports the rate values. It doesn’t update, delete, create, or have any impact on the underlying objects.
- Updates to rate definitions, such as when a new rate contributor is added or removed, or the rate is made inactive.
- Changes to employee records that impact their salary rates, such as changes to job or grade.

Note: You should run the process prior to any operation that depends on the values that are stored in the table. For example, if you have a rate based on seniority, values could change simply by the passage of time.

Let’s look at the steps to run the process.

1. In the Payroll Administration work area, select the Submit a Process or Report task.
2. Select your legislative data group.
3. Select the Generate HCM Rates flow pattern.
4. Enter these values for the Process Mode field.
Mode | Description | Accuracy
--- | --- | ---
Fast | Uses the start and end date specified to calculate the rate value. If the rate value is the same for both dates, it determines that the rate value is the same over the entire period. If the start and end values are different, this method then determines a value in the middle and compares it with the start and finish values to see where the change occurred. This process repeats until the date of the change is found. This is known as a binary chop algorithm. | This is the quickest but least accurate method to calculate rate values. It misses any changes if a rate value goes up and then back down to the same value that is calculated at the start and end dates.
Full | Calculates the rate for every day between the start and end date. | Slowest but most accurate method.
Periodic | This method works the same as Fast except you can specify the number of days the process calculates rates between the start and end dates. | The accuracy of this method is half-way between Fast and Full.

5. Click **Next**.
6. Select a flow submission.

> **Note:** If you select **Using a schedule**, you must also select a frequency, such as once, weekly or daily.

7. Click **Next** and then **Submit**.

### Using the Rate Calculation Formula

Oracle provides a rate calculation formula called RATE ENGINE. Applications and other formulas can call this formula to calculate a rate using a rate definition.

To call this formula from a formula:

- Specify the name of the rate definition as an input.
- Optionally pass other formula inputs, such as periodicity. This periodicity overrides the return periodicity specified on the rate definition.

The rate calculation formula returns a value and a periodicity.

### Rates Used to Calculate Absences in Payroll

You can specify a rate for use in calculating an absence in an absence plan or an absence element. When processing absence entries in a payroll run, the formula associated with the absence element uses the Rate Converter global formula to convert rates. The formula checks for a rate in this sequence.

1. Absence plan
2. Absence element
3. Compensation salary element

**Absence Plan**

In Oracle Fusion Absence Management, you can select a rate rule on the Entries and Balances tab of the Create Absence Plan page. The rate rule calculates the units passed to payroll when you record an absence. You can select rate rules for the absence payment, final disbursement, discretionary disbursement, and liability balance calculation.

For third-party absence providers, the application transfers the rate information and override rates in the XML file attached to the Load Absence Batch process.

**Absence Element**

If you don’t specify rates in the absence plan, you can specify a rate when you create the absence elements. The type of absence information determines the rates you can select. For example, for plans where you transfer accrual balances and absences, you can select different rates for these calculations.

- Absence payments
- Discretionary disbursement
- Final disbursement
- Liability balance rate

As best practice, specify a rate in either the plan or the element. If you specify in both, ensure the rate for the element is same as the rate you selected in the corresponding plan.

**Compensation Salary Element**

If the formula doesn’t find a rate specified in the plan or the element, it uses the compensation salary element.

When you associate a payroll element to a salary basis, you specify an input value that holds the base pay on a worker’s element entry. The monetary amount or rate recorded in the element entry is the salary value in the worker’s salary information held on the assignment. If you specify a rate, the formula uses this rate if it doesn’t find one defined in the absence plan or absence element.

**Related Topics**

- Defining Payroll Elements for Processing Absences: Procedure

**FAQ for Rate Definitions**

How does periodicity conversion work when there are multiple contributors with different periodicities?

Sometimes you may need to add a base salary, which is an annual figure, to a 13th month salary, which is a monthly figure that is calculated from the annual base salary. The base salary in this example is held as an annual amount on an element entry as 24,000. The 13th month salary is 2,000 (24000 / 12). If you add each of these contributors together, the sum of the contributors is 26,000 (24,000 + 2,000).

At this point you have added an annual figure to a monthly figure, but you haven’t indicated what the periodicity of the total is in the Returned Rate Details section on the Create Rate Definitions page. If you select Annual in the Contributor Total
Periodicity field, the sum of the contributors is 26,000. If you select Monthly, it converts the contributors to 312,000 (26,000 * 12), which is now the annual figure.

Note: When the formula is called to calculate the rate, there is an option to override the return periodicity of the rate.

Values Defined by Criteria

Overview

Each calculation value definition requires you to specify one or more evaluation conditions that determine a particular value or rate. In cases where you specify many conditions, each condition is defined as a separate level and placed in priority order to produce a tree structure.

You control the criteria that you enter and the resulting tree structure. In each branch of the tree you can have multiple evaluation conditions. If no conditions are met, the payroll process uses the value established for the default criteria that you set up. Each criterion and value, as well as the parent criteria definition, is stored as a calculation value definition.

Values defined by criteria comprise the components listed in the following table.

<table>
<thead>
<tr>
<th>Component</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criteria Definition (evaluation condition)</td>
<td>At least one but you can have many.</td>
</tr>
<tr>
<td>Default Criteria Definition</td>
<td>Should have at least one in most cases to cover all conditions.</td>
</tr>
<tr>
<td></td>
<td>If you have a situation that where the criteria you set up covers all conditions, then you don’t need a default criteria definition.</td>
</tr>
<tr>
<td>Name</td>
<td>Refers to the name of the value definition. This is a mandatory field. This name must be unique across all value definitions within a legislative data group. It’s required to enable customers to identify the parent record when creating the hierarchy through the HCM Data Loader.</td>
</tr>
<tr>
<td>Value Definition Group</td>
<td>Grouping that helps you manage value definitions. This is a mandatory field.</td>
</tr>
<tr>
<td>Retrieval Date</td>
<td>Determines whether the criteria definition uses the date earned or effective date to retrieve information. The default value is effective date.</td>
</tr>
<tr>
<td>Display Name</td>
<td>Refers to the name of the hierarchy record created within the context of the value definition. This name does not need to be unique and is displayed in the value by criteria hierarchy record. If you don’t enter a display name, the database item description or name displays.</td>
</tr>
<tr>
<td>Value Definitions</td>
<td>You can have multiple values included with a value definition. Each one is identified by the value identifier.</td>
</tr>
<tr>
<td>Database Items</td>
<td>One per criteria definition.</td>
</tr>
<tr>
<td>Operands</td>
<td>One per criteria definition.</td>
</tr>
</tbody>
</table>
## Set Up Pay Calculation Components

<table>
<thead>
<tr>
<th>Component</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value Sets</td>
<td>Optional</td>
</tr>
<tr>
<td>Literal Values</td>
<td>One per criteria definition.</td>
</tr>
<tr>
<td></td>
<td>If you use the In operand, you can enter multiple values.</td>
</tr>
<tr>
<td>Rate</td>
<td>Used when you are creating a calculation value. If you select Flat Rate or Incremental Rate as the calculation type, you must enter a rate in this field.</td>
</tr>
</tbody>
</table>

### Criteria Definitions and Evaluation Conditions

Within the tree structure you create the criteria definitions that hold the actual values or rates. There are many types of values that can be held, such as percentage, number, cash amount, or text.

You can also define a periodicity, which allows the value to be specified as a periodic value. Additionally, you can define a value in a currency that’s different from the default currency specified at the legislative data group.

The supported calculation types include:

- Flat Amount
- Flat Amount Times Multiplier
- Flat Calculation
- Flat Rate
- Incremental Rate
- Number
- Rate Definition
- Standard Formula 1
- Standard Formula 2

### Value Definitions

After creating the criteria, you create value definitions to hold the values for each criterion. This is where you enter the calculation types and rates. If you are using a calculation type that’s a flat amount, flat amount times multiplier, or number, you can also specify a periodicity.

To view or modify the calculation values you entered, click the appropriate link to access the Manage Calculation Value Definition task. On this page you can change from and to values, override the calculation type, add new rows, change rates, and change currency. The From Value and To Value fields on this page are monetary.

You can capture multiple values for a single criterion if you specify a unique value identifier for each value. The tree structure shows this identifier instead of the value definition name. For example you may want to pay employees bonuses at different rates based on their annual salaries. In this case you can use value identifiers to define different rates for each salary range using the From Value and To Value fields.

### Database Items

Each condition references a database item to identify where the value is used. It also determines the data type of the value, which is text, number, or date. Define conditions using predefined database items or the dynamically created database items that are generated when certain data is created, such as balances and elements.
Here is a partial list of database items that you can reference in the new hire flow:

- Grade
- Job
- Job Code
- BU (Business Unit)
- Location
- Department
- Worker Category
- Assignment Category
- Employee Category
- Salary Basis
- Legal Employer
- Period of Service (Seniority)
- Number of Dependents (between the ages 3 and 18)

**Note:** You can only reference database items for objects that are defined in the new hire flow, which are used to calculate salary basis. If you reference other types of database items, the process either returns zero or it uses the default criteria.

**Operands**

You use operands when you're creating criteria. You can specify whether the value defined by the database item should be equal to, greater than, less than, greater than or equal to, or less than or equal to the literal value.

To capture multiple values for the same criteria, use the In operand. For example if you want to give employees that work in City 1 and City 2 the same bonus, you can create a single evaluation condition for both cities using the In operand.

**Value Sets**

Specify a value set to provide a dynamic list of values from which you can select an entry. This option is available for input values that provide text only.

**Literal Values**

If you specify a value set, you can select an entry from a list of values, which is based on the selected value. If you leave the Value Set field blank, you can enter any type of information that is appropriate for the value definition that you are creating.

**Related Topics**

- Using Values Defined by Criteria to Limit Pension Contributions: Worked Example

**Manage Values Defined by Criteria: Examples**

Use the Manage Values Defined by Criteria task to calculate or retrieve values based on one or more conditions. You can use values defined by criteria in rate definitions. You can also use value by criteria definitions in any formula used for validation.

If you use a third-party payroll product and have a requirement to extract the salary rate details, use the Generate HCM Rates process to calculate rate values. The Generate HCM Rates process is primarily used to calculate derived rate values, such
as those which sum multiple salary components. However, it is also used to process primary rates, as you may define rate definitions which calculate values that are different from those stored on an element entry.

**Note:** The values calculated by the Generate HCM Rates process are stored on a rates table. You can extract this information using the HCM Extract tool to send to your third-party payroll providers.

Use these examples to understand how you can calculate values defined by criteria for these elements of payroll.

### Annual Salaries

You can calculate annual salaries for employees based on their position. For example:

- If the employee is a Consultant, pay 45,000
- If the employee is a Senior Consultant, pay 55,000
- If the employee is a Principal Consultant, pay 65,000

### Bonus Payments

You can choose to calculate bonus payments for employees that are weighted by their province. A more complicated scenario would be to pay bonuses based on an employee’s department, years of service, and annual salary.

- To weight a bonus payment by province, you could set up criteria like this:
  - For employees working in Ontario, pay a 15 percent bonus
  - For employees working in Quebec, pay a 13 percent bonus
  - For employees working in Nunavut, pay a 9 percent bonus
  - For all other employees, pay a 5 percent bonus

- To pay a bonus based on department, years of service, and annual salary, you could set up criteria like this:
  - If an employee working in sales has less than or equal to 5 years of service and an annual salary over 45,000, pay a 2,000 bonus
  - If an employee working in sales has less than or equal to 10 years of service and an annual salary over 45,000, pay a 5,000 bonus
  - If an employee working in sales has greater than 10 years of service and an annual salary over 45,000, pay a 9,000 bonus
  - For all other employees working in sales, pay a 7 percent bonus based on their annual salary

### Pension Contributions

Your pension plan may have rules that limit contributions based on an employee’s annual salary. For example, in this scenario you could set up the following criteria:

- Employees making less than or equal to 25,000, limit maximum contributions to 2,500
- Employees making less than or equal to 50,000, limit maximum contributions to 7,500
- Employees making less than or equal to 100,000, limit maximum contributions to 12,500
- Employees making greater than 100,000, limit maximum contributions to 14 percent of pay
Using Values Defined by Criteria to Pay Bonuses Based on Department and Province: Worked Example

This example demonstrates how to create criteria to pay employee bonuses at different rates based on department and province. The following table summarizes the key decisions for this scenario.

<table>
<thead>
<tr>
<th>Decisions to Consider</th>
<th>In this Example</th>
</tr>
</thead>
</table>
| What departments and rates should be used? | • Department A, pay 10 percent  
  • Department B, pay 14 percent to employees in Ontario  
  • Department B, pay 16 percent to employees in Quebec  
  • All other departments and provinces, pay 5 percent |
| What provinces should be used to determine bonus rates? | • Ontario  
  • Quebec |
| Are there any special conditions that should be added? | Yes. In Quebec the general manager wants to pay a flat amount of 15,000 Canadian Dollars for all employees in Department B who make over 100,000 Canadian Dollars per year. |

In this example, we will:

- Create the bonus rate criteria definition
- Create department criteria
- Create province criteria for department B
- Create a calculation value definition for department A
- Create calculation value definitions for provinces
- Create calculation value definitions for default criteria definitions
- Modify evaluation conditions

Prerequisite

In this example we are using HRX_CA_REP_PROVINCE as the value set for the entry of different provinces. If you don’t have an equivalent value set, you may need to create one.

Creating the Bonus Rate Criteria Definition

1. In the Payroll Administration work area, click the Manage Values Defined by Criteria task. This task is also available in the Setup and Maintenance and Compensation work areas.
2. Click Create.
3. Complete the fields, as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Bonus Rate</td>
</tr>
<tr>
<td>Effective Start Date</td>
<td>1/1/15</td>
</tr>
</tbody>
</table>
Creating Department Criteria

1. Select the row with the Bonus Rate criteria definition.
2. Click New.
3. Select Criteria and then click OK.
4. For each criteria definition you create, complete the fields as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Department A</th>
<th>Department B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculation Value Definition Name</td>
<td>Bonus Rate Department A</td>
<td>Bonus Rate Age Group 2</td>
</tr>
<tr>
<td>Value Definition Group</td>
<td>Bonus</td>
<td>Bonus</td>
</tr>
<tr>
<td>Retrieval Date</td>
<td>Date Earned</td>
<td>Date Earned</td>
</tr>
<tr>
<td>Sequence</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Database Item Name</td>
<td>PER_PERSON_DEPARTMENT_NAME</td>
<td>PER_PERSON_DEPARTMENT_NAME</td>
</tr>
<tr>
<td>Operand</td>
<td>=</td>
<td></td>
</tr>
<tr>
<td>Literal Value</td>
<td>A</td>
<td>B</td>
</tr>
</tbody>
</table>

5. Click OK each time you create a new criteria definition.
6. To create a default group for the department criteria, repeat steps 1 to 3.
7. Complete the fields, as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculation Value Definition Name</td>
<td>Bonus Rate Department Group Default</td>
</tr>
<tr>
<td>Value Definition Group</td>
<td>Bonus</td>
</tr>
<tr>
<td>Retrieval Date</td>
<td>Date Earned</td>
</tr>
</tbody>
</table>

8. Select the Default Criteria check box and then click OK.

Creating the Province Criteria for Department B

1. Select the row with the Department Name =B criteria definition.
2. Click **New**.
3. Select **Criteria** and then click **OK**.
4. For each criteria definition you create, complete the fields as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Ontario</th>
<th>Quebec</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculation Value Definition Name</td>
<td>Bonus Range Department Group B Province 1</td>
<td>Bonus Range Department Group B Province 2</td>
</tr>
<tr>
<td>Value Definition Group</td>
<td>Bonus</td>
<td>Bonus</td>
</tr>
<tr>
<td>Retrieval Date</td>
<td>Date Earned</td>
<td>Date Earned</td>
</tr>
<tr>
<td>Sequence</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Database Item Name</td>
<td>PER_ ASG_ PROVINCE_ID</td>
<td>PER_ ASG_ PROVINCE_ID</td>
</tr>
<tr>
<td>Display Name</td>
<td>Province</td>
<td>Province</td>
</tr>
<tr>
<td>Operand</td>
<td>=</td>
<td>=</td>
</tr>
<tr>
<td>Value Set</td>
<td>HRX_ CA_ REP_PROVINCE</td>
<td>HRX_ CA_ REP_PROVINCE</td>
</tr>
<tr>
<td>Literal Value</td>
<td>Ontario</td>
<td>Quebec</td>
</tr>
</tbody>
</table>

5. Click **OK** each time you create a new criteria definition.
6. To create a default group for the province criteria, repeat steps 1 to 3.
7. Complete the fields, as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculation Value Definition Name</td>
<td>Bonus Rate Department Group B Province Default Rate</td>
</tr>
<tr>
<td>Value Definition Group</td>
<td>Bonus</td>
</tr>
<tr>
<td>Retrieval Date</td>
<td>Date Earned</td>
</tr>
</tbody>
</table>

8. Select the **Default Criteria** check box and then click **OK**.

**Creating a Calculation Value Definition for Department Group A**

1. Select the row with the Department Name =A criteria definition.
2. Click **New**.
3. Select **Value** and then click **OK**.
4. Complete the fields, as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculation Value Definition Name</td>
<td>Bonus Rate Department Group A Rate</td>
</tr>
</tbody>
</table>
Creating Calculation Value Definitions for Provinces

1. Select the row with the Province = Ontario criteria definition.
2. Click New.
3. Select Value and then click OK.
4. Complete the fields, as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculation Value Definition Name</td>
<td>Bonus Rate Department Group B Province Rate 1</td>
</tr>
<tr>
<td>Value Definition Group</td>
<td>Bonus</td>
</tr>
<tr>
<td>Retrieval Date</td>
<td>Date Earned</td>
</tr>
<tr>
<td>Calculation Type</td>
<td>Flat Rate</td>
</tr>
<tr>
<td>Rate</td>
<td>.10</td>
</tr>
</tbody>
</table>

5. Click OK.

6. Select the row with the Province = Quebec criteria definition.
7. Click New.
8. Select Value and then click OK.
9. Complete the fields, as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculation Value Definition Name</td>
<td>Bonus Rate Department Group B Province Rate 2</td>
</tr>
<tr>
<td>Value Definition Group</td>
<td>Bonus</td>
</tr>
<tr>
<td>Retrieval Date</td>
<td>Date Earned</td>
</tr>
<tr>
<td>Calculation Type</td>
<td>Flat Rate</td>
</tr>
</tbody>
</table>
Creating Value Definitions for the Default Criteria Definitions

1. Under the province criteria definition, select the row with the Default Criteria definition.
2. Click New.
3. Select Value and then click OK.
4. Complete the fields, as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculation Value Definition Name</td>
<td>Department Group Province Default Rate</td>
</tr>
<tr>
<td>Value Definition Group</td>
<td>Bonus</td>
</tr>
<tr>
<td>Retrieval Date</td>
<td>Date Earned</td>
</tr>
<tr>
<td>Calculation Type</td>
<td>Flat Rate</td>
</tr>
<tr>
<td>Rate</td>
<td>.05</td>
</tr>
</tbody>
</table>

5. Click OK.
6. To create a calculation value definition for all other employees that don’t meet any criteria, select the row with the last Default Criteria definition.
7. Repeat the steps described above except for the Calculation Value Definition Name field. Enter Bonus Default Rate instead.
8. Click OK.

Modifying Evaluation Conditions

1. To modify the evaluation conditions for Quebec, click the Bonus Rate Department Group B Province Rate 2 link.
2. Scroll down to the Calculation Values section.
3. Enter 100,000 in the To Value field.
4. Click Add Row.
5. Enter 100,000.01 in the From Value field and 999,999,999,999 in the To Value field.

   From and to values are monetary, unless you are using a database item.
6. Select Flat Amount in the Calculation Type Override field.
7. Enter 15,000 in the Flat Amount field.
8. Click OK and then Submit.

FAQ for Values Defined by Criteria
Does the order in which I add criteria definitions matter?

Yes. Each criteria definition that you add is defined as a separate level and placed in priority order. The order is used to produce a tree structure, which affects processing and the value that is returned.

For example, if the first criteria definition has the condition of salary greater than 0, and the next criteria definition in the sequence has the condition of salary greater than 100,000, all salaries would meet the first condition and there would be no results for the second condition. To fix this situation, you would reverse the order of the criteria definitions where the condition greater than 100,000 is first in the sequence.

You can change the sequence of the criteria definitions at any time to suit your business needs and fix processing problems.

Payroll Event Groups

Overview

A payroll event group defines the types of data changes that trigger retroactive event notifications or prorated calculation of a person’s earnings or deductions.

There are two types of payroll event groups:

- Proration
- Retroactive

Proration

Using proration, you can calculate proportionate earnings and deduction amounts whenever payroll-relevant data changes during a payroll period.

For example, you can calculate proportionate earnings and deduction amounts if:

- A person joins or leaves an organization in the middle of a payroll period
- A person’s pay rate changes during a payroll period

If you want to prorate an element, such as basic salary, assign a proration event group to the element with proration points that affect a person’s salary. You can use the predefined event group, or create a new one. When you create an event group, you select the events that activate proration calculation, such as changes to:

- Hourly or annual pay rates
- Working hours
- Allowances or deductions
- Assignment changes, such as grade or position

Tip: You can only select events that represent changes to element entries, calculation cards, calculation value definitions and assignments.
Retroactive

Retroactive processing ensures that your payroll run for the current period reflects any backdated payments and deductions from previous payroll periods. A retroactive event group defines the types of changes that trigger a retroactive event notification.

Within a retroactive event group, select the events that produce notifications if a backdated change occurs. Specify the entity, update type, and attribute, as shown in the examples provided in the following table.

<table>
<thead>
<tr>
<th>Entity</th>
<th>Update Type</th>
<th>Attribute</th>
</tr>
</thead>
<tbody>
<tr>
<td>Element Entry Value</td>
<td>Correction</td>
<td>SCREEN_ENTRY_VALUE</td>
</tr>
<tr>
<td>Element Entry</td>
<td>Update</td>
<td>EFFECTIVE_START_DATE</td>
</tr>
<tr>
<td>Element Entry</td>
<td>Update</td>
<td>EFFECTIVE_END_DATE</td>
</tr>
<tr>
<td>Element Entry</td>
<td>Logical Date Change</td>
<td></td>
</tr>
<tr>
<td>Element Entry</td>
<td>Insert</td>
<td></td>
</tr>
<tr>
<td>Element Entry</td>
<td>Delete Changes</td>
<td></td>
</tr>
</tbody>
</table>

Related Topics
- How can I create an element for retroactive processing

Element Proration

Setting Up Element Proration: Procedure

Proration calculates proportionate amounts for recurring elements when payroll-relevant data changes during a payroll period. This could include a person joining the enterprise or a mid-period pay increase. Proration creates two payroll run results. The first run result is for the payroll period up to the day before the event. The second one is from the date of the event to the end of the period. When you create an element, you specify its proration event group and the calculation method.

Proration rate conversion rules give you the flexibility of specifying a different rule than that used for periodicity. For example, you prorate based on calendar days when using work units for conversion.

To set up element proration, you:
- Review the predefined proration event group to ensure that it includes changes you want to track. You can optionally update the event group or create a new group.
- Create an element and enable proration processing for an element.
Reviewing the Predefined Event Group

When you create or update a recurring element, you can make it subject to proration.

1. In the Payroll Calculation work area, start the **Manage Event Groups** task.
2. Search for the predefined event group: Entry Changes for Proration.
3. Review the types of changes that automatically trigger proration for the elements associated with this event group. You can edit this group or create a new event group for the element, if required. For example, you might want to add changes to calculation cards or assignments.

Enabling Proration Processing for an Element

To enable proration:

1. Start the **Manage Elements** task, and click **Create**.
2. On the Create Element: Additional Details page, select **Yes** for the following question: Is this element subject to proration?
3. Select the predefined event group (Entry Changes for Proration) or a new group that you created.
4. Select a **Proration Units** and **Proration Rate Conversion Rule**.
5. Select a **Proration Conversion Rule** formula.

**Note:** If the predefined conversion rules don’t meet your requirements, you can create a user-defined formula.

Related Topics

- Create and Assign a Work Schedule

Create Conversion Formulas for Proration

The predefined proration formula GLB_EARN_PRORATION controls how the payroll calculation prorates an element entry when it encounters an event. This could happen when there is a change to an element entry value. You can copy and edit a predefined proration formula to modify the calculation. You then select the user-defined formula as the proration formula for your element.

Create a Formula

As a prerequisite, create a modified rate conversion before you create its related proration conversion rule. Follow these rules to write a formula:

1. Select the formula type called Payroll Run Proration.
2. Search for and copy the predefined Rate Conversion Proration formula.
3. Add the suffix underscore PRORATE to the name (_PRORATE).
4. Update the formula inputs:
   - PRORATE_START_DATE (date)
   - PRORATE_END_DATE (date)
   - SOURCE_PERIODICITY (text)
   - DAYS_WORKED (number)
   - RATE_CONV_FORMULA (text)
   - HOURS_WORKED (number)
5. Add the formula outputs for the element input values.

6. Save, submit, and compile the formula.

Some countries or territories supply predefined proration formulas that you can use as the basis for your modified version.

Prorated Earnings and Deductions: How They’re Calculated

You can select from a number of different proration conversion rules to calculate standard or supplemental earnings. You select the proration conversion rule when you create an earnings or deduction element using the Manage Elements task in the Payroll Calculation work area. You can calculate prorated earnings based on calendar days or work schedules.

This topic covers:

- How deductions are calculated
- How prorated earnings are calculated
- Examples of earnings calculation based on calendar days
- Example of earnings calculation based on work schedule

How Deductions Are Calculated

Typically, you don’t prorate deductions, such as deductions based on a percentage of earnings. You might prorate fixed rate deductions, such as voluntary deduction for a fitness center membership. In most cases, you use the predefined global proration formula for deductions (GLB_DEDN_PRORATION). For this formula the proration value is the periodic value multiplied by the number of calendar days in the proration period. This figure is then divided by the number of calendar days in the payroll period.

How Prorated Earnings are Calculated

Creating a recurring earnings element automatically associates it with a predefined proration formula (GLB_EARN_PRORATION). The proration formula determines how to prorate earnings in the proration period based on the proration calculation method you select.

As a guideline the global formula doesn't prorate:

- Nonrecurring elements
- Earnings elements with a calculation rule of unit multiplied by rate, if rate and hours are entered in the element entry

Note: Some predefined legislations provide a different default proration formula and rules.

These examples show how proration calculations are performed on earnings calculations based on:

- Calendar days
- Work schedules

Example: Earnings Calculation Based on Calendar Days

The formula calculates proration results as shown in the following table.
Proration Conversion Rule and Proration Units | Proration Calculation
--- | ---
Standard Rate Annualized rule | Calendar days in proration period multiplied by annual pay and divided by annual calendar days
Daily proration units

Example:

1. You assign a person to a monthly payroll for a salary basis of 25,000.
2. You update the salary on 10 December, 2013 to 30,000.
3. You calculate the December monthly payroll.
4. The proration formula calculates 2 proration periods with 9 calendar days in the first proration period, and 22 in the second period.

\[(9 \times 25000) / 365 + (22 / 30000) / 365 = 616.44 + 1808.22 = 2424.66\]

Standard Rate Daily rule | Total pay divided by calendar days in the payroll period and multiplied by calendar days in the proration period.
Daily proration units

Example:

1. You hire a person to a weekly payroll in the middle of the payroll period.
2. The employee works 3 calendar days and receives a location allowance of 500.
3. The proration formula calculates the employee's location allowance for the 3 days.

\[(500 / 7) \times 3 = 214.29\]

Example: Earnings Calculation Based on Work Schedule

The formula calculates proration results as shown in the following table. If no working hours are defined, the proration formula checks the assignment definition for the number of working hours and frequency. If no information is found, the formula uses 40 as the number of working hours and 5 as the number of days for the work week.

Periodic Work Schedule Rate Annualized rule | Work schedule days in proration period multiplied by annual pay and divided by 260 days, the default number of annual working days.
Workday proration units | A day in a work schedule is a 24 hour period.
Proration Conversion Rule and Proration Units

<table>
<thead>
<tr>
<th>Proration Conversion Rule and Proration Units</th>
<th>Proration Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Example:</td>
<td>(6 * 25000) / 260 + (16 * 30000) / 260 = 576.92 + 1846.15 = 2423.07</td>
</tr>
</tbody>
</table>

1. You hire a person to a monthly payroll for an annual salary basis of 25,000.
2. The employee works 5 days a week Monday through Friday.
3. You increase the monthly salary to 30,000 effective 10 December, 2013.
4. You calculate the December monthly payroll.
5. The proration formula calculates 6 working days from 1st December to 9th December, and 16 working days from 10th December to 31st December.

<table>
<thead>
<tr>
<th>Periodic Work Schedule Rate</th>
<th>Work schedule hours in proration period multiplied by the annual pay and divided by 2080, the default number of annual working hours.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annualized rule</td>
<td></td>
</tr>
<tr>
<td>Hourly proration units</td>
<td></td>
</tr>
</tbody>
</table>

Example:

1. An employee assigned to a weekly payroll receives an annual salary basis of 25,000.
2. You increase the salary to 30,000 effective 10 December, 2013.
3. The employee works 10 hours a day from 9 December to 12 December.
4. You calculate the weekly payroll for the week 8 December to 14 December.
5. The proration formula calculates 2 proration periods, with 10 working hours for the first period, and 30 for the second period.

(10 * 25000) / 2080 + (30 * 30000) / 2080 = 120.19 + 432.69 = 552.88

Periodicity

Periodicity Conversion: Explained

Rate conversion formulas convert amounts to different periodicities for payroll calculations. The following calculations use rate conversion formulas:

- Proration
- Hours multiplied by rates calculation of an element run result
• Rates based on rate definitions

**Predefined Periods**

The following are the predefined periods for use when setting periodicity.

If these values don't meet your requirements, you can copy a predefined rate conversion formula and edit its periodicity values.

<table>
<thead>
<tr>
<th>Periodicity</th>
<th>Valid for Payroll Periods</th>
<th>Number of Periods per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annually</td>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>Bimonthly</td>
<td>Yes</td>
<td>6</td>
</tr>
<tr>
<td>Biweekly</td>
<td>Yes</td>
<td>26</td>
</tr>
<tr>
<td>Calendar Monthly</td>
<td>Yes</td>
<td>12</td>
</tr>
<tr>
<td>Daily</td>
<td>No</td>
<td>365</td>
</tr>
<tr>
<td>Hourly</td>
<td>No</td>
<td>2920 (365 days multiplied by 8 hours)</td>
</tr>
<tr>
<td>Lunar Month</td>
<td>Yes</td>
<td>13</td>
</tr>
<tr>
<td>Periodically</td>
<td>No</td>
<td>Payroll frequency determines the number of periods to use in the rate conversion.</td>
</tr>
<tr>
<td>Quarterly</td>
<td>Yes</td>
<td>4</td>
</tr>
<tr>
<td>Semiannually</td>
<td>Yes</td>
<td>2</td>
</tr>
<tr>
<td>Semimonthly</td>
<td>Yes</td>
<td>24</td>
</tr>
<tr>
<td>Workday</td>
<td>No</td>
<td>260</td>
</tr>
<tr>
<td>Weekly</td>
<td>Yes</td>
<td>52</td>
</tr>
<tr>
<td>Work Hour</td>
<td>No</td>
<td>2080 (260 days multiplied by 8 hours)</td>
</tr>
</tbody>
</table>

**Defining Periodicity**

You can define periodicity in the following ways:

<table>
<thead>
<tr>
<th>Object</th>
<th>Task</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elements</td>
<td>Manage Elements</td>
<td>The Periodicity input value specifies the frequency of the element value.</td>
</tr>
</tbody>
</table>
Object | Task | Description
--- | --- | ---
Payrolls | Manage Payroll Definitions | For example, salary element entries that hold annual salary values have an annual periodicity.

**Period Type** specifies the number of payroll periods.

For example, the Monthly Lunar period type includes 13 payroll periods.

Rates | Manage Rate Definitions | Rate definition can specify the following periodicities:
- Return periodicity of the rate
- Periodicity of each rate contributor
- Periodicity of the calculated sum of the rate contributors

**Rate Conversion Formulas**

Rate conversion formulas change the periodicity of an amount.

For example, the Standard Rate Annualized conversion formula can convert an annual salary amount to a weekly amount.

The following table describes the predefined formulas.

<table>
<thead>
<tr>
<th>Rate Conversion Rule</th>
<th>Description</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Rate Annualized</td>
<td>Calculates the annual rate using the input periodicity and converts the amount to an output periodicity and rate.</td>
<td>To convert a weekly amount to a semimonthly periodicity, the formula: 1. Multiplies the weekly amount by 52. 2. Divides the result by 24.</td>
</tr>
<tr>
<td>This rule uses default values, such as 2080 hours or 260 working days, to calculate the annual rate. You select the day or hourly basis during element definition.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standard Rate Daily</td>
<td>Calculates the daily rate using the input periodicity and converts the amount to an output periodicity and rate.</td>
<td>To convert an annual amount to daily periodicity, the formula: 1. Divides the annual amount by 365. 2. Multiplies the result by the number of days in the payroll period.</td>
</tr>
<tr>
<td>This rule uses a default value, such as 260 working days a year, to calculate the daily rate.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Standard Working Hours Rate Annualized | Uses the employee’s standard working hours to convert the monetary value and working hours to an annual value before calculating the rate. | The employee works 40 hours a week with a monthly salary of 1000 CAD: 

\[
\frac{1000 \times 12}{40 \times 0.0052} = 5.77 \text{ an hour}
\]

| Assignment Working Hours Rate Annualized | Uses the employee’s working hours to convert the monetary value and working hours to an annual value before calculating the rate. | The employee works 40 hours a week, with 37.5 standard working hours a week, and a monthly salary of 1000 CAD: |
Rate Conversion Rule   | Description | Example  
--- | --- | ---
Periodic Work Schedule Rate Annualized | Uses the employee’s work schedule for the payroll period for daily and hourly conversions. | \[(\text{1000}\times12)/(37.5\times52) = 6.15 \text{ an hour}\]

For an employee:
- With a monthly salary of 1000 CAD
- Assigned a monthly payroll
The formula checks the work schedule details for the month.

For a daily conversion:

\[1000 \text{ a month} / 20 \text{ days in the month} = 50\]

**Note:** For compensation calculations where the employee is not assigned a payroll, the rate is calculated using the weekly rate calculation. The amount is converted to an annual figure and divided by the number of days or hours in that week based on the work schedule.

The impact of the rate conversion rule is summarized below:

- **Periodicity:** The conversion rule for periodicity applies to Flat Amount, Hours * Rate, and Days * Rate calculation rules. You can override the periodicity used as the default for the element definition at the element entry level.

- **Work Units:** The Work Units conversion rule applies only to flat amount calculation rules for standard and supplemental earnings elements. The selection of which work units to use in reports and payslips determines the conversion calculation. The application creates the element input values using the default values of the rate conversion formulas.

For example, the following table illustrates how the payroll process determines the standard work units for any given pay period:

| Work Units Selected | Example  
--- | ---
Hours | \[2080/24 = 86.67\]
Days | \[260/24 = 10.83\]
None | No input values are created

- **Proration:** The element template includes a new question for proration units. Proration rate conversion rules replace the previous proration methods in the element template. You have greater flexibility, for example, to base proration on calendar days when using work units for conversion.
Note: If the conversion rules do not meet your requirements, you can copy and edit the rules using the Manage Fast Formulas task in the Payroll Calculation work area.

Retroactive Pay

Retroactive Pay: How It Is Calculated

Retroactive pay is the recalculation of prior payroll results due to changes that occur after the original calculation was run. To process retroactive pay, run the Recalculate Payroll for Retroactive Changes process. This process creates retroactive element entries based on retroactive events. You can view automatically-created retroactive events or create them manually. Only elements that are set up to include a retroactive event group can have retroactive element entries.

Examples of prior period adjustments that could trigger a retroactive event are:

- An employee receives a pay award that is backdated to a previous pay period.
- The payroll department makes a backdated correction for an error that occurred in a previous pay period.

Settings That Affect Retroactive Pay

To enable retroactive processing of an element:

1. On the Manage Event Groups page, review the types of changes that automatically trigger a retroactive notification for the predefined event group, which is called Entry Changes for Retro. You can edit this group or create a new event group for the element, if required.
2. On the Create Element: Additional Details page, select Yes for the following questions:
   - Is this element subject to proration?
   - Is this element subject to retroactive changes?

   The element template creates nonrecurring retroactive elements with the same attribution of the base element with a couple of exceptions. If you selected Process Separately or Pay Separately, the template creates input values on the retroactive element with a default value of N. You can override these values at the following levels:

   - Element
   - Element entry
   - Element eligibility

3. Select the predefined event group or a new group that you have created.

How Retroactive Pay Is Calculated

To process retroactive pay:

1. In the Payroll Calculation work area, review or create retroactive events on the Manage Event Notifications page. You can download results to Excel to view retroactive events in a report format.
2. Submit the Recalculate Payroll for Retroactive Changes process. You can use the Submit a Process or Report task, or the process may run automatically as part of your payroll flow. This process never overwrites historical payroll data. Instead, it creates one or more retroactive entries to receive the process results.
3. Run the Calculate Payroll process.

**Note:** Always run the Recalculate Payroll for Retroactive Changes process immediately before you run a payroll. If you run it after the Calculate Payroll process, retroactive adjustments are held over until the next payroll period.

If you do not get a retroactive notification that you expect to get, review:

- The originating transaction causing the event
- Element setup
- Element eligibility for the person
- The retroactive event group entities and attributes that are set up to trigger retroactive events
- The proration event group entities and attributes setup that triggers proration

### Adding a Retroactive Event Manually: Worked Example

Normally you create retroactive adjustments, such as backdated salary changes, which automatically create retroactive events. This example shows how to create a retroactive event manually. In this example an employee, whose pay rate was supposed to change last pay period, is being terminated. Payroll hasn’t made the change yet, so we need to add the retroactive event manually to generate the correct payslip

### Creating a Payroll Relationship Event

1. Select the Manage Event Notifications task in the Payroll Calculation work area. On the Manage Event Notifications page.
2. Click **Create**.
3. In the Create Payroll Relationship Event window, complete these fields.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approval Status</td>
<td>Awaiting Processing</td>
</tr>
<tr>
<td>Payroll Relationship</td>
<td>The person to process</td>
</tr>
<tr>
<td>Process Date</td>
<td>Date when the retroactive change process is run.</td>
</tr>
</tbody>
</table>

**Note:** This date indicates when the element change was triggered.

4. Click **Save and Close**.

### Creating a Retroactive Event

1. On the Manage Event Notifications page, click the name of the person associated with the event you created.
2. On the Manage Retroactive Events page, click **Create** in the Entry Details section.
3. Select the element you want to reprocess, the date from which to recalculate payroll runs, and a retroactive component.

   The retroactive component is the element from which the change in pay will be paid to the person.

4. Repeat the previous step if you want to recalculate multiple elements for this payroll relationship.
5. Click **Submit**.

### FAQs for Pay Calculation Components

#### Why can't I edit the secondary classifications for a wage basis rule?

You probably defined the rule for the primary classification to include all secondary classifications in the wage basis. Edit the primary classification row and deselect the **Select all secondary classifications** option. You can then edit individual secondary classification rows, and select the **Use in wage basis** option only for those classifications to be considered in the wage basis.

#### Why can't I create payroll components on the Manage Calculation Information page?

You can view existing components on this page, but you can’t create new components. Use the Manage Elements task to create new elements. Creating some elements also creates associated calculation components. These elements can include involuntary deductions, pensions, and absence payment elements.

#### Can I delete or edit a cost component group mapping?

Yes. You can delete or edit a cost component group mapping only if it is not referenced in a cost profile.

#### Can I delete or edit the mapping of a cost component to an analysis group?

Yes. You can delete or edit the mapping of a cost component to an analysis group, even if the cost component or the cost component group is referenced in a cost profile.
12 Set Up Elements

Payroll Elements

Overview

Elements can represent:

- Earnings, such as salary, wages, and bonuses
- Compensation, such as employee stock purchase and insurance plans
- Absences from work
- Tangible items distributed to persons, such as tools, uniforms, mobile phones, or computers
- Statutory deductions, such as taxes, voluntary deductions, contributions to charities or savings plans, and involuntary deductions, such as court orders and pretax deductions
- Employer taxes and other employer liabilities

Some elements are predefined. You can also create other elements to match your requirements. Each element belongs to a primary classification, according to its purpose, which determines the template you use to create it. The template creates the elements, and the associated items required for payroll processing.

You can enter up to 50 characters for the element name. If you enter more than 50 characters, the application will automatically shorten the name.

Predefined Elements

Oracle Fusion Global Payroll for Canada provides a suite of predefined element classifications for use when defining earnings and deduction elements. They typically include deductions for tax and wage attachments. You can’t make any changes to these predefined elements. However, you must create eligibility records for them.

Element Creation

You can create as many earnings and deductions as you require using the Manage Elements task.

You select the element classification and category which determine:

- The template of questions you answer to specify the details of the element you want to create.
- The items that the template generates, which can include multiple elements, input values, formulas, balances, and other items as set out in the table below.

Note: The template you use to create elements also depends on the extension you have selected on the Manage Features by Country or Territory page. For example, if the country extension is set to Payroll, you use a template that generates all the items required for payroll processing. If the country extension is set to Human Resources or None, you use a basic template that generates the elements only.

You can configure any of the generated items to match your specific business requirements. For example, you can add input values, edit the formulas, or add a status processing rule to use a different formula for certain assignment statuses.
must also create element eligibility records for the elements. You can also use the batch loader from the Data Exchange or Checklist work area to load elements or migrate elements between environments.

The following table explains the purpose of the items used in element creation.

<table>
<thead>
<tr>
<th>Item</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Input Values</td>
<td>Define the entry values available on each entry of this element, such as hours worked or amount.</td>
</tr>
<tr>
<td>Element Eligibility Records</td>
<td>Define the eligibility criteria a worker’s employment record must meet to be eligible for the element. For example, you can use grade, payroll, salary basis, or organization as eligibility criteria.</td>
</tr>
<tr>
<td>Status Processing Rules</td>
<td>Identify the formula the payroll run uses to process the element, and how to handle the formula results.</td>
</tr>
<tr>
<td>Related Formulas and Related Elements</td>
<td>Identify additional elements and formulas created by the template for payroll processing.</td>
</tr>
<tr>
<td>Related Balances</td>
<td>Identify the balances created by the element template for this element.</td>
</tr>
</tbody>
</table>

Maintaining Elements

After you create and use an element, you are limited on updates you can make to it. This ensures the integrity of the element for retroactive processing and the balances of the input values. You can’t remove existing input values or add new ones if you have created entries for the element. To add an input value to an element before you create any element entries, set your effective date to the element’s start date.

You can make the following changes to an element that has been previously processed:

- Change a required input value to be optional.
- Alter the sequence in which input values appear in the Element Entries page.
- Change the input value validation rules for minimum, maximum, lookup, or formula.
- Change your specification of which input values create database items.
- Change the reporting name. However, the database items created for the element will continue to use the original name.

Element Classifications

Primary Element Classifications

Primary element classifications are defined by Oracle Fusion to meet legislative requirements, and are supplied to users with the product.
Primary Classifications

Elements are grouped into primary classifications, such as Earnings and Voluntary Deductions. In a human resources department, you can use the primary classifications to identify groups of elements for information and analysis purposes. In a payroll department, the classifications control processing, including the sequence in which elements are processed and the balances they feed. Oracle Fusion provides primary classifications and some balances, mainly to reflect tax legislation. They are designed to meet the legislative requirements of your country, so you cannot change or delete them. You can create additional balances to be fed by any of the primary classifications.

Secondary Element Classifications

You can define secondary classifications to feed your own user defined balances.

Secondary Classifications

Secondary classifications are subsets of the primary classifications. In some legislations, secondary classifications have been predefined. As with primary classifications, you cannot remove or change any predefined secondary classifications, and you cannot disable any of the predefined balance feeds created for them.

Element Classification Components: How They Work Together

When you create an element, you select a primary classification, such as Involuntary Deductions, and optionally a secondary classification, such as Maintenance and Support. The classifications, which vary by country or territory, control the element template questions you answer to define the element.

Primary Classifications

Primary classifications meet the legislative requirements of your country or territory, so you can’t change them.

In a human resources department, you can use the primary classifications to identify groups of elements for information and analysis purposes. In a payroll department, the classifications control processing, including the sequence in which elements are processed and the balances they feed.

Secondary Classifications

Secondary classifications are subsets of the primary classifications. Use them to manage wage basis rules for deductions and taxes. You can’t remove or change any predefined secondary classifications. However, you can create your own secondary classifications. When you create a secondary classification, you must associate a reporting type to it.

Costing

Each primary classification includes the following costing rules:

- Allow Costing: If this rule is set to Yes, you can select any costing option for element eligibility records.
- Allow Distribution: If this rule is set to Yes, you can create distribution groups with elements in this classification. For example, you can create a distribution group with all of the earnings elements and prorate tax expenses proportionately over the cost centers in which the wages were earned.
- Debit or Credit: This rule determines whether a positive amount is costed as a debit or a credit.
Frequency Rules

If frequency rules are enabled for a primary classification, you can use them on an element if you don’t want to process it each period. For example, you can set frequency rules to process element entries on the first and third weekly payroll periods of each month. The default frequency rule is to process each period.

Element Classifications for Canada

Oracle Fusion Global Payroll for Canada provides a suite of predefined element classifications for use when defining earnings and deduction elements.

Primary classifications are defined to meet legislative requirements and hence you cannot change them. Secondary classifications are subsets of the primary classifications and are used to manage wage basis rules for deductions and taxes. Subclassifications are not applicable for Canada.

All the predefined secondary classifications for Canada have an associated Reporting Type for end-of-year reporting for earnings and deductions. The values for the reporting types are:

- T4/RL1
- T4A/RL1
- T4A/RL2

Use the Manage Elements task from the Payroll Calculation work area to create elements. When you create a secondary classification, it is mandatory for you to associate a Reporting Type to it. This association is done manually and you have to select any of the values given above.

Primary and Secondary Classifications

The table below lists the primary classifications and the associated secondary classifications that are applicable for Canada.

<table>
<thead>
<tr>
<th>Primary Classifications</th>
<th>Secondary Classifications</th>
<th>Reporting Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance Initialization</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Information</td>
<td>Pension Adjustments</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Nonpayroll Payments</td>
<td>Expense Reimbursements</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Absence Accruals</td>
<td>N/A</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Absences</td>
<td>Sickness</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Absences</td>
<td>Maternity</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Absences</td>
<td>Vacation</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Absences</td>
<td>Other</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Standard Earnings</td>
<td>Regular</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Primary Classifications</td>
<td>Secondary Classifications</td>
<td>Reporting Type</td>
</tr>
<tr>
<td>------------------------------</td>
<td>-----------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Standard Earnings</td>
<td>Overtime</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Standard Earnings</td>
<td>Shift</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Standard Earnings</td>
<td>Statutory Holiday</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Supplemental Earnings</td>
<td>Bonus</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Supplemental Earnings</td>
<td>Commission</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Supplemental Earnings</td>
<td>Pension and Annuities</td>
<td>T4A/RL2</td>
</tr>
<tr>
<td>Supplemental Earnings</td>
<td>Awards and Prizes</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Supplemental Earnings</td>
<td>Benefit Plan Credits</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Supplemental Earnings</td>
<td>Pay in Lieu of Notice</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Supplemental Earnings</td>
<td>Jury Duty Pay</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Supplemental Earnings</td>
<td>Sick Pay</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Supplemental Earnings</td>
<td>Vacation Pay</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Supplemental Earnings</td>
<td>Retiring Allowance Taxable</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Supplemental Earnings</td>
<td>Retiring Allowance Nontaxable</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Taxable Benefits</td>
<td>Group Term Life Insurance</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Taxable Benefits</td>
<td>Personal Use of Company Car</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Taxable Benefits</td>
<td>Gifts and Awards</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Taxable Benefits</td>
<td>Boarding and Lodging</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Taxable Benefits</td>
<td>Registered Retirement Savings Plan</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Employee Tax Deductions</td>
<td>Employee Tax Deductions</td>
<td>N/A</td>
</tr>
<tr>
<td>Employer Taxes</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Pretax Deductions</td>
<td>Registered Retirement Plan</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Primary Classifications</td>
<td>Secondary Classifications</td>
<td>Reporting Type</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>---------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Pretax Deductions</td>
<td>Union Dues</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Involuntary Deductions</td>
<td>Tax Levy</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Involuntary Deductions</td>
<td>Maintenance and Support</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Involuntary Deductions</td>
<td>Garnishments</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Voluntary Deductions</td>
<td>Benefits</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Voluntary Deductions</td>
<td>Employer Reimbursements</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Voluntary Deductions</td>
<td>Loans</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Voluntary Deductions</td>
<td>Registered Retirement Plan</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Voluntary Deductions</td>
<td>Professional Fees</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Voluntary Deductions</td>
<td>Union Dues</td>
<td>T4/RL1</td>
</tr>
<tr>
<td>Employer Liabilities</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Element Processing Sequence: How It's Determined

You can set a predefined sequence in which a payroll run processes elements. An element's primary classification defines a default processing priority for the element in payroll runs. Lower priority numbers process first.

Overriding Default Processing Priority

Most classifications also have a priority range. To set the priority, you edit the element on the Element Summary page. Setting a specific priority establishes the order in which the element processes with respect to other elements in the classification.

Sometimes you must prioritize the processing of certain element entries for an individual person. For example, you may need to determine the precise order in which deductions taken for wage attachments process for a person. In this case, enter a subpriority number for element entries.

Reporting Types
Overview

Reporting Types are associated with secondary classifications and determine the year end form for reporting earnings and deductions.

The values for the reporting types are:

- T4/RL1
- T4A/RL1
- T4A/ RL2
- None

All the predefined secondary classifications for Canada have an associated reporting type already linked to the classification. When you create a secondary classification, it is mandatory for you to associate a reporting type to it. This association is done manually and you have to choose any of the values given above.

Associating a Reporting Type to a Secondary Classification:

Procedure

A secondary classification for Canada must have an associated reporting type for year end reporting of earnings and deductions. All predefined secondary classifications have an associated reporting type. When you create a secondary classification, it is mandatory for you to associate a reporting type to the classification.

Use the Manage Element Classifications task in the Payroll Calculations work area to create a secondary classification and associate a reporting type to the newly created secondary classification. To create a secondary classification:

1. Select Go to Task for the Manage Element Classifications task.
2. On the Manage Element Classifications page, select a Canadian Legislative Data Group and click Search. A list of the existing primary classifications are listed in the Search Results.
3. Click the row of the primary classification to which you want to add a secondary classification.
4. Click Edit.
5. Click Create under the Secondary Classifications section to open the Create Secondary Classification window
6. Enter the required information and select an appropriate Year End Form from the list of values.
7. Click OK.
8. Click Save.

The new statutory reporting type context is automatically populated with the secondary classification just created.

Element Employment Level

Employment Level for Elements: Critical Choices

Your enterprise uses an employment model. When you create elements, you select the employment level at which to attach the element. If you select a level below payroll relationship, each assignment record can have separate element entries.

Payroll Relationship Level
This level is the highest level for accumulating balances. Every payroll run processes payroll relationship elements.
Typical elements to define at payroll relationship level are:

- Tax deductions
- Pension
- Child support
- Medical care
- Union dues
- Benefits activity rate calculations, such as employee contributions and flex credits

Assignment Level

Use this lowest level for elements that require different entries for different assignments, or when the element applies only to specific assignments.

Typical elements to define at assignment level are:

- Assignment salary
- Regular hours
- Overtime
- Sales bonus
- Profit-sharing bonus

Element Input Values

Overview

An element’s input values define the entry values available on each entry of this element. Each input value has a unit of measure, such as money or date. Input values can include validations and conditions to control the data entry of the element entry assigned to a person. For example, an earnings element may have an input value for hours worked, which is required and has a unit of measure of number.

When you create an element, some input values are created automatically depending on your country extension and the element classification. You can create additional input values for any element, as needed.

Input Value Options

For each input value created, you can modify these attributes:

<table>
<thead>
<tr>
<th>Field Value</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Display Sequence</td>
<td>Enter a number to control the display order of the entry value on element entries.</td>
</tr>
<tr>
<td>Special Purpose</td>
<td>Select how the input value is to be used. For example, you can indicate that it holds a percentage value, a rate, or third-party payee details. This value assists with processing the input value based on what type of information it holds.</td>
</tr>
<tr>
<td>Unit of Measure</td>
<td>Select the value that describes the type of value the entry value can hold, such as number or character.</td>
</tr>
</tbody>
</table>
### Field Value | Purpose
---|---
Displayed | Select to display the input value on the element entry.  
Allow User Entry | Select to enter values on element entries.  
Required | Select to make the input value a required entry value on the element entry. If you select **Required**, you must also select **Displayed** and **Allow User Entry**.
Create a Database Item | Select if you want to make the values available for formulas or HCM extract.
Rate Formula | Select a rate calculation formula, for example to return a value from a user-defined table. This option only applies to the Primary input value for elements associated with rate definitions that have the Element method and a contributor type of Amount. If you select a formula, you must not select **Allow User Entry**.
Default | Enter a value that appears as the default value for this entry value in element entries, if needed.
Apply default at runtime | Select to apply the default value when you run the payroll process, rather than when you create the element entry. This selection ensures you use the latest value on the date of the payroll run. You can manually override the default value on the element entry.
Minimum | Enter a minimum value, if needed.
Maximum | Enter a maximum value, if needed.
Validation Formula | Enter a formula that validates the entry value entered on element entries, if needed.
Validation Source | Use with the other input value options to select the valid validation method, such as lookups or formulas.
Lookup Type | Specify a lookup type to provide a list of values for an entry value. This option is available for input values of type Character only.
Warning or Error | Use when you are validating the input value or entering a minimum or maximum value. It specifies whether a warning or an error displays if the entry fails the validation condition or doesn’t meet the minimum or maximum value indicated.
Reference | Use to associate a balance context with the run result.
   For example, you can associate a context, such as jurisdiction, with an element. Create an input value for jurisdiction and select the jurisdiction context in the **Reference** field. Then the run result value of the input value works as a context value when updating the balance.
   If you select a reference, then the lookup type and validation source values should be automatically set to the reference context. You must provide the **Reference** field first for the validation source value to be automatically populated.
Value Set | Specify a value set to provide a dynamic list of values for an entry value. This option is available for input values of type Character only.
**Caution:** Once an element is processed, you can’t update certain input value attributes, such as unit of measure. This restriction ensures that you can’t change attributes that would invalidate prior results.

This table provides examples of the allowable formats, depending on the unit of measure (UOM) specified for the entry value on the Manage Elements - Element Overview, Input Values page.

<table>
<thead>
<tr>
<th>Unit of Measure</th>
<th>Sample Entry Value</th>
<th>Display in Application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Character</td>
<td>C</td>
<td>Complete</td>
</tr>
<tr>
<td>Integer</td>
<td>12345</td>
<td>12,345</td>
</tr>
<tr>
<td>Number</td>
<td>12345.6789</td>
<td>12,345.6789</td>
</tr>
<tr>
<td></td>
<td>0.123456789</td>
<td>0.123456789</td>
</tr>
<tr>
<td>Day</td>
<td>123</td>
<td>123</td>
</tr>
<tr>
<td></td>
<td>0.123</td>
<td>0.123</td>
</tr>
<tr>
<td>Money</td>
<td>12345</td>
<td>12345.00</td>
</tr>
<tr>
<td></td>
<td>-12345.67</td>
<td>&lt;12345.67&gt;</td>
</tr>
<tr>
<td>Hours in decimal format, 1 place</td>
<td>12345</td>
<td>12345.0</td>
</tr>
<tr>
<td>Hours in decimal format, 2 places</td>
<td>12345</td>
<td>12345.00</td>
</tr>
<tr>
<td>Hours in decimal format, 3 places</td>
<td>12345</td>
<td>12345.000</td>
</tr>
<tr>
<td>Hours expressed as a numeric value</td>
<td>12345</td>
<td>12345</td>
</tr>
<tr>
<td>Hours and minutes expressed as numeric values</td>
<td>12345</td>
<td>12345:00:00</td>
</tr>
<tr>
<td>Hours, minutes, and seconds expressed as numeric values</td>
<td>12345</td>
<td>12345:00:00</td>
</tr>
<tr>
<td>Date</td>
<td>2016-06-21</td>
<td>21-Jun-2016</td>
</tr>
<tr>
<td>Time</td>
<td>13:05</td>
<td>1:05 PM</td>
</tr>
</tbody>
</table>

**Note:** Display values can be derived from the meaning attribute of the view object. For example if you enter C as a value for the Character UOM it could display as **Complete**. Conversion to display formats is based on the profile option value and locale.
Using a Value Set for an Element Input Value: Worked Example

You can use value sets to provide a dynamic list of values for an element input value. Use a value set for lists containing values that already exist in tables, such as person name or number, legislative data group, or payroll statutory unit. The benefit of this approach is that you don't have to create and maintain a lookup type. Using value sets helps maintain consistency and accuracy in your data.

**Note:** The only type of value set supported for element input values is the table-based value set. Oracle Fusion Global Payroll doesn’t support other value set types, such as Independent or Format Only.

In the Setup and Maintenance work area go to the following:

Offering: Workforce Deployment

Functional Area: Payroll

Task: Manage Value Sets

Create value sets using the Manage Value Sets task. You select the Table validation type to define a value set that filters values from an existing table using a SQL statement.

The following table provides the required values that you enter when you create a value set for use on the Manage Elements page.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Module</td>
<td>Global Payroll</td>
</tr>
<tr>
<td>Validation Type</td>
<td>Table</td>
</tr>
<tr>
<td>Value Data Type</td>
<td>Character</td>
</tr>
</tbody>
</table>

**Note:** To enable the Value Set field on the Manage Elements page you must select Character as the Unit of Measure for the input value.

To improve the performance of your value set queries, use these contexts to filter the value set records:

- PayrollRelationshipId
- PersonId
- PayrollTermId
- PayrollAssignmentId
- LegDataGroupId
• LegCode
• SysEffectiveDate

WHERE Clause example: `{pay_pay_relationships_dn.payroll_relationship_id = :{PARAMETER.PayrollRelationshipId}}`

> Note: If you use these contexts in your value set SQL, make sure the WHERE clause parameter name matches the context name.

In this example, an element contains input values for legislative data group and element name. The list of values for element name is dependent on the selected legislative data group. As part of setup, you can select a default legislative data group for the element, or for a specific element eligibility record.

In summary, the steps are:
• Create a value set to return a list of all legislative data groups
• Create a value set that returns all elements in the legislative data group
• Add the value set codes to the Manage Elements page

Creating a Value Set to Return a List of all Legislative Data Groups

1. From the Setup and Maintenance work area, search for and select the Manage Value Sets task.
   Offering: Workforce Deployment
   Functional Area: Payroll
   Task: Manage Payroll Value Sets
2. Click Create.
3. Complete the fields, as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value Set Code</td>
<td>LDG_VS</td>
</tr>
<tr>
<td>Description</td>
<td>Retrieve Legislative Data Groups</td>
</tr>
<tr>
<td>Module</td>
<td>Global Payroll</td>
</tr>
<tr>
<td>Validation Type</td>
<td>Table</td>
</tr>
<tr>
<td>Value Data Type</td>
<td>Character</td>
</tr>
<tr>
<td>FROM Clause</td>
<td><code>PER_LEGISLATIVE_DATA_GROUPS_vl</code></td>
</tr>
<tr>
<td>Value Column Name</td>
<td>NAME</td>
</tr>
<tr>
<td>Value Column Type</td>
<td>VARCHAR2</td>
</tr>
<tr>
<td>Value Column Length</td>
<td>240</td>
</tr>
<tr>
<td>ID Column Name</td>
<td>LEGISLATIVE_DATA_GROUP_ID</td>
</tr>
</tbody>
</table>
### Creating a Value Set that Returns all Elements in the Legislative Data Group

1. On the **Manage Value Sets** page, click **Create**.
2. Complete the fields, as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value Set Code</td>
<td>ELE_VS</td>
</tr>
<tr>
<td>Description</td>
<td>Elements</td>
</tr>
<tr>
<td>Module</td>
<td>Global Payroll</td>
</tr>
<tr>
<td>Validation Type</td>
<td>Table</td>
</tr>
<tr>
<td>Value Data Type</td>
<td>Character</td>
</tr>
<tr>
<td>FROM Clause</td>
<td>pay_element_types_f</td>
</tr>
<tr>
<td>Value Column Name</td>
<td>base_element_name</td>
</tr>
<tr>
<td>Value Column Type</td>
<td>VARCHAR2</td>
</tr>
<tr>
<td>Value Column Length</td>
<td>80</td>
</tr>
<tr>
<td>ID Column Name</td>
<td>element_type_id</td>
</tr>
<tr>
<td>ID Column Type</td>
<td>NUMBER</td>
</tr>
<tr>
<td>ID Column Length</td>
<td>18</td>
</tr>
</tbody>
</table>
Field | Value  
--- | ---  
WHERE Clause | LEGISLATIVE_DATA_GROUP_id= :{PARAMETER: LDGIP}  

Note: LDG_IP is the input value name.  

ORDER BY Clause | base_element_name  

3. Click **Save**.

**Adding the Value Set Codes to the Manage Elements Page**

1. From the Payroll Calculation Work Area, click the **Manage Elements** task.
2. Create a new element to meet your requirements and then click **Submit**.
3. When the Element Summary page displays, click the **Input Values** folder.
4. Click **Actions** and then select **Create Input Values**.
5. Enter the name LDG_IP and the display sequence for the input value.
6. Select **Character** as the Unit of Measure.
7. Enter **LDG_VS** in the Value Set field.
8. Go to the Default field and select a legislative data group.
9. Click **Save**.
10. Click **Submit**.
11. Repeat these steps to create an element input value using the ELE_VS value set.

You can override the default values on the Element Eligibility - Input Values page for a specific eligibility record.

**Element Entries**

**Enabling Automatic, Multiple, or Additional Element Entries: Critical Choices**

You can select options for an element to define how you can update its element entries. The options include:

- Automatic entry
- Allow multiple entries in same period
- Additional entry

**Automatic Entry**

When you create an element, you can select **Yes** for the question: Should every person eligible for the element automatically receive it? This setting selects the **Automatic entry** option by default for all eligibility records you create for that element. However, you can override the selection for any specific eligibility record before you save it.

When you select this option, saving the eligibility record initiates a payroll flow to create element entries for all eligible workers. To monitor this flow:

- You can view the progress of the process in the **Automatic Entry Status** field. If the status shows that an error occurred, you can save the eligibility record again to resubmit the flow.
• If you have access to payroll work areas, you can also monitor the progress of the Generate Automatic Element Entries flow on the Processes and Reports tab. You can navigate to the Processes and Reports tab through these work areas: Payroll Dashboard, Payroll Checklist or Payroll Calculation.

Any updates to the employment records of eligible workers, including hires and terminations, automatically update, create, or end the element entries, as appropriate.

Tip: If you select the **Automatic entry** option, you can't also select **Allow multiple entries in same period**.

**Allow Multiple Entries in Same Period**

This option enables you to give a person more than one entry of the element in the same pay period. For example, if you enter overtime hours on a weekly basis for a person that is paid monthly, you might need to enter five entries on an overtime element in each period.

If you are creating a net-to-gross element, you must select **Allow multiple entries in same period**.

Note: An element with the Automatic entry option selected cannot allow multiple entries in the same period.

**Additional Entry**

This option enables you to add an occasional one-time entry for recurring elements. This additional entry can override or add to the normal entry amount.

**Related Topics**

- Element Entry Methods: Explained
- Status of Flow Tasks

**Determining an Element's Latest Entry Date: Critical Choices**

An element’s latest entry date determines how element entries process after a person is terminated or transferred to another payroll. The options include: final close, last standard earning date, and last standard process date. These are the predefined options. You can create others that fit your business needs.

**Final Close**

This option enables the element to stay open for entries beyond a person’s last day worked. For example, you may want the element to stay open to pay a severance package.

**Last Standard Earning Date**

This option stops all element entries on the date the person leaves. You should use this option for recurring entries such as salary.

Tip: If you select the last standard earning date option, also select proration for the element. This ensures that the element is processed up to this date, even if it isn’t active at the end of a payroll period.
Last Standard Process Date
The value for last standard process date is automatically set to the last day of the pay period in which the person is terminated. You can, however, set it to a later period when you terminate a person. It stops all element entries on the last standard process date or on the date the assignment ends, if this is earlier.

Related Topics
- Element Entries: How Element Setup Affects Entries and Their Entry Values
- Element Duration Dates in Payroll: Explained
- Elements: Explained

Default Values for Element Entries: Critical Choices
You specify default values for element entries using the Manage Elements task in the Payroll Calculation work area. Your element setup controls when the default value affects element entries. You can apply the default value only when an element entry is created, or you can apply the latest default value at runtime. Another option is to use a formula to provide default values on one or more entry values.

You can:
- Set a default value for an input value, or select a defaulting formula for the element.
- Override the default value or formula for a specific group of employees identified by an element eligibility record.
- Override the default value for specific employees on their element entries.

Defining Elements to Provide Default Values at Element Entry Creation
When you create or edit input values, you can specify a default value. If you don't select the Apply default at runtime option, then subsequent updates to the default value have no effect on existing element entries. Users can override or change the default value at any time.

Defining Elements to Provide Default Values at Runtime
To use this method, enter the default value and select the Apply default at runtime option for the input value. If the element entry value is left blank, the payroll process uses the current default value from the element or element eligibility record. If you enter a value in the element entry value, the manual entry overrides the default value and updates to the default value don't affect that entry. You can clear the entry if you want to restore the default value.

Using a Formula to Provide Default Values
You can create a formula of type element input validation to provide default values for one or more entry values. Select this formula in the Defaulting Formula field for an element or element eligibility record. The order of precedence is as follows:
- A formula at the element eligibility level overrides a formula at the element level.
- If you enter a default value for the input value and select a defaulting formula, the formula overrides the default value.

Related Topics
- Element Entries: How Element Setup Affects Entries and Their Entry Values
Element Input Validation Formula Type

You can use an element input validation formula to validate one or more element entry values. You can also use this formula type to provide a default value for an element entry value, or to calculate entry values based on the user’s entries in other entry values.

You select the formula on the Element Summary page in the following fields:

<table>
<thead>
<tr>
<th>Page Section</th>
<th>Field</th>
<th>Purpose</th>
<th>When the Formula Runs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Element Details, or Element Eligibility</td>
<td>Validation Formula</td>
<td>To validate one or more entry values for the element based on entries in other entry values.</td>
<td>When you save the element entry.</td>
</tr>
<tr>
<td>Element Details, or Element Eligibility</td>
<td>Calculation Formula</td>
<td>To provide values for one or more entry values using a calculation that takes input from these or other entry values.</td>
<td>When you save the element entry.</td>
</tr>
<tr>
<td>Element Details, or Element Eligibility</td>
<td>Defaulting Formula</td>
<td>To provide default values for one or more entry values.</td>
<td>When you create the element entry.</td>
</tr>
<tr>
<td>Input Value</td>
<td>Validation Formula</td>
<td>To validate one entry value independently of others.</td>
<td>When you enter the value.</td>
</tr>
</tbody>
</table>

**Note:** In all cases, a formula at the element eligibility level overrides an equivalent formula at the element level.

### Contexts

The following contexts are available to all formulas of this type:

- `LEGISLATIVE_DATA_GROUP_ID`
- `DATE_EARNED`
- `EFFECTIVE_DATE`

The following contexts are available to formulas at element or element eligibility level only, not to validation formulas at the input value level:

- `PERSON_ID`
- `PAYROLL_RELATIONSHIP_ID`
- `PAYROLL_TERM_ID`
- `PAYROLL_ASSIGNMENT_ID`
- `HR_RELATIONSHIP_ID`
- `HR_TERM_ID`
- `HR_ASSIGNMENT_ID`
Input Variables
The following input variables are available to formulas of this type.

<table>
<thead>
<tr>
<th>Formula Usage</th>
<th>Input Variables</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Validation formula at input value level</td>
<td>entry_value</td>
<td>Passes the value to be validated. You must declare the input variable as the appropriate type for the element input value.</td>
</tr>
<tr>
<td>Validation formula at element or element eligibility level</td>
<td>Any element input value name that corresponds to an entry value.</td>
<td>Replace spaces in the input variable name with underscores in the input variable name. It doesn't matter whether you use uppercase or lowercase for the name.</td>
</tr>
<tr>
<td>Defaulting formula</td>
<td>None</td>
<td>Use database items or other logic instead.</td>
</tr>
<tr>
<td>Calculation formula</td>
<td>Any element input value name of an entry value.</td>
<td>Replace spaces with underscores. You don’t need to provide all of the available entry values.</td>
</tr>
</tbody>
</table>

Return Values
The following return values are available to formulas of this type.

<table>
<thead>
<tr>
<th>Formula Usage</th>
<th>Return Values</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Validation formula at any level.</td>
<td>formula_status</td>
<td>Must be either 'S' (success) or 'E' (error). Required.</td>
</tr>
<tr>
<td>Validation formula at any level.</td>
<td>formula_message</td>
<td>Text of message passed to user if the validation fails. Optional.</td>
</tr>
<tr>
<td>Defaulting formula</td>
<td>Any element input value name of an entry value.</td>
<td>A return value overrides any default value provided on the input value in the element or element eligibility record.</td>
</tr>
<tr>
<td>Calculation formula</td>
<td>Any element input value name of an entry value.</td>
<td>You don’t need to return all of the available entry values. You can return the entry values that were passed in as input variables, or other entry values.</td>
</tr>
</tbody>
</table>

Sample Formula
This section contains the following sample formulas:
- Validation formula at input value level
- Validation formula at element or element eligibility level
- Calculation formula at element or element eligibility level
• Defaulting formula at element or element eligibility level

Validation formula at input value level:

```java
inputs are entry_value(date)
if(entry_value = '01-APR-2008' (date)) then
{
  formula_message = 'Valid date'
  formula_status = 'S'
}
else(formula_message = 'Invalid date'
  formula_status = 'E'
)
return formula_message, formula_status
```

Validation formula at element or element eligibility level:

```java
inputs are hours_worked, rate, earning_date(date), comment(text)
if(hours_worked > 80) then
{
  formula_message = 'You are within the working limit.'
  'formula_status = 'S'
}
else
{
  formula_message = 'You have worked too many hours.'
  'formula_status = 'E'
}
return formula_message, formula_status
```

Calculation formula at element or element eligibility level:

```java
inputs are hours_worked, rate, comment(text)
if(hours_worked > 80) then
{
  rate = rate * 1.2
  comment = 'Your rate has been increased'
}
return rate, comment
```

Defaulting formula at element or element eligibility level:

```java
if(CATEGORY = 'S') then
{
  rate = 20
}
else
{
  rate = 30
}
rate_code = 'B'
return rate, rate_code
```

Formula Result Rules for Elements

An element’s status processing rule identifies the formula that the payroll run uses to process the element for workers with a specified assignment status. For each status processing rule, formula result rules determine what happens to each result that the formula returns.
Status Processing Rules

An element can have one status processing rule for all assignment statuses, or a different rule for each status. For example, you could have two rules for a Wages element: Standard Wages and Paid Training Leave.

Formula Result Rules

Formulas return formula results such as the amount to be paid, or a message. Results can update the current element entry or another target element entry with a lower processing priority, meaning that it’s processed later in the run.

The following table explains the available result rules.

<table>
<thead>
<tr>
<th>Results Rule</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Result</td>
<td>The element’s run result, or a direct result updating one of the element’s input values.</td>
</tr>
<tr>
<td>Indirect Result</td>
<td>An entry to a nonrecurring element that has a lower processing priority. The target element must be at the same employment level as the source element.</td>
</tr>
<tr>
<td>Message</td>
<td>A message issued by the formula under certain conditions. For example, a formula can check a loan repayment balance and, if the balance is zero, issue the message Loan is repaid.</td>
</tr>
<tr>
<td></td>
<td>There are three severity levels for a message rule:</td>
</tr>
<tr>
<td></td>
<td>• Error - This causes the run to roll back all processing for the employment record.</td>
</tr>
<tr>
<td></td>
<td>• Warning - This does not affect payroll processing but warns you of a possible problem.</td>
</tr>
<tr>
<td></td>
<td>• Information - This does not affect payroll processing.</td>
</tr>
<tr>
<td>Order Indirect</td>
<td>Updates the subpriority of the element you select in the Target Element Name field.</td>
</tr>
<tr>
<td>Stop</td>
<td>Uses the Date Earned of the payroll run to stop the processing of a recurring entry. A stop rule can be based upon reaching a specified accumulator, such as a balance owed of zero. The date upon which the total owed is reached appears on the Element Entries page as Settlement Date. The entries are not actually end dated but stopped from future processing. This supports retroactive processes which impact the total owed balance.</td>
</tr>
<tr>
<td></td>
<td>You should define the target element with Allow Multiple Entries selected. This enables you to allocate a new entry once the value of an existing entry has reached zero. For example, once an employee has repaid a loan you can add a new loan entry for the employee. If you add a new stop entry for the same element type, use balance contexts to differentiate between the owed balances.</td>
</tr>
<tr>
<td></td>
<td><strong>Note:</strong> If you do not select Allow Multiple Entries and you want to add a second loan after the first loan has been stopped by a payroll run, end date the first loan before creating the second loan.</td>
</tr>
<tr>
<td>Target Indirect</td>
<td>An entry to a nonrecurring element that has a lower processing priority. The target element is defined at a different employment level than the element being processed. For example, you could use a Target Indirect rule to update the input value of an assignment-level element from the processing of a payroll element.</td>
</tr>
</tbody>
</table>
Element Eligibility

Overview

Element eligibility determines which people are eligible for an element. To determine eligibility, you select the criteria that people must have to receive entries of the element.

Eligibility Criteria

You can define element eligibility using the following criteria.

<table>
<thead>
<tr>
<th>Level</th>
<th>Available Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Relationship</td>
<td>Payroll Statutory Unit</td>
</tr>
<tr>
<td></td>
<td>Relationship Type</td>
</tr>
<tr>
<td>Terms</td>
<td>Legal Employer</td>
</tr>
<tr>
<td></td>
<td>Department in which the person works</td>
</tr>
<tr>
<td></td>
<td>Job, for example, associate professor or secretary</td>
</tr>
<tr>
<td>Assignment</td>
<td>Grade</td>
</tr>
<tr>
<td></td>
<td>Employment Category</td>
</tr>
<tr>
<td></td>
<td>People Group</td>
</tr>
<tr>
<td></td>
<td>Legal Employer</td>
</tr>
<tr>
<td></td>
<td>Department, same as in Terms</td>
</tr>
<tr>
<td></td>
<td>Job, same as in Terms</td>
</tr>
<tr>
<td></td>
<td>Grade</td>
</tr>
<tr>
<td></td>
<td>Employment Category</td>
</tr>
<tr>
<td></td>
<td>People Group</td>
</tr>
</tbody>
</table>

**Note:** You set up all the people groups that are appropriate for your enterprise. For example, you could decide to group people by company within a multi-company enterprise, and by union membership.

Location of person’s office

Position, which is a class of job performed in a particular organization, for example, associate professor of chemistry, or finance department secretary.

Payroll

All payrolls eligible
Tip: You must define element eligibility for every element, including predefined elements. If you want the element to be available to all workers, add an eligibility name and save the element eligibility record with no additional criteria selected. This is the usual practice for compensation and benefit elements where you determine eligibility using eligibility profiles.

Examples of Eligibility Criteria

In the following examples, you restrict who can receive an element entry:

- Your enterprise provides company cars only to people in the sales or customer support departments. You create two eligibility records, and use the Department field to specify the eligibility criteria. Select Sales Department for one record and Customer Support for the second record.
- Your enterprise offers a production bonus to people who work full-time in production and are on the weekly payroll. You create one eligibility record and select Full-time regular in the Employment Category field, Production in the Department field, and Weekly in the Payroll field.

Multiple Rules of Eligibility

You can define more than one eligibility record for each element, but there must be no overlap between them.

For example, you can create one record for the combination of grade A and the job of accountant. However, you can’t create one record for grade A and a second for the job of accountant. These rules would imply that an accountant on grade A is eligible for the same element twice.

If you have more than one element eligibility record, you can enter different default values and costing information for each eligibility group.

Maintaining Element Eligibility

After saving an element eligibility record, you can only make certain changes. You can’t update the eligibility criteria. The following table summarizes the actions you can take.

<table>
<thead>
<tr>
<th>Action</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change the input value default values and validation</td>
<td>These changes affect all new entries, and updates to existing entries. Changes to runtime defaults affect existing entries too.</td>
</tr>
<tr>
<td>Delete the element eligibility record</td>
<td>Existing recurring entries are ended automatically when you end the element’s eligibility.</td>
</tr>
</tbody>
</table>

Note: You can’t delete the element eligibility record if any nonrecurring entries exist at the date you want to end the record. You must delete existing entries before you end the element’s eligibility.
Adding Eligibility Rules for Predefined Elements: Procedure

If the country extension on the Manage Features by Country or Territory page is set to Payroll or Payroll Interface, you must add element eligibility records for predefined statutory deduction elements before you hire any workers.

To search for the predefined elements:

1. In the Setup and Maintenance work area, go to the following:
   
   Offering: Workforce Deployment
   
   Functional Area: Payroll
   
   Task: Manage element

2. Click Go to Task.

3. Search for the predefined elements, which are as follows:

<table>
<thead>
<tr>
<th>Country or Territory</th>
<th>Predefined Element</th>
</tr>
</thead>
<tbody>
<tr>
<td>US, Canada, Mexico</td>
<td>US Taxation, CA Taxation, MX Taxation</td>
</tr>
<tr>
<td>Australia, India, Singapore</td>
<td>Statutory Deductions</td>
</tr>
<tr>
<td>Kuwait, Saudi Arabia, United Arab Emirates</td>
<td>Social Insurance, Gratuity</td>
</tr>
<tr>
<td>China</td>
<td>Aggregation Information</td>
</tr>
<tr>
<td>UK</td>
<td>Tax and NI, Pensions Automatic Enrollment</td>
</tr>
<tr>
<td>Netherlands</td>
<td>Tax and Social Insurance Calculations</td>
</tr>
<tr>
<td>France</td>
<td>French Payroll Processing</td>
</tr>
</tbody>
</table>

> Note: There are no predefined elements that require eligibility rules for Germany, Ireland, Switzerland, or Hong Kong.

To add eligibility rules:

1. Click the element name to open the Element Summary page.
2. Enter a date in the Effective As-of Date field.
   
   You are recommended to use the start date of the element, which is 1/1/1901.

3. Enter a name for the eligibility rule and click Submit. Since you haven’t selected any eligibility criteria, all employees are eligible for the element.

4. Click Done.
Earnings Elements

Creating Payroll Earnings Elements: Points to Consider

Use the element template to create and configure earnings elements and their associated objects. The template prompts you for information that is used to create the necessary payroll objects. You can also edit the objects created by the element template. You first create an element and then update it so that it is available for all payrolls.

Use the Manage Elements task from the Payroll Calculation work area to create elements.

Primary classifications control processing, the priority in which elements are processed, and the balances they feed. They are designed to meet legislative requirements and you cannot change them. The predefined primary classifications you can choose are:

- Standard
- Supplemental
- Taxable Benefits
- Nonpayroll Payments

When creating an earnings element for a Canadian payroll, you must consider the following.

Tax Withholding Method

The applicable tax withholding options are as follows:

- Regular - Applicable for all types of earnings; it is the default for taxable benefits and standard earnings
- Nonperiodic - Applicable for supplemental earnings or taxable benefits; it is the default for supplemental earnings
- Lump sum - Applicable for supplemental earnings only

Note: The tax withholding method question does not appear for standard earnings.

Commission Earnings

This question is displayed only for supplemental earnings where the tax withholding is set to regular or nonperiodic, and it defines the element as commission earnings. The tax formula does not use the commission information unless it is entered on the tax card.

Record of Employment

Employment Insurance (EI) hours are required for Record of Employment (ROE) processing. If the earnings are not insurable, as determined by the wage basis rules, the answers to the below mentioned two Record of Employment questions have no impact on the earnings.

Note: The two questions given below are independent of each other.

- EI Hours
If the hours or earnings associated with the element are not insurable, it should not be included in the ROE. If the hours associated with the element are insurable, it should be indicated under the Record of Employment section of the template. The hours will only get included on the ROE if the answer to the following question is Yes.

- Are there insurable hours associated with this element?
  - Yes
  - No

Insurable Earnings Allocation

The insurable earnings for an element must be allocated to a pay period based on the date it is earned or the date when it is paid. If an entry is not made to the following question, it defaults to allocating the earnings based upon the date earned.

- If this element is insurable, how are the earnings allocated?
  - Date Earned
  - Date paid

This question is displayed for all primary classifications of earnings except Nonpayroll Payments. The Wage Basis Rules decide whether the earnings are insurable or not.

**Processing of the Earnings Elements**

The processing of the earnings is controlled by the following:

- Earnings Processing
- Proration
- Net-to-Gross Processing

**Earnings Processing**

The answer you provide to this question determines how the earning is processed. The options you can choose are:

- Process and pay with other earnings - The payroll process processes the earnings in the regular run.
- Process separately, but pay with other earnings - Payroll run calculates and taxes the earnings through a separate payroll action, but it is paid with the other earnings. They appear as single entry in the Statement of Earnings and Payslip. Use this setting for earnings that require special tax rules, such as bonuses.
- Process separately and pay separately - Each earning is processed in a separate payroll action. They are paid separately from other earnings and appear as separate entries in the Statement of Earnings and Payslip.

**Proration**

Proration calculates proportionate amounts for recurring elements when payroll-relevant data changes during a payroll period, such as a person joining the enterprise or a mid-period pay increase. Proration creates two payroll run results: one for the payroll period up to the day before the event, and one from the date of the event to the end of the period. When you create an element, you specify its proration event group and the calculation method. The options you can choose are:

- Calendar Days and Fixed Rate
- Calendar Days and Variable Rate
- Working Days and Fixed Rate
- Working Hours and Fixed Rate
As a guideline you must not prorate:

- Nonrecurring elements
- Earnings elements with a calculation rule of unit multiplied by rate, if rate and hours are entered in the element entry

Net-to-Gross Processing

When defining earnings of Standard, Supplemental, or Taxable Benefits types, the template provides a question that enables net-to-gross processing. When you create an earnings element, you can indicate that it pays a specified net amount. Use this feature, if you need to pay a person a guaranteed take-home pay (net) per payroll period, or a bonus of a specified net amount.

Employment Level

Earnings are distributed by assignment. Assignments are associated to jurisdictions, which determine the required tax calculations.

Earnings at the assignment level require no distribution, as the assignment is associated to a single jurisdiction. However, term-level earnings may be associated to multiple jurisdictions. Oracle Fusion Global Payroll determines the earnings distribution by jurisdiction and allocates the earnings based on standard hours worked.

Retroactive Pay

Retroactive pay is when an employee receives an adjustment in the current pay period, but the adjustment must have been effected in a previous payroll period. A recalculation is then required.

If you enable retroactive processing for an element, the retroactive pay event is associated with it and retroactive pay elements are automatically generated. When you enable retroactive processing, it:

- Rolls back the affected payroll runs.
- Recalculates them to find the changes.
- Adjust changes in the current payroll.

Creating a Regular Earnings Element: Worked Example

This example demonstrates how to use the element template and create a regular earnings element for Canada. Use the Manage Elements task from the Payroll Calculation work area to create the element.

The following table summarizes the key decisions for this scenario.

<table>
<thead>
<tr>
<th>Decisions to Consider</th>
<th>In this example</th>
</tr>
</thead>
<tbody>
<tr>
<td>What type of element do you want to create?</td>
<td>Standard Earnings</td>
</tr>
<tr>
<td>What secondary classification do you want to create?</td>
<td>Regular</td>
</tr>
<tr>
<td>Name of the Legislative Data Group</td>
<td>The name of an appropriate Legislative Data Group (LDG) for which the element is created.</td>
</tr>
</tbody>
</table>
Creating the Earnings Element

To create a deductions element:

1. In the Payroll Calculation work area, select Manage Elements.
2. Click Create.
3. Complete the fields, as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative Data Group</td>
<td>Select an appropriate LDG.</td>
</tr>
<tr>
<td>Primary Classification</td>
<td>Standard Earnings</td>
</tr>
<tr>
<td>Secondary Classification</td>
<td>Regular</td>
</tr>
</tbody>
</table>

4. Click Continue.
5. On the Basic Information page, complete the fields, as shown in this table:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Enter a name, example: Standard Earnings1</td>
</tr>
<tr>
<td>Reporting Name</td>
<td>Enter the name that you want to display on reports for this deduction payroll element.</td>
</tr>
<tr>
<td>Effective Date</td>
<td>Enter an early date so that the payroll element is available for use immediately.</td>
</tr>
<tr>
<td>Input Currency</td>
<td>Canadian Dollar</td>
</tr>
<tr>
<td>Should every person eligible for the element automatically receive it?</td>
<td>No</td>
</tr>
<tr>
<td>What is the earliest entry date for this element?</td>
<td>First Standard Earning Date</td>
</tr>
<tr>
<td>What is the latest entry date for this element?</td>
<td>Last Standard Earning Date</td>
</tr>
<tr>
<td>An element’s latest entry date determines how element entries process after a person is terminated or transferred to another payroll, prior to a pay period end date. If you select this date, then you need to enable proration so the calculation will be correct if a person leaves.</td>
<td></td>
</tr>
<tr>
<td>At which employment level should this element be attached?</td>
<td>Assignment</td>
</tr>
<tr>
<td>Note: Assignments are associated to jurisdictions, which determine the required tax calculations.</td>
<td></td>
</tr>
<tr>
<td>Does the element recur each payroll period, or does it require explicit entry?</td>
<td>Recurring</td>
</tr>
<tr>
<td>Field</td>
<td>Value</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>Process the element only once in each payroll period?</td>
<td>Yes</td>
</tr>
<tr>
<td>Can a person have more than one entry of the element in a payroll period?</td>
<td>No</td>
</tr>
<tr>
<td>Process and pay element separately or with other earnings elements?</td>
<td>Process separately, but pay with other earnings Payroll run calculates and taxes the earnings through a separate payroll action, but it is paid with the other earnings. They appear as single entry in the Statement of Earnings and Payslip.</td>
</tr>
</tbody>
</table>

6. Click Next. On the Additional Details page, respond to the questions, as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the calculation rule?</td>
<td>Flat Amount.</td>
</tr>
<tr>
<td>Is this element subject to proration?</td>
<td>Yes</td>
</tr>
<tr>
<td>What is the proration method</td>
<td>Working Hours and Fixed Rate</td>
</tr>
<tr>
<td>Is this element subject to retroactive changes?</td>
<td>No</td>
</tr>
<tr>
<td>Use this element to calculate a gross amount from a specified net amount?</td>
<td>No</td>
</tr>
<tr>
<td>Processing Stop when the Total is reached?</td>
<td>Yes</td>
</tr>
<tr>
<td>If this element is insurable, how are the earnings allocated?</td>
<td>Date Earned</td>
</tr>
<tr>
<td>Are there insurable hours associated with this element?</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>A Record of Employment is issued to terminated employees who have received insurable earnings and who have worked insurable hours.</td>
</tr>
</tbody>
</table>

7. Click Next twice. Verify that the information shown on the Create Element: Review page is correct.

8. Click Submit.

Creating an Eligibility Record

On the Element Summary page, update the newly created element details.

1. In the Element Overview section, select Element Eligibility.
2. Select Actions, and then Create Element Eligibility.
3. On the Element Eligibility name field, enter a name for the eligibility record.
4. In the Eligibility Criteria section, select any criteria if you want to restrict who can pay this deduction. Or else, select All payrolls eligible.

5. Click Submit.

All the associated balances, feeds, input values, formulas, and related elements required for payroll processing are created automatically.

Elements to Report Pension Adjustments

Creating an Information Element: Worked Example

This example demonstrates how to use the element template to create a Canadian Information element for reporting year-end pension adjustments.

Creating an Information element to report year-end pension adjustments involves the following:

1. Creating the Information element
2. Creating an input value for the Pay Value and the Registration Number
3. Creating an Eligibility Record for the base element

*Note:* Before you create elements, ensure that your Product License is set to Payroll. You can verify this by using the Manage Features by Country or Territory task in the Setup and Maintenance work area. Setting the Payroll License to Payroll automatically creates the Province input value which is required for processing payroll for Canada.

Creating the Information Element

To create the Information element:

1. Navigate to the Payroll Calculation work area.
2. Select Manage Elements from the Tasks menu.
3. Click Actions-Create.
4. Complete the fields as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative Data Group</td>
<td>Select a Canadian LDG.</td>
</tr>
<tr>
<td>Primary Classification</td>
<td>Information</td>
</tr>
<tr>
<td>Secondary Classification</td>
<td>Pension Adjustment</td>
</tr>
<tr>
<td>Category</td>
<td>Standard</td>
</tr>
</tbody>
</table>

5. Click Continue.
6. On the Basic Details page, complete the fields, as shown in this table.
### Implementing Payroll for Canada

**Chapter 12**

**Set Up Elements**

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Enter a name, example, Pension Adjustment1.</td>
</tr>
<tr>
<td>Reporting Name</td>
<td>Enter the name that you want to display on reports for this element.</td>
</tr>
<tr>
<td>Effective Date</td>
<td>Enter an early date so that the element is available for use immediately.</td>
</tr>
<tr>
<td>Input Currency</td>
<td>Canadian Dollar</td>
</tr>
<tr>
<td>Should every person eligible for the element automatically receive it?</td>
<td>No</td>
</tr>
<tr>
<td>What is the earliest entry date for this element?</td>
<td>First Standard Earning Date</td>
</tr>
<tr>
<td>What is the latest entry date for this element?</td>
<td>Last Standard Earning Date. If you select this date, then you must enable proration so that the calculation is correct if a person leaves prior to a pay period end date.</td>
</tr>
<tr>
<td>At which employment level should this element be attached?</td>
<td>Assignment Level</td>
</tr>
<tr>
<td>Does this element recur each payroll period, or does it require explicit entry?</td>
<td>Recurring</td>
</tr>
<tr>
<td>Can a person have more than one entry of this element in a payroll period?</td>
<td>No</td>
</tr>
</tbody>
</table>

7. Click **Next**. Verify that the information shown on the Create Element: Review page is correct.
8. Click **Submit**.

### Adding the Pay Value and Registration Number

To add the pay value and registration number input values to the element:

1. In the Element Overview section, select the **Input Values** folder.
2. Select **Actions-Create Input Values** in the Element Overview pane.
3. Enter the following information to create the Pay Value input value for the element.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Enter the name, Pay Value.</td>
</tr>
<tr>
<td>Display Sequence</td>
<td>Enter an appropriate value.</td>
</tr>
<tr>
<td>Unit of Measure</td>
<td>Select Money.</td>
</tr>
</tbody>
</table>
4. Click **Save**.

5. In the Element Overview section, select **Input Values** folder. You may have to select another folder and then select the Input Values folder, to trigger the action.

6. Select **Actions-Create Input Values** in the Element Overview pane.

7. Enter the following information to create the Registration Number input value for the element.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Enter the name, Registration Number.</td>
</tr>
<tr>
<td>Display Sequence</td>
<td>Enter an appropriate value.</td>
</tr>
<tr>
<td>Unit of Measure</td>
<td>Select Character.</td>
</tr>
<tr>
<td>Displayed</td>
<td>Select the check box.</td>
</tr>
<tr>
<td>Allow User Entry</td>
<td>Select the check box.</td>
</tr>
<tr>
<td>Create a Database Item</td>
<td>Select the check box.</td>
</tr>
<tr>
<td>Reference</td>
<td>Select the Reference Code of the element.</td>
</tr>
<tr>
<td>Default Value</td>
<td>Enter the default Registration Number.</td>
</tr>
</tbody>
</table>

8. Click **Save**.

Information elements do not have a results element and therefore you must create the eligibility record for the base element. To create an eligibility record:

9. In the Element Overview section, select the **Element Eligibility** folder.

10. Select **Actions-Create Element Eligibility**.

11. In the Element Eligibility name field, enter a name for the eligibility record.

12. In the Eligibility Criteria section, select a criterion that determines the eligibility for this element.

13. Click **Submit**, then **Done**.

**Creating an Employer Liability Element: Worked Example**

This example demonstrates how to use the element template and create an Employer Liability element. This element may be used for reporting pension adjustments in Box 52 of the T4 as well as the associated registration number in Box 50.
Creating an Employer Liability element for Canada involves the following:

1. Creating a user-defined secondary classification of Employer Liability
2. Creating the Employer Liability element
3. Creating an eligibility record for the base element
4. Adding the Registration Number input value
5. Creating an eligibility record for the results element

Creating a User-Defined Secondary Classification of Employer Liability
To create a user-defined secondary classification:

1. Navigate to the Payroll Calculation work area.
2. Select Manage Element Classifications from the Tasks menu.
3. Select a Canadian LDG and click Search.
4. Select Employer Liabilities from the list of primary classifications.
5. Select Edit.
6. In the Secondary Classifications section, select Actions-Create.
7. Enter the following in the Create Secondary Classification window:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Enter an appropriate name for the user-defined secondary classification, example, Employer Liabilities.</td>
</tr>
<tr>
<td>Description</td>
<td>Enter the description of the secondary classification you are creating.</td>
</tr>
<tr>
<td>Start Date</td>
<td>Enter the start date of the classification.</td>
</tr>
</tbody>
</table>

8. Click OK.
9. Click Save.
10. Click Submit.

Creating the Employer Liability Element and the Eligibility Record
To create the Employer Liability element:

1. Navigate to the Payroll Calculation work area.
2. Select Manage Elements from the Tasks menu.
3. Click Actions-Create.
4. Complete the fields as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative Data Group</td>
<td>Select a Canadian LDG.</td>
</tr>
<tr>
<td>Primary Classification</td>
<td>Select Employer Liabilities from the list of primary classifications.</td>
</tr>
<tr>
<td>Secondary Classification</td>
<td>Select the user-defined secondary classification created in the previous task.</td>
</tr>
</tbody>
</table>

5. Click Continue.
6. On the Basic Details page, complete the fields, as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Enter a name, example, Pension.</td>
</tr>
<tr>
<td>Reporting Name</td>
<td>Enter the name that you want to display on reports for this element.</td>
</tr>
<tr>
<td>Effective Date</td>
<td>Enter an early date so that the element is available for use immediately.</td>
</tr>
<tr>
<td>Input Currency</td>
<td>Canadian Dollar</td>
</tr>
<tr>
<td>Should every person eligible for the element automatically receive it?</td>
<td>No</td>
</tr>
<tr>
<td>What is the earliest entry date for this element?</td>
<td>First Standard Earning Date</td>
</tr>
<tr>
<td>What is the latest entry date for this element?</td>
<td>Last Standard Earning Date</td>
</tr>
<tr>
<td>At which employment level should this element be attached?</td>
<td>Assignment Level</td>
</tr>
<tr>
<td>Does this element recur each payroll period, or does it require explicit entry?</td>
<td>Recurring</td>
</tr>
<tr>
<td>Process the element only once in each payroll period?</td>
<td>Yes</td>
</tr>
<tr>
<td>Process the element only once in each payroll period?</td>
<td>No</td>
</tr>
</tbody>
</table>

7. Click **Next**. On the Additional Details page, respond to the questions, as shown in this table.

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the calculation rule?</td>
<td>Fixed amount deduction</td>
</tr>
<tr>
<td>Is this element subject to proration?</td>
<td>No</td>
</tr>
<tr>
<td>Is this element subject to retroactive changes?</td>
<td>No</td>
</tr>
<tr>
<td>Processing Stop when the Total is reached?</td>
<td>No</td>
</tr>
</tbody>
</table>

8. Click **Next**. Verify that the information shown on the Create Element: Review page is correct.

9. Click **Submit**.
To create the eligibility record:

1. In the Element Overview section, select **Element Eligibility**.
2. In the Element Eligibility Name field, enter a name for the eligibility record.
3. In the Eligibility Criteria section, select a criterion that determines the eligibility for this element.
4. Click **Save**.
5. To add the registration number input value to the results element:
6. In the Element Overview pane, select the **Input Values** folder.
7. Click **Actions-Create Input Values**.
8. Enter the following information to create the Registration Number input value for the element.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Enter a name, for example, Pension Registration Number.</td>
</tr>
<tr>
<td>Display Sequence</td>
<td>Enter an appropriate value.</td>
</tr>
<tr>
<td>Unit of Measure</td>
<td>Select Character.</td>
</tr>
<tr>
<td>Displayed</td>
<td>Select the check box.</td>
</tr>
<tr>
<td>Allow User Entry</td>
<td>Select the check box.</td>
</tr>
<tr>
<td>Create a Database Item</td>
<td>Select the check box.</td>
</tr>
<tr>
<td>Reference</td>
<td>Select the Reference Code of the element.</td>
</tr>
<tr>
<td>Default Value</td>
<td>Enter the default Pension Registration Number.</td>
</tr>
</tbody>
</table>

8. Click **Submit** and **Done**.

To adjust the results element, it must contain an eligibility link. To create the eligibility link:

1. In the Manage Elements page, enter the search criteria and search for the employer liability element you just created.
2. Click **Search** and select the results element that was created automatically, for example, Pension Results.
3. In the Element Overview pane, select the **Element Eligibility** folder.
4. Select **Actions-Create Element Eligibility**.
5. On the Element Eligibility name field, enter a name for the eligibility record.
6. In the Eligibility Criteria section, enter a name that determines the eligibility for this element.
7. Click **Submit** and **Done**.

### Absence Elements

### Overview

Absence Management provides a means for accurate absence administration, tracking, reporting, and payroll calculations.
Canada supports the following absence types:

- Vacation
- Sickness
- Maternity
- Other

The majority of the setup for the processing of absences is in the absence management work area. Absence management and payroll are integrated. Payroll processing requires specific information, which is passed from the Absence Management application. It is only passed if it is configured to do so in the absence plan. The payroll process uses this information to calculate the absence payment.

In the absence plan, select the Payroll Integration and associate the absence element with the plan.

Absence management gives you the ability to manage various types of absences. The process consists of the following:

1. Create the absence element using the Manage Elements task with a primary earnings classification of Absences.

   The absence element is created in payroll and creates the calculation components the Calculation Information Repository requires.

2. Define the absence plan using the Manage Absence Plans task and select the absence element within the plan itself.

3. The person’s absence calculation card can be created two ways:
   - The employee enters their absence through self-service
   - You enter an absence for an employee using the Manage Absence Records task.

   The task:
   - Creates the employee’s absence calculation card.
   - Links the absence plan to the calculation component on the person’s calculation card.

4. Use the Manage Absence Records task to approve the absence. This transfers the daily and summary breakdown information to Oracle Fusion Global Payroll.

5. Process the payroll that includes these absence entries and view the resulting absence balances on the person’s Statement of Earnings (SOE). After you process and archive payments, you can view the resulting absence balances on the person’s payslip.

High-Level Steps

The majority of the setup for the processing of absences is in the Absence Management work area. Absence Management and Payroll Calculations are integrated. The following table outlines the high-level list of all the absence and payroll steps involved to configure and process absences.

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creating Rate Definitions</td>
<td>Create rate definitions for calculating accruals and liability balances, and salary reductions. Payroll uses the rate definition to calculate absence payments for the employee.</td>
</tr>
<tr>
<td>Creating Absence Elements</td>
<td>Create an absence element for each absence plan that transfers absence payment information for payroll processing.</td>
</tr>
<tr>
<td>Creating Derived Factors</td>
<td>Create derived factors to define how to calculate certain eligibility criteria that change over time.</td>
</tr>
</tbody>
</table>
## Set Up Elements

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creating Eligibility Profiles</td>
<td>Create eligibility profiles to define criteria that determine whether a person qualifies for objects that you associated with the profile.</td>
</tr>
<tr>
<td>Creating Absence Plans</td>
<td>Create an absence plan, and ensure the following is defined for payroll:</td>
</tr>
<tr>
<td></td>
<td>• Select the <strong>Transfer absence payment information for payroll processing</strong> check box.</td>
</tr>
<tr>
<td></td>
<td>• Select the element for the plan in the <strong>Element</strong> field.</td>
</tr>
<tr>
<td>Creating Absence Types</td>
<td>Create absence types, and associate them to the absence plans.</td>
</tr>
<tr>
<td>Enrolling Employees in Absence Plans</td>
<td>Enroll employees in the absence plan, if explicitly required.</td>
</tr>
<tr>
<td>Processing Accruals</td>
<td>If an employee is enrolled in an accrual plan, you must run the accrual process.</td>
</tr>
<tr>
<td>Creating Employee Absence Records</td>
<td>Record an absence for the employee. This transfers the absence information to Oracle Fusion Global Payroll, assuming the absence is approved and the option to transfer information to payroll is configured.</td>
</tr>
<tr>
<td>Processing Payroll</td>
<td>Process the payroll that includes the absence entries.</td>
</tr>
<tr>
<td>Viewing Absence Balances</td>
<td>View the employee’s absence and accrual balances in the SOE, payslip, cheque advice, and reports.</td>
</tr>
</tbody>
</table>

### Navigation

Use the following tasks located in the related work areas to configure objects for processing absences in payroll:

<table>
<thead>
<tr>
<th>Object</th>
<th>Setup Task</th>
<th>Work Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate Definition</td>
<td>Manage Rate Definitions</td>
<td>Payroll Calculation</td>
</tr>
<tr>
<td>Absence Element</td>
<td>Manage Elements</td>
<td>Payroll Calculation</td>
</tr>
<tr>
<td>Derived Factors</td>
<td>Manage Derived Factors</td>
<td>Absence Administration</td>
</tr>
<tr>
<td>Eligibility Profile</td>
<td>Manage Eligibility Profiles</td>
<td>Absence Administration</td>
</tr>
<tr>
<td>Absence Plan</td>
<td>Manage Absence Plans</td>
<td>Absence Administration</td>
</tr>
<tr>
<td>Absence Types</td>
<td>Manage Absence Types</td>
<td>Absence Administration</td>
</tr>
</tbody>
</table>

### Payroll Processing

Once the information is transferred to payroll and the entries are generated, you can process the payroll that includes the absence entries. Then view the resulting absence balances on the person’s SOE.
Absence Balance Review
Once you have processed and archived payroll, the employee’s absence and accrual balances are displayed on the employee’s SOE, payslip, cheque advice, and reports.

For more information on processing absences for Canada, refer to Configuring Oracle Fusion Absence Management for Canada (2314365.1) on My Oracle Support.

Defining Payroll Elements for Processing Absences
You define elements to calculate and process absence payments in Oracle. Create an absence element for each absence plan that transfers absence payment information for payroll processing. When you create the plan, you must select the absence element to link it to the absence plan.

When you define an absence element, your responses to the element template questions determine which elements, balances, formulas, and calculation components the template generates.

Define an absence element, selecting a primary classification of Absence, and a secondary classification. Typically, the predefined values include vacation, maternity, sickness, and other. Use the Manage Elements task in the Payroll Calculation or Setup and Maintenance work areas.

Defining an absence element involves the following steps:

- Completing absence detail questions
- Completing absence payment questions
- Completing unpaid absence payment questions
- Completing tax processing, ROE, and accrual liability and balance payment questions
- Submitting the element
- Defining element eligibility records
- Defining cost distributions

Completing Absence Detail Questions
The questions you complete in the Absence Details section determine which subsequent questions the template displays. You enter the following information in the Absence Details section:

1. Specify the calculation units to use when reporting the absence, for example that is shown on the payslip, and statement of earnings. Typically, you select Days or Hours for your reports that correspond to the units for your absence plan. When creating an absence element, select the work calculation rule to calculate the absence rate.
2. Select the absence information to transfer to payroll based on the type of absence management plan.

<table>
<thead>
<tr>
<th>Absence Management Plan Type</th>
<th>Absence Information to Transfer</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrual</td>
<td>Accrual Balances</td>
<td>A vacation accrual plan that is not processed through payroll. The leave is not shown separately on the statement of earnings.</td>
</tr>
<tr>
<td>Accrual, Leave Donation, Compensatory</td>
<td>Accrual Balances and Absences</td>
<td>A vacation accrual plan that is processed through payroll. The leave is shown separately on the statement of earnings.</td>
</tr>
</tbody>
</table>
Completing Absence Payment Questions

You can choose to reduce the employee’s regular earnings by the full absence payment or a defined rate. This option is defined in the Absence Payments section of the absence element template. Select the appropriate option for salaried employees, as defined in the table below.

<table>
<thead>
<tr>
<th>Question</th>
<th>Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce regular earnings by absence payment</td>
<td>Does not require a rate definition.</td>
</tr>
<tr>
<td>Select rate to determine absence deduction amount</td>
<td>Select this option if your absence payment:</td>
</tr>
<tr>
<td></td>
<td>• Is at a different rate than your absence reduction</td>
</tr>
<tr>
<td></td>
<td>In this case, use the associated rate fields to select the rates to determine the absence deduction amount and rate to use in the absence calculation.</td>
</tr>
<tr>
<td></td>
<td>• You are processing unpaid absences</td>
</tr>
<tr>
<td></td>
<td>In this case, refer the next section on how to configure an unpaid absence.</td>
</tr>
</tbody>
</table>

Completing Unpaid Absence Payment Questions

When creating the element for an unpaid absence, select the option, **Select rate to determine absence deduction amount**. You must also leave the following rate fields blank:

- Rate to Determine Absence Deduction Amount
- Which rate should the absence payment calculation use?

If you do not select a rate, the payroll calculation automatically reduces the salary by the regular pay rate of the employee, thus causing an unpaid absence. The unpaid absence elements are then reported on the payslip and the statement of earnings.

Completing Tax Processing, ROE, and Accrual Liability and Balance Payments Questions

The absence element template contains Canadian specific rules that require user input. These rules are applicable for all the secondary classifications of absence elements. The additional questions include:

- Tax processing type for absence payments
- Record of Employment (ROE) options for employment insurance (EI) allocations and EI hours
- Option to designate a different tax method, EI allocation and EI hours for the final disbursement payments, if final payments are enabled
• Option to designate a different tax method, EI allocation and EI hours for the discretionary payments, if discretionary payments are enabled
• Option to create a ROE Notification event for the absence

The above options are described in the table below.

<table>
<thead>
<tr>
<th>Element Template Section</th>
<th>Question</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Processing</td>
<td>What type of taxation applies to this element?</td>
<td>Specifies the type of taxation for the absence element.</td>
</tr>
<tr>
<td>Record of Employment</td>
<td>If this element is insurable, how are the earnings allocated?</td>
<td>Specifies how the EI earnings are allocated, by date earned or date paid. This is required for ROE processing and defaults to date earned.</td>
</tr>
<tr>
<td>Record of Employment</td>
<td>Are there insurable hours associated with this element?</td>
<td>Specifies if there are EI hours associated with the element or not. This is required for ROE processing and defaults to Yes for the base absence element. However, it defaults to No for disbursement and final disbursement element.</td>
</tr>
<tr>
<td>Record of Employment</td>
<td>Should this element create a ROE event notification?</td>
<td>Specifies whether or not to create an event notification when a termination or unpaid leave of absence occurs for the employee.</td>
</tr>
<tr>
<td>Accrual Liability and Balance Payments</td>
<td>Does this plan enable balance payments when enrollment ends?</td>
<td>Creates the Final Disbursement shadow element, if the value selected is Yes. If No, the shadow element is not created.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>When you select Yes for this question, you are presented with the additional options to specify the tax processing type, EI allocation and EI hours for the final disbursement payments.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The default tax processing type is Nonperiodic, EI earnings allocation is date paid, and EI hours is No.</td>
</tr>
<tr>
<td>Accrual Liability and Balance Payments</td>
<td>Does this plan enable partial payment of balance?</td>
<td>Creates the Discretionary Disbursement shadow element, if the value selected is Yes. If No, the element is not created.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>When you select Yes for this question, you are presented with the additional options to specify the tax processing type, EI allocation and EI hours for the discretionary disbursement payments.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The default tax processing type is Nonperiodic, EI earnings allocation is date paid, and EI hours is No.</td>
</tr>
</tbody>
</table>
The questions in the ROE section, as given in the table above, determine the options you can choose for the base absence elements.

**Submitting the Element**

When you submit the element, the template automatically configures a base pay element, balances, formulas, and calculation components.

The template also configures additional shadow elements, depending on the options selected in the template to transfer absence information, as shown in the following table.

<table>
<thead>
<tr>
<th>Element Name</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;Absence Name&gt;</td>
<td>Absence element you associate with the absence plan.</td>
</tr>
<tr>
<td>&lt;Absence Name&gt; Accrual</td>
<td>Shadow elements:</td>
</tr>
<tr>
<td>&lt;Absence Name&gt; Accrual Calculator</td>
<td>• Retrieves absence accrual information from Absence Management</td>
</tr>
<tr>
<td>&lt;Absence Name&gt; Accrual Result</td>
<td>• Processes liability</td>
</tr>
<tr>
<td>&lt;Absence Name&gt; Entitlement</td>
<td>Shadow elements:</td>
</tr>
<tr>
<td>&lt;Absence Name&gt; Entitlement Calculator</td>
<td>• Retrieves absence accrual information from Absence Management</td>
</tr>
<tr>
<td>&lt;Absence Name&gt; Entitlement Result</td>
<td>• Processes absence payments and deductions</td>
</tr>
<tr>
<td>&lt;Absence Name&gt; Entitlement Retroactive</td>
<td>Shadow element used to process absence payments and deductions in retroactive processing.</td>
</tr>
<tr>
<td>&lt;Absence Name&gt; Discretionary Disbursement</td>
<td>Shadow elements:</td>
</tr>
<tr>
<td>&lt;Absence Name&gt; Discretionary Disbursements Calculator</td>
<td>• Retrieves partial payment information from Absence Management</td>
</tr>
<tr>
<td>&lt;Absence Name&gt; Discretionary Disbursements Result</td>
<td>• Processes these disbursements</td>
</tr>
<tr>
<td>&lt;Absence Name&gt; Discretionary Disbursement Retroactive</td>
<td>Shadow element used to process partial payment disbursements in retroactive processing.</td>
</tr>
<tr>
<td>&lt;Absence Name&gt; Final Disbursement</td>
<td>Shadow elements:</td>
</tr>
<tr>
<td>&lt;Absence Name&gt; Final Disbursement Calculator</td>
<td>• Retrieves final payment information from Absence Management, such as upon employee termination</td>
</tr>
<tr>
<td>&lt;Absence Name&gt; Final Disbursement Result</td>
<td>• Processes these disbursements</td>
</tr>
<tr>
<td>&lt;Absence Name&gt; Final Disbursement Retroactive</td>
<td>Shadow element used to process final payment disbursements in retroactive processing.</td>
</tr>
</tbody>
</table>
Defining Element Eligibility Records

Define element eligibility records for all the elements generated by the template, for example for the base element, the accrual and entitlement elements, discretionary and final disbursement elements. For example, for the element Vacation 1, you must create element eligibility as follows:

- <base element> (Vacation 1)
- <base element> accrual (Vacation 1 Accrual)
- <base element> entitlement (Vacation 1 Entitlement)

If you chose to create the final disbursement or discretionary elements, you must also create element eligibility for the following shadow elements:

- <base element> discretionary disbursement (Vacation 1 Discretionary Disbursement)
- <base element> discretionary disbursement result (Vacation 1 Discretionary Disbursement Result)
- <base element> final disbursement (Vacation 1 Final Disbursement)
- <base element> final disbursement result (Vacation 1 Final Disbursement Result)

If you are processing retroactive payments, you must also create element eligibility for the following retroactive shadow elements:

- <base element> entitlement retroactive (Vacation 1 Entitlement Retroactive)
- <base element> discretionary disbursement retroactive (Vacation 1 Discretionary Disbursement Retroactive)
- <base element> final disbursement retroactive (Vacation 1 Final Disbursement Retroactive)

For more information, refer to Configuring Absence Management for Canada guide on My Oracle Support.

Defining Cost Distributions

If your enterprise calculates cost distributions, specify costing element eligibility for the following payment elements:

- Base absence entitlement, entitlement results, and entitlement retroactive elements
- Discretionary disbursement, disbursement result, and disbursement retroactive elements
- Final disbursement, disbursement result, and disbursement retroactive elements

The costing process would cost the change in the liability balance since the last payroll period, debit the expense account and credit the liability account.

You must determine how to cost element eligibility records, including which type of costing to apply and which input value to cost. You determine which account numbers to specify for the cost account segments, such as the natural account, and which offset account balances the cost account.

Related Topics

- Costing of Elements: Critical Choices
- Importing Absence Entries to Payroll: Procedure
- Rates Used to Calculate Absences in Payroll
Defining Payroll Elements for an Absence Accrual Plan: Worked Example

This example shows how to define an absence element for a vacation accrual absence plan. Based on your setup decisions, this procedure configures the following additional elements:

- Accrual element to process absence liability amounts
- Entitlement element to process payments for absence during vacation
- Discretionary Disbursement element to process disbursement of partial time accruals
- Final Disbursement element to process accrual disbursement when the absence plan enrollment ends

The name of the element is prefixed to each additional element.

The following table summarizes key decisions for this scenario.

<table>
<thead>
<tr>
<th>Decisions to Consider</th>
<th>In This Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>What type of an absence are you transferring to payroll?</td>
<td>Accrual balances and absences</td>
</tr>
<tr>
<td>Who is eligible to receive this element?</td>
<td>All workers</td>
</tr>
<tr>
<td>What units do you want to use for reporting calculations?</td>
<td>Days</td>
</tr>
<tr>
<td>Do you want the element to calculate absence liability?</td>
<td>Yes</td>
</tr>
<tr>
<td>Which rate should the calculate absence liability use?</td>
<td>Liability Rate</td>
</tr>
<tr>
<td>Does your absence plan enable balance payments when enrollment ends?</td>
<td>Yes</td>
</tr>
<tr>
<td>Which rate should the final disbursement payment use?</td>
<td>Final Disbursement Rate</td>
</tr>
<tr>
<td>Does your absence plan enable payment of partial accrual balances?</td>
<td>Yes</td>
</tr>
<tr>
<td>Which rate should the partial disbursement payment use?</td>
<td>Partial Disbursement Rate</td>
</tr>
<tr>
<td>How do you want to reduce earnings for employees not requiring a time card?</td>
<td>Reduce regular earnings by absence payment</td>
</tr>
<tr>
<td>What type of taxation applies to this element?</td>
<td>Regular</td>
</tr>
<tr>
<td>If this element is insurable, how are the earnings allocated?</td>
<td>Date Earned</td>
</tr>
<tr>
<td>Are there insurable hours associated with this element?</td>
<td>Yes, only for the base absence element. It is No for the discretionary disbursement and final disbursement elements.</td>
</tr>
</tbody>
</table>
Decisions to Consider | In This Example
--- | ---
Should this element create a ROE event notification? | Yes, when a termination or unpaid leave of absence occurs for the employee.

Prerequisites

Ensure that you configured a rate definition to determine the monetary value of a unit of absence, and depending on your enterprise, separate rates to calculate liability, discretionary disbursement, and final disbursement payments. You configure a rate definition using the Manage Rate Definitions task in the Setup and Maintenance or Payroll Calculation work area.

Defining an Absence Element

1. In the Setup and Maintenance work area or the Payroll Calculation work area, use the Manage Elements task.
2. Click Create.
3. In the Create Element window, complete the fields as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative Data Group</td>
<td>Select your legislative data group.</td>
</tr>
<tr>
<td>Primary Classification</td>
<td>Absences</td>
</tr>
<tr>
<td>Secondary Classification</td>
<td>Select an appropriate value for your legislation, such as Vacation for this example.</td>
</tr>
<tr>
<td>Category</td>
<td>Absence</td>
</tr>
</tbody>
</table>

4. Click Continue.
5. On the Create Element: Basic Information page, complete the fields as shown in this table. Use default values for fields unless the steps specify other values.

You can enter up to 50 characters for the element name. If you enter more than 50 characters, the application will automatically shorten the name.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Vacation Payment</td>
</tr>
<tr>
<td>Reporting Name</td>
<td>Vacation Payment</td>
</tr>
<tr>
<td>Effective Date</td>
<td>01/01/2010</td>
</tr>
<tr>
<td>Input Currency</td>
<td>Canadian Dollar</td>
</tr>
</tbody>
</table>

6. In the Absence Plan Details section, complete the fields as shown in this table. Use default values for fields unless the steps specify other values.
**Field** | **Value**
---|---
What type of absence information do you want transferred to payroll? | Accrual Balances and Absences
What calculation units are used for reporting? | Days

7. Click **Next**.
8. On the Create Elements: Additional Details page, in the Absence Payments section, complete the following question:

**Field** | **Value**
---|---
How do you want to reduce earnings for employees not requiring a time card? | Reduce regular earnings by absence payment

9. On the Create Elements: Additional Details page, in the Accrual Liability and Balance Payments section, complete the fields as shown in this table. Use default values for fields unless the steps specify other values.

**Field** | **Value**
---|---
Calculate absence liability? | Yes
Which rate should the liability balance calculation use? | Liability rate
Note: Usually the rate is the same as the absence payment rate. You might select a different rate when estimating liability for billing purposes.
Does this plan enable balance payments when enrollment ends? | Yes
Note: The Final Disbursement element is created. If you select No, the Final Disbursement element is not created.
Which rate should the final balance payment calculation use? | Final disbursement rate
What type of taxation applies to balance payments when enrollment ends? | Nonperiodic
If the final payment element is insurable, how are the earnings allocated? | Date paid
Are there insurable hours associated with the final payment element? | No
### Does this plan enable partial payment of balance?

**Value:** Yes

*Note:* The Discretionary Disbursement element is created. If you select No, the Discretionary Disbursement element is not created.

### Which rate should the discretionary disbursement use?

**Value:** Discretionary disbursement rate

### What type of taxation applies to the partial payment of balances?

**Value:** Nonperiodic

### If the partial payment element is insurable, how are the earnings allocated?

**Value:** Date paid

### Are there insurable hours associated with the partial payment element?

**Value:** No

10. On the Create Elements: Additional Details page, in the Tax Processing section, complete the fields as shown in this table. Use default values for fields unless the steps specify other values.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>What type of taxation applies to this element?</td>
<td>Regular</td>
</tr>
</tbody>
</table>

11. On the Create Elements: Additional Details page, in the Record of Employment section, complete the fields as shown in this table. Use default values for fields unless the steps specify other values.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>If this element is insurable, how are the earnings allocated?</td>
<td>Regular</td>
</tr>
</tbody>
</table>

| Are there insurable hours associated with this element? | Yes |

| Should this element create a ROE notification? | Yes |

12. Click Next.

13. On the Create Element: Review page, review the information that you entered so far.

14. Click Submit to open the Element Summary page.

   The template generates all the related elements, balances, and formulas.

---

### Defining Element Eligibility

1. In the Element Overview section of the Element Summary page, click the **Element Eligibility** node.
2. Click **Create Element Eligibility** from the Actions menu.
3. In the Element Eligibility section, enter Vacation Payment Open in the **Element Eligibility Name** text box. Leave the rest of the fields on the page blank.
4. Click **Submit**.
5. Click **Done**.
6. In the Manage Elements page, search for the other elements prefixed with your absence element name.
7. Select each element in turn and repeat the steps on the Element Summary page to define eligibility for each element.

**Time and Labour Elements**

**Using Time and Labour**

Ongoing business process activities for time and labour include reporting, approving, and transferring time, as well as maintaining time card configuration and analyzing processing details. This figure summarizes these ongoing activities, which are described in the following sections.

**Planning and Publishing Schedules**

Schedulers plan and publish weekly team schedules based on the work schedules of team members, including approved absences and public holidays. They can optionally create and edit **Time shifts**, which only Scheduling can use, or create and edit **HR shifts**. Schedulers manage schedules and shifts using tasks in the Time Management work area.

**Reporting Time**

Employees report time in the Time work area on a calendar or using the **Manage Time Cards** task. HR specialists and any user with the **Time and Labour Manager** role can report or adjust employee time in the Time Management work area.
Approving Time Cards
Line managers approve payroll time data and project managers approve project costing time data. They make their approvals using the Pending Notifications icon on the global header or the Worklists work area.

Transferring Time
Time and labour managers troubleshoot time transfers initiated by time consumer administrators. They can review incomplete transfer processes and resolve time entry transfer failures in the Time Management work area.

Analyzing Time
Time and labour managers analyze the processing details of time formulas, rules, and rule sets, and make necessary configuration adjustments. They do the analysis and adjustments using tasks in the Time Management work area.

Maintaining Time and Labour Configurations
After the initial implementation, time and labour managers maintain these objects:
- Time layouts
- Validation, calculation, allocation, save, and submission rules
- Group memberships
- Setup and device profile assignments

They do this maintenance mostly using tasks in the Time Management work area. Certain tasks, such as Manage HCM Groups, are in the Setup and Maintenance work area, Workforce Deployment offering, Time and Labour functional area.

See the Implementing Time and Labour guide for information about maintaining your setup configurations.

Related Topics
- How Time Card and Time Entry Approvals Work
- How You Troubleshoot Issues with Time Profiles
- Employee Time Reporting
- Time Management

Integrating Payroll and Time and Labour
Validate, approve, and transfer reported time to payroll for payment by integrating Oracle Payroll with Oracle Fusion Time and Labour. To successfully integrate these applications, complete these payroll setup tasks documented in detail in the guide Oracle Global Human Resources Cloud Implementing Global Payroll:

1. Create time card elements and eligibility to store payroll time types from the time card and transfer time to payroll or a third-party application for processing. Use the Manage Elements task in the Payroll Calculations work area.
2. Create rate definitions to show default and payroll calculated rates on time cards and receive overrides from time card entries. Use the Manage Rate Definitions task in the Payroll Calculations work area. For values by criteria rate definitions, first create the value definitions using the Manage Values Defined by Criteria task in the same work area.
3. Create the relevant calculation value definitions to link elements and rate definitions. Use the Manage Calculation Value Definitions task in the Payroll Calculations work area.
Employees report time in the Time work area on a calendar or using the Manage Time Cards task. HR specialists and any user with the Time and Labour Manager role can report or adjust employee time in the Time Management work area.

4. Once the time card entries are approved, use the Load Time Card Batches task to transfer time card entries to payroll from Oracle Fusion Time and Labour. The payroll application validates the time card entries to confirm that the worker isn't terminated and is eligible for the element. Once the time card entries are transferred to payroll, they appear as time card calculation components and are used to process the time card in payroll. Element entries are created for each time entry. The hours are captured on the time card as time unit in the calculation values.

5. Process payroll and view the time card balances on the Statement of Earnings. You can make corrections if required and reprocess the payroll and run relevant reports as required.

For more details, refer the following documents on the Oracle Help Center:
- Implementing Time and Labor
- Using Time and Labor

Creating a Time Card Element: Worked Example

Create an element with the category of Time Card for use in the Time and Labour application to record time card entries. Once the time card element is created and eligibility is defined, it’s available in the time and labor application for entry when creating a time card.

The time card category is available for the following primary classifications:
- Standard Earnings
- Supplemental Earnings
- Taxable Benefits
- Nonpayroll Payments

Create time card elements with the following default action:
- At the assignment level
- Nonrecurring element
- Allow for multiple entries in the same period
- Support proration
- Support retroactive payments

Creating the Time Card Element

To create an element for use in the Time and Labour application:

1. Navigate to the Payroll Calculation work area.
2. Select Manage Elements from the Tasks menu.
3. Click Actions-Create.
4. Complete the fields as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative Data Group</td>
<td>Select a Canadian LDG.</td>
</tr>
</tbody>
</table>
### Chapter 12

#### Set Up Elements

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Classification</td>
<td>Standard Earnings</td>
</tr>
<tr>
<td>Secondary Classification</td>
<td>Overtime</td>
</tr>
<tr>
<td>Category</td>
<td>Time Card</td>
</tr>
</tbody>
</table>

5. Click **Continue**.
6. On the Basic Details page, complete the fields, as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Enter a name, example, Overtime Adjustment1.</td>
</tr>
<tr>
<td>Reporting Name</td>
<td>Enter the name that you want to display on reports for this element.</td>
</tr>
<tr>
<td>Effective Date</td>
<td>Enter an early date so that the element is available for use immediately.</td>
</tr>
<tr>
<td>Input Currency</td>
<td>Canadian Dollar</td>
</tr>
<tr>
<td>Should every person eligible for the element automatically receive it?</td>
<td>No</td>
</tr>
<tr>
<td>What is the earliest entry date for this element?</td>
<td>First Standard Earning Date</td>
</tr>
</tbody>
</table>
| What is the latest entry date for this element? | Last Standard Earning Date  
  If you select this date, then you must enable proration so that the calculation is correct if a person leaves prior to a pay period end date. |
| At which employment level should this element be attached? | Assignment Level |
| Does this element recur each payroll period, or does it require explicit entry? | Nonrecurring |
| Can a person have more than one entry of this element in a payroll period? | Yes |

7. Click **Next**. On the Additional Details page, respond to the questions, as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>What are the calculation units for reporting?</td>
<td>Hours</td>
</tr>
</tbody>
</table>
Field | Value
--- | ---
Work Units Conversion Rule | Standard Rate Annualized

Does this element have a default rate definition? | Yes

Rate Name | Select an appropriate rate name.
For example, for an expense reimbursement element for mileage, you can configure the element to reimburse the employee for a certain amount per mile.

Is this element subject to proration? | Yes

What is the proration method? | Working Hours and Fixed Rate

Is this element subject to retroactive changes? | Yes

If this element is insurable, how are the earnings allocated? | Date Earned

Are there insurable hours associated with this element? | Yes
A Record of Employment is issued to terminated employees who have received insurable earnings and who have worked insurable hours.

8. Click **Next**. Verify that the information shown on the Create Element: Review page is correct.
9. Click **Submit**.
10. In the Element Overview section, select the **Element Eligibility** folder.
11. Select **Actions-Create Element Eligibility**.
12. In the Element Eligibility name field, enter a name for the eligibility record.
13. In the Eligibility Criteria section, select a criterion that determines the eligibility for this element.
14. Click **Submit**, then **Done**.
You must create the eligibility for the base and results elements, or you get an error when attempting to attach the element to a time card.

### Processing Time Entries in Payroll

Most time card applications and providers apply validation rules when workers submit their time cards. Typically, you import time entries to payroll by submitting the Load Time Card Batches process. The process validates that the persons in the batch are eligible for the time card elements, and rejects records for terminated workers.

Aspects of working with time card entries include:

- Validating time card entries
- Importing time for terminated workers
- Resolving transfer errors
- Viewing time card entries
• Viewing costing overrides
• Correcting time card entries

Validating Time Card Entries
You use the Load Time Card Batches task to transfer time card entries to payroll from Oracle Fusion Time and Labor or a third-party time provider. The payroll application validates the time card entries to confirm that the worker isn’t terminated and is eligible for the element.

Importing Time for Terminated Workers
To avoid release of information on planned terminations, time providers usually hide and ignore the future termination date until it’s formally announced. Workers reporting time in Time and Labor can report time entries beyond their termination date, without any indication that they are ineligible for the time entered. Line managers can view and approve these entries, but the Load Time Card Batches process will reject time card entries beyond the termination date.

Resolving Import Errors
Resolve the underlying problem for the error in the Time and Labor application, and then import the corrected entry. Don’t manually correct errors in payroll.

For example, if you use Oracle Fusion Time and Labor, you can take the following steps:

1. The payroll manager rolls back individual records or the entire transfer process in payroll.
2. The Time and Labor administrator corrects the cause of the error, and resets the status of the corrected time cards to Submitted. The administrator routes the time card for approval.
3. The next time the payroll manager imports the time cards using the Load Time Card Batches process, the process retrieves the corrected time card entries.

If you use a third-party time provider, you can roll back the Load Time Card Batches process. After resolving the transfer error with the time provider, you resubmit the Load Time Card Batches process.

You can continue to import corrected time card entries until the payroll calculation starts for the payroll period that includes the entries. Corrections submitted after that time are processed as a retroactive change in the next payroll period.

Viewing Time Card Entries
Submitting the Load Time Card Batches process creates or updates a time calculation card for each person included in the batch. Use the Manage Calculation Cards task in the Payroll Calculation work area to view time card entries. There is only one time calculation card for each payroll relationship. The card includes time entries for multiple assignments for the same payroll relationship. It displays the employee’s time entries for the effective-as-of-date specified on the search.

Viewing Costing Overrides
Some time attributes associated with element entries, such as costing overrides, aren’t stored on the calculation card. You can view these entries using the Manage Element Entries task in the Payroll Calculation work area. The Costing tab on Manage Person Details page displays the costing overrides for the effective date used for your search. Costing entered on the time card is at the element entry level, which overrides costing at the every level except the priority account.

The following table shows how the element that displays the costing override depends on the element category and the elements generated by the template.

<table>
<thead>
<tr>
<th>Category Selected When Creating the Element</th>
<th>Related Elements Generated by Template</th>
<th>Element with Costing Override</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Card category</td>
<td>Yes</td>
<td>Related calculation element</td>
</tr>
</tbody>
</table>
Category Selected When Creating the Element | Related Elements Generated by Template | Element with Costing Override
--- | --- | ---
Time Card category or Standard category | No | Base element
Standard category and you submit the Calculate Time Card Components process | Yes | Related element with the suffix CIR

Costing is defined on the element eligibility record of the results element. Submitting the Load Time Card Batches process displays costing for imported time entries on the calculation element.

For example, the employee might select a cost center on the time card to reflect where the employee worked overtime. When the payroll calculation process derives the account number for the overtime element, it uses the cost center from the time card. You can view the costing override on the person’s calculation card. After you submit the payroll run, you can view the costing results on the Person Process Results page.

Correcting Time Card Entries

Any updates and corrections must occur in the application used to report time. You can continue to import new and updated time entries to payroll until you calculate the payroll for the period that includes the time entries.

If you import a late time card after the payroll is run for that payroll period, you can still process that time entry. Use one of the methods shown in the following table.

<table>
<thead>
<tr>
<th>Method</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay the time card entries in the next payroll period as retroactive pay</td>
<td>Submit the Recalculate Payroll for Retroactive Changes process in the Payroll Calculation work area. The process creates retroactive element entries for each element that has a retroactive change. If the imported time card entry includes a rate change, the element’s formula recalculates the amount.</td>
</tr>
<tr>
<td>Process QuickPay</td>
<td>1. Roll back the records processed for the workers from the payroll run. 2. Submit the Calculate QuickPay process from the Payroll Calculation work area.</td>
</tr>
<tr>
<td>Process workers in a separate payroll run</td>
<td>1. Roll back the records processed for the workers from the payroll run. 2. Create a payroll relationship group that includes these workers and process a payroll run for the time card entries.</td>
</tr>
</tbody>
</table>

Related Topics

- File Format for Importing Time Entries to Payroll
- Importing Time Card Entries to Payroll: Procedure
- Creating Elements for Time Card Entries: Procedure

Voluntary and Pretax Deductions
Voluntary Deductions

Voluntary deductions are deductions that an employee chooses to pay through their salary instead of making the payments directly. The deductible amount is either a fixed amount or a percent of the total earnings during a payroll run. Only certain earnings are taken into account when working out how much money is available to make voluntary deduction payments.

The secondary classification determines how the deduction is calculated. The secondary classifications defined for Voluntary deductions for Canada are:

- Benefits
- Employer Reimbursements
- Loans
- Registered Pension Plan (RPP) or Registered Retirement Savings Plan (RRSP)
- Professional Fees
- Union Dues

For the secondary classification of RPP, it is necessary to capture the seven-digit RPP or Deferred Profit Sharing Plan (DPSP) registration number that appears on the year end forms.

Pretax Deductions

Pretax deductions are deductions made from the gross income, thus reducing the total taxable income of the employee and also reducing the tax withheld.

The secondary classification determines how the deduction is calculated. The secondary classifications defined for pretax deductions for Canada are:

- Registered Pension Plan (RPP) or or Registered Retirement Savings Plan (RRSP)
- Union Dues

For the secondary classification of RPP, you must capture the seven-digit RPP or Deferred Profit Sharing Plan (DPSP) registration number that appears on the year end forms.

Wage basis rules determine how pretax deductions reduce gross wages. A reduction in gross wages results in a reduction in the amount of taxable income, thereby allowing a reduction of some taxes and involuntary deductions.

The application captures the balance of the pretax deduction for the pay period, as well as the year-to-date balance for the employee contribution.

When there are insufficient earnings to pay a pretax deduction and to pay all taxes, the pretax deduction must be reduced. When creating a Pretax Deductions element, you specify whether the payroll run takes nothing or a partial amount in case it cannot take the full deduction. You also choose whether or not to hold the arrears in a balance so that the payroll run can try to deduct this amount in a subsequent payroll period. The arrears are held at the Payroll Relationship level.

Creating Pretax and Voluntary Deductions: Points to Consider

Elements are created through predefined element templates. The primary purpose of the element template is to provide an intuitive user interface so that you can easily create element types and their associated objects such as balances, formulas, links, and so on that are necessary for payroll processing.
Use the Manage Elements task from the Payroll Calculation work area to create Pretax or Voluntary deduction elements. When creating Pretax or Voluntary deduction elements for Canada, you must consider the following.

**Latest Entry Date**
An element’s latest entry date determines how element entries process after a person is terminated or transferred to another payroll. Select the last standard earning date option, and also select proration for the element. This ensures that the element is processed up to this date, even if it isn’t active at the end of a payroll period.

**Employment Level**
Select Payroll Relationship Level, so as to hold the arrears in a balance so that the payroll run can deduct the deduction amount in a subsequent payroll period. The arrears are held at the Payroll Relationship level. This level is the highest level for accumulating balances and pension and union dues are generally defined at this level.

**Arrears or Partial Deduction**
When there are insufficient earnings for a deduction and to pay all taxes, the deduction amount must be reduced. Specify whether the payroll run takes nothing or a partial amount in case it cannot take the full deduction. The options are as follows:

- Do not take a partial deduction or create arrears: This is the default answer.
- Do not take partial deduction, place all in arrears: An arrears amount is created and it is deducted in subsequent payrolls.
- Take a partial deduction, but do not create arrears.
- Take a partial deduction, place remaining in arrears.

**Proration**
Typically, you don’t prorate deductions, especially deductions based on a percentage of earnings.

**Retroactive Processing**
Retroactive pay is when an employee receives an adjustment in the current pay period, but the adjustment was first incurred in a previous payroll period. A recalculation is required, and this is accomplished through the Recalculate Payroll for Retroactive Changes process.

When you create the element, specify that it’s subject to retroactive changes. Select the predefined retroactive event group for the element, or create your own. When an element is subject to retroactive changes, all components for the retroactive element are created automatically.

**Registration Number**
When creating a deduction element belonging to the primary classification of Pretax and Voluntary Deductions, provide the seven-digit Deferred Profit Sharing Plan (DPSP) or the Registered Pension Plan (RPP) number. This registration number appears on year-end forms and is used to report the following:

- **RPP**: It is a trust established by a company to provide pension benefits to employees. Employee and employer contributions to a registered pension plan are tax deductible.
- **DPSP**: It is an employer-sponsored profit sharing plan that is registered with the Canada Revenue Agency (CRA).

**Creating a Pretax Deductions Element: Worked Example**
This example demonstrates how to use the element template and create a Pretax deductions element for Canada. Use the Manage Elements task from the Payroll Calculation work area to create the element.
The following table summarizes the key decisions for this scenario.

<table>
<thead>
<tr>
<th>Decisions to Consider</th>
<th>In this example</th>
</tr>
</thead>
<tbody>
<tr>
<td>What type of element do you want to create?</td>
<td>Pretax Deductions</td>
</tr>
<tr>
<td>What secondary classification do you want to create?</td>
<td>Union Dues</td>
</tr>
<tr>
<td>Name of the Legislative Data Group</td>
<td>The name of an appropriate Legislative Data Group (LDG) for which the element is created.</td>
</tr>
</tbody>
</table>

### Creating a Deductions Element

To create a deductions element:

1. In the Payroll Calculation work area, select Manage Elements.
2. Click Create.
3. Complete the fields, as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative Data Group</td>
<td>Select an appropriate LDG.</td>
</tr>
<tr>
<td>Primary Classification</td>
<td>Pretax Deductions</td>
</tr>
<tr>
<td>Secondary Classification</td>
<td>Union Dues</td>
</tr>
</tbody>
</table>

4. Click Continue.
5. On the Basic Information page, complete the fields, as shown in this table:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Enter a name, example: Pretax Deductions1</td>
</tr>
<tr>
<td>Reporting Name</td>
<td>Enter the name that you want to display on reports for this deduction payroll element.</td>
</tr>
<tr>
<td>Effective Date</td>
<td>Enter an early date so that the payroll element is available for use immediately.</td>
</tr>
<tr>
<td>Input Currency</td>
<td>Canadian Dollar</td>
</tr>
<tr>
<td>Should every person eligible for the element automatically receive it?</td>
<td>No</td>
</tr>
<tr>
<td>What is the earliest entry date for this element?</td>
<td>First Standard Earning Date</td>
</tr>
<tr>
<td>What is the latest entry date for this element?</td>
<td>Last Standard Earning Date</td>
</tr>
</tbody>
</table>
### Field | Value
--- | ---

An element’s latest entry date determines how element entries process after a person is terminated or transferred to another payroll.

### At which employment level should this element be attached?
- **Payroll Relationship Level**

Note: Select Payroll Relationship Level, if you wish to hold the arrears in a balance so that the payroll run can deduct the pretax amount in a subsequent payroll period. The arrears are held at the Payroll Relationship level.

What should happen if there are insufficient funds to cover the deduction?
- **Take a partial deduction, place remaining in arrears.**

Does the element recur each payroll period, or does it require explicit entry?
- **Recurring**

Process the element only once in each payroll period?
- **Yes**

Can a person have more than one entry of the element in a payroll period?
- **No**

6. Click Next. On the Additional Details page, respond to the questions, as shown in this table.

### Field | Value
--- | ---

What is the calculation rule?
- **Fixed amount deduction.**

Is this element subject to proration?
- **No**

Is this element subject to retroactive changes?
- **No**

Use this element to calculate a gross amount from a specified net amount?
- **No**

Processing Stop when the Total is reached?
- **Yes**

What is the Registration Number for this element?
- Specify the Registration Number used for reporting this deduction in the year end form.

7. Click Next twice. Verify that the information shown on the Create Element: Review page is correct.

8. Click Submit.
Creating an Eligibility Record

On the Element Summary page, update the newly created element details.

1. In the Element Overview section, select Element Eligibility.
2. Select Actions, and then Create Element Eligibility.
3. On the Element Eligibility name field, enter a name for the eligibility record.
4. In the Eligibility Criteria section, select any criteria if you want to restrict who can pay this deduction. Or else, select All payrolls eligible.
5. Click Submit.

All the associated balances, feeds, input values, formulas, and related elements required for payroll processing are created automatically.

Sales Tax Calculations

Processing Sales Tax

Some specific benefits have sales tax calculations performed on them if they are configured as such to process sales tax. Sales tax calculations apply to the following element classifications:

- Taxable benefits
- Employer liabilities
- Voluntary deductions

The following sections describe the factors that influence sales tax calculations.

Sales Tax Calculations

The table below shows the sales tax that is calculated and whether they belong to Federal or Provincial calculations.

<table>
<thead>
<tr>
<th>Level</th>
<th>Sales Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal and Provincial</td>
<td>Harmonized Sales Tax (HST)</td>
</tr>
<tr>
<td></td>
<td>• A combination of Goods and Services Tax (GST) and Provincial Sales Tax (PST).</td>
</tr>
<tr>
<td>Federal</td>
<td>GST</td>
</tr>
<tr>
<td>Provincial</td>
<td>• Provincial Premium Tax (PPT)</td>
</tr>
<tr>
<td></td>
<td>• PST and Quebec Sales Tax</td>
</tr>
<tr>
<td></td>
<td>• Retail Sales Tax (RST) on Insurance</td>
</tr>
</tbody>
</table>
Configuring Elements for Sales Tax Calculations

The element template contains questions if sales tax applies to the element created. The default answer for each sales tax is No. The sales tax types that apply are:

- GST
- HST
- PPT
- PST
- RST

Your answer to the template question ‘Should the tax be reported separately?’, determine how the sales tax amounts are displayed on the Statement of Earnings and the employee’s payslip, as given below:

- If Yes, then the individual sales tax amounts are reported as separate line items on the Statement of Earnings and the employee’s payslip.
- If No, then the values for each sales tax for that element are combined with the element’s base amount, and reported as one line item.

The default for the Report Sales Tax Separately option is Yes.

The following new input values exist on the base element related to sales tax:

- GST
- HST
- PPT
- PST
- RST
- Report Sales Tax Separately

Additionally, the application creates shadow elements for the main elements and the retroactive elements you create, to process sales tax. The shadow elements are:

- <Base Element Name> Sales Tax Calculator
- <Base Element Name> GST
- <Base Element Name> HST
- <Base Element Name> PPT
- <Base Element Name> PST
- <Base Element Name> RST Result

Sales Tax Rates

Run the Load Payroll Tax Information for Canada process to obtain the latest sales tax rates. You can view the rates in the log file created by the process.

Balances

The following are the balance types for the individual tax amounts:

- <element name> GST
Retail Sales Tax Calculations

The Retail Sales Tax on insurance tax calculation considers the province of employment on the tax card, as well as the province of residence of the employee. If you configure both PPT and Retail Sales Tax for an element, the Retail Sales Tax calculates on the base amount plus the PPT.

The details of the sales tax calculations for Retail Sales Tax and exceptions if the province of employment is in Ontario, Quebec, or Saskatchewan are given below for the province of Manitoba. Employer-paid premiums relate to taxable benefits and employer liability elements, while employee-paid premiums relate only to voluntary deduction elements.

<table>
<thead>
<tr>
<th>Province of Residence</th>
<th>Province of Employment</th>
<th>Employer-Paid Premiums</th>
<th>Employee-Paid Premiums</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manitoba</td>
<td>Manitoba</td>
<td>Subject to Manitoba Tax</td>
<td>Subject to Manitoba Tax</td>
</tr>
<tr>
<td>Outside Manitoba</td>
<td>Manitoba</td>
<td>Exempt from Manitoba Tax</td>
<td>Exempt from Manitoba Tax</td>
</tr>
<tr>
<td>Manitoba</td>
<td>Outside Manitoba</td>
<td>Subject to Manitoba Tax</td>
<td>Subject to Manitoba Tax</td>
</tr>
<tr>
<td>Outside Manitoba</td>
<td>Outside Manitoba</td>
<td>Exempt from Manitoba Tax</td>
<td>Exempt from Manitoba Tax</td>
</tr>
<tr>
<td>Manitoba</td>
<td>Ontario</td>
<td>Exempt from Manitoba Tax</td>
<td>Subject to Manitoba Tax</td>
</tr>
<tr>
<td>Ontario</td>
<td>Ontario</td>
<td>Subject to Ontario Tax</td>
<td>Subject to Ontario Tax</td>
</tr>
<tr>
<td>Outside Ontario</td>
<td>Ontario</td>
<td>Subject to Ontario Tax</td>
<td>Exempt from Ontario Tax</td>
</tr>
<tr>
<td>Ontario</td>
<td>Outside Ontario</td>
<td>Exempt from Ontario Tax</td>
<td>Exempt from Ontario Tax</td>
</tr>
<tr>
<td>Outside Ontario</td>
<td>Outside Ontario</td>
<td>Exempt from Ontario Tax</td>
<td>Exempt from Ontario Tax</td>
</tr>
<tr>
<td>Quebec</td>
<td>Quebec</td>
<td>Subject to Quebec Tax</td>
<td>Subject to Quebec Tax</td>
</tr>
<tr>
<td>Outside Quebec</td>
<td>Quebec</td>
<td>Subject to Quebec Tax</td>
<td>Exempt from Quebec Tax</td>
</tr>
<tr>
<td>Quebec</td>
<td>Outside Quebec</td>
<td>Exempt from Quebec Tax</td>
<td>Subject to Quebec Tax</td>
</tr>
<tr>
<td>Outside Quebec</td>
<td>Outside Quebec</td>
<td>Exempt from Quebec Tax</td>
<td>Exempt from Quebec Tax</td>
</tr>
</tbody>
</table>

Workers’ Compensation and Provincial Medical Liability

For taxable benefits, the workers’ compensation and provincial medical calculations are processed on the combination of the taxable benefit and sales tax amounts, if applicable.
Involuntary Deductions

Creating Involuntary Deduction Elements: Critical Choices

You must define an involuntary deduction element for each involuntary deduction you want to process for an employee.

Use the Manage Elements task in the Payroll Calculation work area to create a new element with a primary classification of Involuntary Deduction. Select an appropriate secondary classification.

Use the element template to create and configure involuntary deduction elements and their associated objects. When creating an involuntary deduction element for a Canadian payroll, you must consider the following.

Secondary Classifications

The secondary classifications defined for Involuntary Deductions for Canada include:

- Garnishments
- Maintenance and Support
- Tax Levy

The secondary classification determines how the deduction is calculated and all processing occurs at the payroll relationship level.

Partial Deductions and Arrears

When an employee has insufficient earnings for involuntary deductions, you can select one of the following options.

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Take a partial deduction, but do not create arrears</td>
<td>Available amount is deducted, and the balance amount is not maintained in arrears. This is the default value</td>
</tr>
<tr>
<td>Take a partial deduction, place remaining in arrears</td>
<td>Balance amount is maintained in arrears.</td>
</tr>
</tbody>
</table>

If you have selected the second option, the template gives you the option to specify if the arrears amount must be cleared in subsequent payroll runs. The default value is No, meaning that the arrears amount is not cleared.

If your Answer to the above question is Yes, the following question is displayed:

"Processing Stop when the Total is reached?". The answer to this question determines if the deductions have to stop after a certain total owed amount is deducted:

- If the answer is Yes the deductions will stop after an override amount is reached. You must provide a total owed override amount for the deduction.
- If the answer is No, the deductions continue irrespective of whether the total owed amount is reached or not.

Related Topics

- Involuntary Deductions for Canada: Overview
Creating an Involuntary Deduction Element: Worked Example

This example demonstrates how to use the element template and create a Maintenance and Support involuntary deduction element for Canada.

The following table summarizes the key decisions for this scenario.

<table>
<thead>
<tr>
<th>Decisions to Consider</th>
<th>In This Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>What type of element do you want to create?</td>
<td>Involuntary Deductions</td>
</tr>
<tr>
<td>What secondary classification do you want to create?</td>
<td>Maintenance and Support</td>
</tr>
<tr>
<td>Name of the Legislative Data Group</td>
<td>The name of an appropriate Legislative Data Group (LDG) for which the element is created.</td>
</tr>
<tr>
<td>What should happen when there are insufficient funds to cover the deductions?</td>
<td>Take a partial deduction, but do not create arrears</td>
</tr>
<tr>
<td>Should the processing stop when the total is reached?</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Creating the Deductions Element

To create the deductions element:

1. In the Payroll Calculation work area, select Manage Elements.
2. Click Create.
3. Complete the fields, as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative Data Group</td>
<td>Select an appropriate LDG.</td>
</tr>
<tr>
<td>Primary Classification</td>
<td>Involuntary Deductions</td>
</tr>
<tr>
<td>Secondary Classification</td>
<td>Maintenance and Support</td>
</tr>
</tbody>
</table>

⚠️ Note: A secondary classification is required for a Canadian involuntary deductions element.

4. Click Continue.
5. On the Basic Details page, complete the fields, as shown in this table:
Field | Value
---|---
Name | Enter a name, example: Involuntary Deductions1

Reporting Name | Enter the name that you want to display on reports for this deduction payroll element.

Effective Date | Enter an early date so that the payroll element is available for use immediately.

Input Currency | Canadian Dollar

What is the earliest entry date for this element? | First Standard Earning Date

What is the latest entry date for this element? | Final Close

6. Under the Standard Rules section, respond to the questions as shown in this table. The questions and default answers shown here are based on the predefined Canadian element template for Involuntary deductions. Your answers drive the definition of the Involuntary Deductions element to be created.

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>What should happen when there are insufficient funds to cover the deductions?</td>
<td>Take a partial deduction, place remaining in arrears. An arrears amount is created and the following question is displayed.</td>
</tr>
<tr>
<td>Should the arrears be cleared?</td>
<td>No</td>
</tr>
<tr>
<td>Processing Stop when the Total is reached?</td>
<td>Yes</td>
</tr>
</tbody>
</table>

7. Click Next twice. Verify that the information shown on the Create Element: Review page is correct.

8. Click Submit.

Creating an Eligibility Record

On the Element Summary page, update the newly created element details.

1. In the Element Overview section, select Element Eligibility.
2. Select Actions, and then Create Element Eligibility.
3. On the Element Eligibility name field, enter a name for the eligibility record.
4. In the Eligibility Criteria section, select any criteria if you want to restrict who can pay this deduction. Or else, select All payrolls eligible.
5. Click Submit.

All the associated balances, feeds, input values, formulas, and related elements required for payroll processing are created automatically.
Net-to-Gross Earnings

Net-to-Gross Earnings: How they are Calculated

The Calculate Gross Earnings process calculates gross compensation values based on payroll frequency and the element entries attached to an employee. Calculations apply to the gross value of regular and supplemental earnings element classifications. Run results don’t include any results for taxable benefits, statutory information, absences, or voluntary or involuntary deductions. You can verify the results by viewing the statement of earnings, run results, and predefined payroll reports.

The process reports deductions at the payroll relationship level as follows:

- Flat amounts for the primary assignment only
- Percentage amounts aggregated for each assignment or terms record

Settings That Affect the Calculation

When you submit a process to calculate gross earnings, you complete information that determines which payroll relationships and element entries to process and the calendar dates to use for the calculations.

You can enter the following parameters when running the process.

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Flow</td>
<td>Name you assign when you submit the process. After running the process, you can use this name to search for it and monitor its status.</td>
</tr>
<tr>
<td>Payroll</td>
<td>Name of the payroll definition that determines the payroll period, calendar, and frequency</td>
</tr>
<tr>
<td>Payroll Period</td>
<td>Payroll period for the payroll you are calculating, which determines other dates for processing</td>
</tr>
<tr>
<td>Process Date</td>
<td>Optional. First date range on which to retrieve effective data for calculation, typically the process dates of the specified payroll definition</td>
</tr>
<tr>
<td>Date Earned</td>
<td>Optional. Date of element entries to include in the calculation run. Overrides the default value determined by calendar of the specified payroll definition.</td>
</tr>
<tr>
<td>Consolidation Group</td>
<td>Optional. Name of the grouping of payroll runs for the specified payroll definition. Overrides the default consolidation group for post-run processing.</td>
</tr>
<tr>
<td>Run Type</td>
<td>Name of the run type that determines which payroll calculations to perform.</td>
</tr>
<tr>
<td>Payroll Relationship Group</td>
<td>Optional. Name of a group of payroll relationships to limit the people that are included in the run.</td>
</tr>
</tbody>
</table>
Parameter | Purpose
--- | ---
Payroll Configuration Group | Optional. Name of a group that determines performance parameters such as logging, chunk size, and number of threads. Overrides the default process configuration group.
Element Group | Optional. Name of a group of regular or supplemental earnings elements included in the run. You create element groups on the Manage Object Groups page.

How Results Are Calculated

Calculations of gross earnings occur at the payroll relationship level. The payroll relationship structure groups employment terms and assignments together for calculations based on the payroll statutory unit. The resulting multilevel aggregation ensures the correct calculation and distribution of earnings. The following figure illustrates the calculation process.

The main steps of the calculation process are as follows:

1. The process identifies the payroll relationships to process. If you specify a payroll relationship group, the parameter limits processing to the people in the group.
2. The process creates a payroll action representing the payroll and a payroll relationship action for each relationship processed.
3. The process loads into memory the element entries for the payroll relationship action.
4. The process identifies and determines any formulas to run for calculating the element entries.
5. At the end of the process, there is one run result value for each element entry value. If the element entry involves currency conversion, the payroll calculation uses the current conversion rate and rounds the monetary result based on the formula rules.
6. For each run result, the process determines which balances the result should feed. The process then writes and updates the balances to the database.

Example 1: Calculation Based on Annual Salary Basis

Your payroll provider might require you to pass values for gross earnings periodically, based on the payroll frequency of each employee. If you use an annual salary basis to store the values, you can run the Calculate Gross Earnings process to calculate the values by payroll period.

The formula attached to the annual salary would calculate the periodic value and feed this to a run result during the payroll run. You can then extract the run result value using a payroll interface report.

Example 2: Calculation Based on an Element Group

To avoid processing all the regular and supplemental earnings in a calculation process, the process considers only the earnings elements you associate with an element group. You specify the value of the element group as a parameter when submitting the Calculate Gross Earnings process.

Creating a Net-to-Gross Earnings Element: Worked Example

You can create a net-to-gross (gross-up) element for any recurring or nonrecurring earnings element using these primary classifications:

- Standard Earnings
- Supplemental Earnings
- Taxable Benefits
This example demonstrates how to create a net-to-gross (gross-up) earnings element when an organization wants to pay a person a specific net amount on a bonus.

Before you create your earnings element, you may want to determine the following:

<table>
<thead>
<tr>
<th>Decisions to Consider</th>
<th>In This Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the primary classification of this earnings?</td>
<td>Supplemental Earnings</td>
</tr>
<tr>
<td>Is the element recurring or nonrecurring?</td>
<td>Nonrecurring</td>
</tr>
<tr>
<td>Who is the bonus recipient?</td>
<td>Linda Swift</td>
</tr>
<tr>
<td>How much is the bonus?</td>
<td>1000 Canadian Dollars</td>
</tr>
<tr>
<td>What is the allowed difference between the specified bonus and the actual amount paid?</td>
<td>.05 Canadian Dollars</td>
</tr>
</tbody>
</table>

Creating the Earnings Element

Perform the following steps to create the element:

1. In the Payroll Calculation work area, click **Manage Elements**.
2. Click **Create** and then select the values shown in the table in the Create Element window.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative Data Group</td>
<td>CA LDG</td>
</tr>
<tr>
<td>Primary Classification</td>
<td>Supplemental Earnings</td>
</tr>
<tr>
<td>Secondary Classification</td>
<td>Bonus</td>
</tr>
<tr>
<td>Category</td>
<td>Standard</td>
</tr>
</tbody>
</table>

3. Click **Continue**.
4. On the Create Element: Basic Information page select the values shown in the table.

<table>
<thead>
<tr>
<th>Field or Question</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Bonus</td>
</tr>
<tr>
<td>Reporting Name</td>
<td>Bonus</td>
</tr>
<tr>
<td>Effective Date</td>
<td>01/01/2013</td>
</tr>
</tbody>
</table>
Field or Question | Value
--- | ---
What is the earliest entry date for this element? | First Standard Earning Date
What is the latest entry date for the element? | Last Standard Earning Date
Does the element recur each payroll period, or does it require explicit entry? | Nonrecurring
Process and pay element separately or with the other earnings elements? | Process separately and pay separately

Note: All gross-up earnings elements must be processed and paid separately from other elements.

5. Click **Next**.
6. On the Create Element: Additional Details page select the values shown in the table.

Field or Question | Value
--- | ---
What is the calculation rule? | Flat Amount
Use this element to calculate a gross amount from a specified net amount? | Yes

Note: The default value is Flat Amount. Do not change this value. All gross-up earnings must have a calculation rule of Flat Amount.

7. Click **Next**.
8. Click **Submit**.
9. In the Element Overview pane, select and review each input value, as shown in the table.

<table>
<thead>
<tr>
<th>Input Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay Value</td>
<td>The gross pay value to be processed in the payroll run, entered by the iterative formula when it completes gross-up calculations.</td>
</tr>
<tr>
<td>Net</td>
<td>The user-entered flat amount, which provides the iterative formula with the desired net pay.</td>
</tr>
<tr>
<td>Low Gross</td>
<td>Used by the iterative formula to hold the lower gross pay guess, which feeds into the next iteration of the formula.</td>
</tr>
<tr>
<td>High Gross</td>
<td>Used by the iterative formula to hold the higher gross pay guess, which feeds into the next iteration of the formula.</td>
</tr>
</tbody>
</table>
Input Value | Description
---|---
**Remainder** | The amount by which the additional pay to be paid by the employer (gross minus desired net) differs from the total of the balances that are eligible for net-to-gross processing. This amount is returned by the iterative formula.

**To Within** | The amount by which actual net can differ from desired net after normal processing. This amount must not be zero but can be a nominal amount such as 0.01.

**Additional Amount** | The amount to add to the desired net to calculate gross pay. This amount is returned by the iterative formula.

---

**Creating Eligibility Rules**

Perform the following steps to create eligibility rules:

1. In the Element Overview pane, click **Element Eligibility**.
2. Select **Create Element Eligibility** from the Actions menu.
3. In the Element Eligibility Name field, enter **Bonus**.
4. Click **Save**.

---

**Reviewing Iterative Processing Order**

Perform the following steps to review the iterative processing order:

1. In the Element Overview pane, click **Bonus**.
2. In the Advanced Rules section, review the iterative order.

> **Note:** The default value is 1000. If you have more than one iterative element that may be processed in the same payroll flow, it is important to adjust the iterative order to indicate which should be processed first. Iterative order must be in the reverse sequence of the processing priority numbers. The element with the lowest iterative priority number is reduced first.

---

**Including Balances in the Net-to-Gross Processing**

Perform the following steps to include balances:

1. In the Element Overview pane, click **Balance Feeds**.
2. Review the balances to which the bonus contributes.
3. In the Element Overview pane, click **Gross Balance Exclusions**.
4. Add any balances that have been set to exclude by default if you want to include it on this specific earnings.
5. Click **Submit**.

---

**Creating an Element Entry**

In this example, create the element entry for the bonus for Linda Swift.

1. In the Payroll Calculation work area, select **Manage Element Entries**.
2. In the Name field, enter **Swift, Linda**.
3. In the Legislative Data Group field, select **CA LDG**.
4. In the Effective As-of Date field, enter **01/01/2013**.
5. Click **Search**.
6. In the Search Results, select **Linda Swift**.
7. Click Create.
8. In the Effective Date field, enter 01/01/2013.
9. In the Element Name field, select Bonus.
10. In the Assignment field, select E1026.
11. Click Continue.
12. In the Net Value field, enter 1000.00.

Note: If you want to pay a net-to-gross element, without the net-to-gross processing, add the flat amount in the Amount field. This amount will be the gross paid. It will be reduced by the applicable deductions.

13. In the To Within field, enter .05.
14. Click Submit.

Related Topics
- Net-to-Gross Earnings: How They’re Calculated
- Balances in Net-to-Gross Calculations: Points to Consider

Set Up Payroll Processing Rules

Frequency Rules

Use frequency rules to process a recurring element at a frequency other than the one defined for the payroll. For example, you can use a frequency rule to process a monthly deduction in the third payroll period of the month for employees that are paid on a weekly basis. For employees that are paid on a semimonthly payroll, you can use a frequency rule to process the monthly deduction in the second period of the month only.

For these cases, you would define a different frequency rule for each element.

You can control how often to process the element. Column headers that display on the Element Summary page are dynamic based on the frequency period. For example, if the payroll period is weekly, the column headers are Week 1, Week 2, and so on. You then select the periods in which you want the element processed.

Controlling the Processing of Recurring Elements

The Date field on the Element Summary page provides three values.

This table explains the three options that you can use to control the processing of recurring elements.

<table>
<thead>
<tr>
<th>Field Value</th>
<th>Description</th>
<th>How Pay Periods are Derived</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date Earned</td>
<td>Date on which the application processes element entries for the payroll run.</td>
<td>Uses the pay period end date of the period that contains the date earned to determine the number of pay periods in the month.</td>
</tr>
<tr>
<td>Effective Date</td>
<td>In this context the effective date is the date on which the payments are processed.</td>
<td>In most cases this is the date between the first day and last day of the payroll period.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Uses the pay period end date of the period that contains the effective date to determine the number of pay periods in the month.</td>
</tr>
</tbody>
</table>
Chapter 12
Set Up Elements

<table>
<thead>
<tr>
<th>Field Value</th>
<th>Description</th>
<th>How Pay Periods are Derived</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Run Date</td>
<td>Date used by the payroll calculation process to retrieve effective values such as employee details.</td>
<td>Uses the payroll run date to determine the number of pay periods in the month.</td>
</tr>
</tbody>
</table>

**Note:** For offset payrolls, where the effective date is not within the start and end dates of the current period, the end date of the period that contains the effective date is used.

For example, you have an offset payroll where the period start date is 01-February, the end date is 14-February, and the effective date for the process is 16-February. In this case the actual period end date is 28-February because the effective date (16-February) is between 15-February and 28-February.

### Using the Payroll Run Date Option: Example

Let’s say you deduct pre-tax medical insurance payments twice a month for all employees on your biweekly payroll. In this scenario, you should select the Payroll Run Date option. Selecting this option ensures that your payroll system doesn’t process more than two deductions for the month.

The pay period dates listed in this table are for a biweekly payroll.

<table>
<thead>
<tr>
<th>Pay Period</th>
<th>Pay Period Start Date</th>
<th>Pay Period End Date</th>
<th>Payroll Run Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>16-January-2016</td>
<td>29-January-2016</td>
<td>3-February-2016</td>
</tr>
</tbody>
</table>

This table describes how the process determines the number of deductions taken for each of the date values when you process your January payroll.

<table>
<thead>
<tr>
<th>Field Value</th>
<th>Date Used to Derive the Number of Pay Periods</th>
<th>Number of Deductions Taken for January</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date Earned</td>
<td>Pay period end date</td>
<td>3</td>
</tr>
<tr>
<td>Effective Date</td>
<td>Pay period end date</td>
<td>3</td>
</tr>
</tbody>
</table>
Field Value | Date Used to Derive the Number of Pay Periods | Number of Deductions Taken for January
---|---|---
Payroll Run Date | Payroll run date | 2

*Note:* Deductions would be taken out for the first two pay periods only since the payroll run date for the third pay period is in February.

Restricting Payroll Processing: Critical Choices

You can control which payroll relationships and which elements to process in a payroll run by selecting rules, such as a skip rule or frequency rule. You can also restrict the payroll relationships and further restrict the elements that the run will process by specifying flow parameters when you submit the calculation process, such as Calculate Payroll or Calculate Gross Earnings.

Restrict the Elements to Process Based on Rules

When you create an element, you specify eligibility rules that control who is eligible to receive an element. You can also create skip and frequency rules that control which recurring elements the payroll run processes, as shown in the following table.

<table>
<thead>
<tr>
<th>Rules</th>
<th>Descriptions</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skip</td>
<td>Determines whether to include or exclude the element entry for the person using rules in a formula</td>
<td>A once-each-period rule stops recurring element entries from processing more than once in a payroll period.</td>
</tr>
<tr>
<td>Frequency</td>
<td>Specifies which payroll periods to process the entries</td>
<td>A frequency rule might specify that the formula processes an element only on the first and third weeks of a month.</td>
</tr>
</tbody>
</table>

Restrict the Records to Process Based on Flow Parameters

Restrict the number of records for the calculation process by specifying flow submission parameters as shown in the following table.

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Relationship Group</td>
<td>Restricts processing to the payroll relationships within the group, which you can define using static or dynamic rules, based on payroll relationship or assignment information.</td>
</tr>
<tr>
<td>Element Group</td>
<td>Restricts processing to the elements in the group, which you can define by selecting element classifications and including or excluding specific elements.</td>
</tr>
</tbody>
</table>
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Chapter 12
Set Up Elements

Parameter | Description
---|---
Run Types | Determines which payroll calculations to perform and how to pay the results. The application processes an element in all the run types, unless you set up the element:
- To process separately
- As a trigger for a run type, in which case it is automatically excluded from the other run types

The flow submission parameters for the calculation process include dates that control which records to process as shown in the following table.

<table>
<thead>
<tr>
<th>Date</th>
<th>Required?</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process Date</td>
<td>No</td>
<td>Usually the payroll run date of your payroll definition.</td>
</tr>
<tr>
<td>Payroll Period</td>
<td>Yes</td>
<td>Used to derive other dates for processing.</td>
</tr>
</tbody>
</table>
| Date Earned    | Yes       | Identifies the element entries
  - To include in the payroll run
  - That belong to a proration group and ended within the payroll period

Related Topics
- Overview of Object Groups

FAQs for Elements

What's the difference between a recurring and nonrecurring element?
A recurring element has an entry that applies in every pay period until the entry is ended.
A nonrecurring element has an entry that applies in one pay period only. It’s only processed once per pay period. The payroll to which the person is assigned determines the dates of the pay period.

Note: A base pay element associated with a salary basis must be recurring.

What's an element's skip rule?
A skip rule is an optional formula that determines the circumstances in which an element is processed. If you specify a skip rule for the element, payroll runs process the element only when the conditions of the formula are met. Otherwise the element is skipped from processing. You select skip rules on the Manage Elements page.
Related Topics

- Overview of Using Formula Components

How can I create an element for retroactive processing?

When you create the element, specify that it’s subject to retroactive changes. You can select the predefined retroactive event group for the element, or create your own. When an element is subject to retroactive changes, all components for the retroactive element are created automatically. This includes adding the element to the predefined retroactive event group and proration group. You can create your own retroactive event group and proration event group and change the default values for the element in the Manage Element flow.

When does an element get processed with a processing option of process once per period?

The first payroll run of each period processes the element entries. If this option isn’t available for your country or territory, you can select a skip rule to process the element once each period.

What happens if I select the Closed for Entry option for an element?

This option prevents the creation of all new element entries for the element. However, it doesn’t affect any existing element entries.

⚠️ Caution: When hiring, terminating, or updating assignments, this option prevents all element entry creation for the element, including automatic entries.

Related Topics

- Element Entry Methods: Explained

What happens if I manually enter a value in an element entry value that has a runtime default value?

Any subsequent changes to the default value on the element or element eligibility record won’t affect the element entry. However, you can clear your entry if you want to restore the default value.

How do I change the number of decimal places used in element input values?

Monetary input values use the number of decimal places defined for the currency, such as two for USD. If your calculations require more decimal places, select a numeric unit of measure for the input value. The level of decimal precision that you
specify must match the precision value set on the Manage Currency page for the country. This ensures that the payroll processes and reports used for reconciliation and legislative reporting produce the expected results.
13 Import File Formating

File Format for Importing Absence Entries to Payroll

When you submit the Load Absence Batches process, you specify the attachment for the XML file that contains the absence data. This topic explains the XML file format and XML tags you must use in the file.

You submit the Load Absence Batches process from the Payroll Administration work area. The process creates a new calculation card or updates an existing card for each worker whose absence information is transferred.

XML File Format for Importing Absence Information to Payroll

When you create a file to transfer absence information to payroll, use the following format.

```
<ABSENCE_LIST>
<ABSENCE>
<ABSENCE_TYPE> <ACTION> <ABSENCE_ID> <MAPPING_ID> <MAPPING_NAME> <LDG_ID> <LDG_NAME> <HR_TERM_ID> <TERM_NUMBER> <HR_ASSIGNMENT_ID> <ASSIGNMENT_NUMBER> <ABSENCE_RATE_ID> <ABSENCE_RATE_NAME> <ABSENCE_UNIT> <ABSENCE_UOM> <ADJUSTMENT_UNIT> <FACTOR> <CALCULATION_DATE> <PERIODICITY> <ABSENCE_START> <ABSENCE_END> <ABSENCE_DATE_LIST> <ABSENCE_DATE> <LEAVE_DATE> <ACCRUED_DATE> <OVERRIDING_FACTOR> <OVERRIDING_RATE_ID> <OVERRIDING_RATE_NAME> <OVERRIDING_UOM> <OVERRIDING_UNIT> </ABSENCE_DATE> </ABSENCE_DATE_LIST> </ABSENCE>
</ABSENCE_LIST>
```
# XML Tags

This table describes the purpose of the tags used in the XML file.

<table>
<thead>
<tr>
<th>XML Tag</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABSENCE_LIST</td>
<td>Outermost tag that contains a set of absences.</td>
</tr>
<tr>
<td>ABSENCE</td>
<td>Tag containing information about a particular absence.</td>
</tr>
<tr>
<td>ABSENCE_TYPE</td>
<td>Type of absence that is being transferred to payroll, such as accrual, accrual with entitlement, or entitlement.</td>
</tr>
<tr>
<td>ACTION</td>
<td>Type of action that will be performed, such as CREATE, REMOVE, and MODIFY.</td>
</tr>
<tr>
<td>ABSENCE_ID</td>
<td>Unique identifier for the absence from the source application. Never use the same ID twice to identify another absence.</td>
</tr>
<tr>
<td>MAPPING_ID</td>
<td>Identifier for the payroll component definition, which is used to create the absence in payroll.</td>
</tr>
<tr>
<td>MAPPING_NAME</td>
<td>Name used for the mapping.</td>
</tr>
<tr>
<td>LDG_ID</td>
<td>ID of the legislative data group associated with the record.</td>
</tr>
<tr>
<td>LDG_NAME</td>
<td>Name of the legislative data group associated with the record.</td>
</tr>
<tr>
<td>HR_TERM_ID</td>
<td>Unique ID for the HR period.</td>
</tr>
<tr>
<td></td>
<td>You can provide either the TERM_NUMBER or the HR_TERM_ID. If you provide the TERM_NUMBER then you must also provide the legal employer details.</td>
</tr>
<tr>
<td>TERM_NUMBER</td>
<td>Number that identifies the employment periods for the absence.</td>
</tr>
<tr>
<td>HR_ASSIGNMENT_ID</td>
<td>This is the HR Assignments unique ID.</td>
</tr>
<tr>
<td></td>
<td>You can provide either the ASSIGNMENT_NUMBER or the HR_ASSIGNMENT_ID. If you provide the ASSIGNIMENT_NUMBER then you must also provide the legal employer details.</td>
</tr>
<tr>
<td>ASSIGNMENT_NUMBER</td>
<td>Number that identifies the employment assignment for the absence.</td>
</tr>
<tr>
<td>ABSENCE_RATE_ID</td>
<td>Unique identifier for the absence rate.</td>
</tr>
<tr>
<td>ABSENCE_RATE_NAME</td>
<td>Name of the rate used to calculate the payment amount.</td>
</tr>
<tr>
<td>ABSENCE_UNIT</td>
<td>Unit of time in which the absence is recorded.</td>
</tr>
</tbody>
</table>
### XML Tag | Description
---|---
ABSENCE_UOM | Unit of measure being used for the absence (for example, days, hours or weeks).
ADJUSTMENT_UNIT | Unit of time in which an adjustment is being made to the absence.
FACTOR | Factor that is used in the calculation of the absence.
CALCULATION_DATE | Date used for payroll calculations, such as the payment calculation for maternity leave based on the baby’s due date.
PERIODICITY | Used with the amount or rate, the periodicity is the frequency that determines the absence rate.
ABSENCE_START | Date the absence started.
ABSENCE_END | Date the absence ended.
ABSENCE_DATE_LIST | List of dates in which the absence occurred.
ABSENCE_DATE | Date the absence is being reported.
LEAVE_DATE | Date on which the leave of absence occurred.
ACCRUED_DATE | Date on which the absence was accrued.
OVERRIDING_FACTOR | Factor that is being used to override the calculation of the absence.
OVERRIDING_RATE_ID | Unique identifier for the rate being used to override the absence.
OVERRIDING_RATE_NAME | Name of the overriding rate that will be used to calculate the absence.
OVERRIDING_UOM | Unit of measure being used to override the absence (for example, days, hours or weeks).
OVERRIDING_UNIT | Unit of time in which an override is being made to the absence.

**Related Topics**
- Importing Absence Entries to Payroll: Procedure

**File Format for Importing Pension Deductions to Payroll**

When you submit the Load Benefit Batches process, you specify the attachment for the XML file that contains the benefit data. This topic explains the XML file format and XML tags you must use in the file. You submit the Load Benefit Batches process from the Payroll Checklist or Payroll Administration work areas. The process creates a new calculation card or updates an existing card for each worker whose pension information is transferred.
XML File Format for Importing Pension Deductions to Payroll

When you create a file to transfer pension deduction information to payroll, use the following format.

```xml
<BENEFIT_LIST>
    <BENEFIT>...
      <ACTION>
      <BENEFIT_ID>
      <MAPPING_ID>
      <LDG_ID>
      <LDG_NAME>
      {  
        <HR_TERM_ID>
        <TERM_NUMBER>
        <HR_ASSIGNMENT_ID>
        <ASSIGNMENT_NUMBER>
      }  
      <LEGAL_EMPLOYER_ID>
      <LEGAL_EMPLOYER_NAME>
      <BENEFIT_START>
      <BENEFIT_END>
      {  
        <BENEFIT_RATE_ID>
        <BENEFIT_RATE_NAME>
        <AMOUNT>
        <PERIODICITY>
        <BENEFIT_MAX_ELECTION>
        <BENEFIT_REF_NUMBER>
      }  
    </BENEFIT>
  </BENEFIT_LIST>
```

XML Tags

This table describes the purpose of the tags used in the XML file.

<table>
<thead>
<tr>
<th>XML Tag</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BENEFIT_LIST</td>
<td>Outermost tag that contains a set of benefits.</td>
</tr>
<tr>
<td>BENEFIT</td>
<td>Tag containing information about a particular benefit.</td>
</tr>
<tr>
<td>ACTION</td>
<td>The type of action that will be performed, such as CREATE, REMOVE, and MODIFY.</td>
</tr>
<tr>
<td>BENEFIT_ID</td>
<td>Unique identifier for the benefit from the source application. Never use the same ID twice to identify another benefit.</td>
</tr>
<tr>
<td>MAPPING_ID</td>
<td>Identifier for the payroll component definition, which is used to create the benefit in payroll.</td>
</tr>
<tr>
<td>LDG_ID</td>
<td>ID of the legislative data group associated with the record.</td>
</tr>
<tr>
<td>XML Tag</td>
<td>Description</td>
</tr>
<tr>
<td>-----------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>LDG_NAME</td>
<td>Name of the legislative data group associated with the record.</td>
</tr>
<tr>
<td>HR_TERM_ID</td>
<td>Unique ID for the employment period.</td>
</tr>
<tr>
<td></td>
<td>You can provide either the TERM_NUMBER or the HR_TERM_ID. If you provide the</td>
</tr>
<tr>
<td></td>
<td>TERM_NUMBER then you must also provide the legal employer details.</td>
</tr>
<tr>
<td>TERM_NUMBER</td>
<td>Number that identifies the employment period for the pension deduction.</td>
</tr>
<tr>
<td>HR_ASSIGNMENT_ID</td>
<td>Unique ID for the assignment.</td>
</tr>
<tr>
<td></td>
<td>You can provide either the ASSIGNMENT_NUMBER or the HR_ASSIGNMENT_ID. If you</td>
</tr>
<tr>
<td></td>
<td>provide the ASSIGNMENT_NUMBER then you must also provide the legal employer</td>
</tr>
<tr>
<td></td>
<td>details.</td>
</tr>
<tr>
<td>ASSIGNMENT_NUMBER</td>
<td>Number that identifies the employment assignment for the pension deduction.</td>
</tr>
<tr>
<td>LEGAL_EMPLOYER_ID</td>
<td>ID of the legal employer name that the assignment belongs to.</td>
</tr>
<tr>
<td>LEGAL_EMPLOYER_NAME</td>
<td>Legal employer name that the assignment belongs to.</td>
</tr>
<tr>
<td>BENEFIT_START</td>
<td>Start date of the benefit.</td>
</tr>
<tr>
<td>BENEFIT_END</td>
<td>End date of the benefit.</td>
</tr>
<tr>
<td>BENEFIT_RATE_ID</td>
<td>ID of the rate that will be used to calculate the payment amount.</td>
</tr>
<tr>
<td>BENEFIT_RATE_NAME</td>
<td>Name of the rate that will be used to calculate the payment amount.</td>
</tr>
<tr>
<td>AMOUNT</td>
<td>Amount that is used to calculate the rate using the periodicity.</td>
</tr>
<tr>
<td>PERIODICITY</td>
<td>Used with the amount or rate, the periodicity is the frequency that determines</td>
</tr>
<tr>
<td></td>
<td>the rate value.</td>
</tr>
<tr>
<td>BENEFIT_MAX_ELECTION</td>
<td>Annual maximum election amount that can be processed.</td>
</tr>
<tr>
<td>BENEFIT_REF_NUMBER</td>
<td>Employee’s reference number with the provider of the pension (benefit organization).</td>
</tr>
</tbody>
</table>

**Related Topics**

- Running the Load Benefit Batches Process: Procedure
File Format for Importing Time Entries to Payroll

You import time entries from a third-party provider by submitting the Load Time Card Batches process from the Payroll Checklist or Payroll Administration work areas. When you submit the process, you specify the batch XML file that includes your time entries. This topic explains the XML file format and XML tags you must use in the file.

You submit the Load Time Card Batches process from the Payroll Administration work area. The process creates a new calculation card or updates an existing card for each worker with time entries included in the batch.

XML File Format for Importing Time Entries

When you create a file to transfer time card entries to payroll, use the following structure.

```xml
<TIME_CARD_LIST>
  <TIME_CARD>...
    <ACTION>
      <TIME_CARD_ID>
        <MAPPING_ID>
          <MAPPING_NAME>
            <LDG_ID>
              <LDG_NAME>
                <HR.Term_ID>
                  <TERM_NUMBER>
                    <HR.Assignment_ID>
                      <ASSIGNMENT_NUMBER>
                        <LEGAL.EMPLOYER_ID>
                          <LEGAL.EMPLOYER_NAME>
                            <TIME_CARD.START>
                              <TIME_CARD.END>
                                <TIME_ITEM_LIST>...
                                  <TIME_ITEM>
                                    <TIME_TYPE>
                                      {
                                        <PAYMENT_RATE_ID>
                                          <PAYMENT_RATE_NAME> | 
                                          <RATE_AMOUNT>
                                        <PERIODICITY>
                                          <FACTOR> | 
                                          <AMOUNT>
                                        <PERIODICITY>
                                      
                                      <TIME_UNIT>
                                        <TIME_UOM>
                                          <TIME_ITEM.START>
                                            <TIME_ITEM.END>
                                              <COST_SEGMENTS>
                                                <SEGMENT1..30>
                                                  <COST_SEGMENTS>
                                                    <PROPERTIES_LIST>..
                                                      <PROPERTY_ITEM>
                                                        <NAME>
                                                          <VALUE>
                                                        </PROPERTY_ITEM>
                                                    </PROPERTIES_LIST>
                                              </TIME_ITEM_LIST>
                                    </TIME_ITEM>
                                </TIME_ITEM_LIST>
                            </TIME_CARD.END>
                        </TERM_NUMBER>
                      </ASSIGNMENT_NUMBER>
                    </LEGAL.EMPLOYER_NAME>
                  </LEGAL.EMPLOYER_ID>
                </HR.Assignment_ID>
              </LDG_NAME>
            <LDG_ID>
          <MAPPING_NAME>
            <MAPPING_ID>
              <TIME_CARD_ID>
                <ACTION>
      </TIME_CARD>
  </TIME_CARD_LIST>
```

---

Oracle Human Resources Cloud
Implementing Payroll for Canada
Chapter 13
Import File Formatting
XML Tags

This table describes the purpose of the tags used in the XML file.

<table>
<thead>
<tr>
<th>XML Tag</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>TIME_CARD_LIST</td>
<td>Parent tag that contains a set of time cards.</td>
</tr>
<tr>
<td>TIME_CARD</td>
<td>Object that contains the information about a specific time card.</td>
</tr>
<tr>
<td>ACTION</td>
<td>Action to perform, such as CREATE, REMOVE, MODIFY.</td>
</tr>
<tr>
<td>TIME_CARD_ID</td>
<td>Unique identifier for this time card.</td>
</tr>
<tr>
<td>MAPPING_ID</td>
<td>Identifier for the payroll component definition.</td>
</tr>
<tr>
<td></td>
<td>Specify the Mapping ID or the Mapping Name. If none is included, the process uses the default interface type Import Time XML and attempts to find a mapping.</td>
</tr>
<tr>
<td>MAPPING_NAME</td>
<td>Name used for the mapping.</td>
</tr>
<tr>
<td></td>
<td>Specify the mapping name or the mapping ID. If none is included, the process uses the default interface type Import Time XML and attempts to find a mapping.</td>
</tr>
<tr>
<td>LDG_NAME</td>
<td>Name of the legislative data group (LDG) for this record.</td>
</tr>
<tr>
<td></td>
<td>Specify the identifier or name of the LDG. All the records in the XML file must belong to the same LDG. If you don’t include the LDG_ID or the LDG_NAME, the application uses the legislative data group you entered for the Load Time Card Batches process.</td>
</tr>
<tr>
<td>LDG_ID</td>
<td>Identifier for the LDG for this record.</td>
</tr>
<tr>
<td></td>
<td>Specify the identifier or name of the LDG. All the records in the XML file must belong to the same LDG. If you don’t include the LDG_ID or the LDG_NAME, the application uses the LDG you entered for the Load Time Card Batches process.</td>
</tr>
<tr>
<td>TERM_NUMBER</td>
<td>Number that identifies the employment terms for the time entry.</td>
</tr>
<tr>
<td>ASSIGNMENT_NUMBER</td>
<td>Number that identifies the employment assignment for the time entry.</td>
</tr>
<tr>
<td>TIME_CARD_START</td>
<td>Start date of the time card.</td>
</tr>
<tr>
<td>TIME_CARD_END</td>
<td>End date of the time card.</td>
</tr>
<tr>
<td>TIME_ITEM_LIST</td>
<td>Tag that contains a set of time items.</td>
</tr>
<tr>
<td>TIME_ITEM</td>
<td>Object that contains information about a specific hour item.</td>
</tr>
</tbody>
</table>
### Import File Formatting

<table>
<thead>
<tr>
<th>XML Tag</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>TIME_TYPE</td>
<td>Name supplied by the time application that maps to the payroll element and calculation component.</td>
</tr>
<tr>
<td>PAYMENT_RATE_ID</td>
<td>Identifier for the rate definition used to calculate the payment amount.</td>
</tr>
<tr>
<td>PAYMENT_RATE_NAME</td>
<td>Name of the rate definition used to calculate the payment amount.</td>
</tr>
<tr>
<td>RATE_AMOUNT</td>
<td>Actual rate used to calculate the payroll amount.</td>
</tr>
<tr>
<td>AMOUNT</td>
<td>Flat amount used to calculate the rate based on periodicity.</td>
</tr>
<tr>
<td>PERIODICITY</td>
<td>Frequency that determines the rate value, used with amount or rate amount.</td>
</tr>
<tr>
<td>FACTOR</td>
<td>Multiplier applied to the derived rate to calculate the payment amount.</td>
</tr>
<tr>
<td>TIME_UNIT</td>
<td>Number of units for the Unit of Measure specified in TIME_UOM. For example, if the UOM is hours, 8 units is 8 hours worked.</td>
</tr>
<tr>
<td>TIME_UOM</td>
<td>Unit of measure for specifying time unit, such as hours.</td>
</tr>
<tr>
<td>TIME_ITEM_START</td>
<td>Start time for the time entry.</td>
</tr>
<tr>
<td>TIME_ITEM_END</td>
<td>Ending time for the time entry.</td>
</tr>
<tr>
<td>COST_SEGMENTS</td>
<td>List of the costing segments.</td>
</tr>
<tr>
<td>PROPERTY_LIST</td>
<td>Set of properties for the time item.</td>
</tr>
<tr>
<td>PROPERTY_ITEM</td>
<td>Additional information that is captured. For example, a value definition for the property item State would return State and the name of the State.</td>
</tr>
<tr>
<td>NAME</td>
<td>Name of a property for the time item.</td>
</tr>
<tr>
<td>VALUE</td>
<td>Value of a property for the time item.</td>
</tr>
</tbody>
</table>

### Related Topics
- Creating Elements for Time Card Entries: Procedure
- Prerequisite Payroll Setup for Importing Time Entries: Explained
- Importing Time Card Entries to Payroll: Procedure
14 Set Up Payment Methods

Organization Payment Methods

Overview

You must create one organization payment method for each combination of legislative data group, payment type, and currency that you use to disburse wages and other compensation. You can also create rules for validating or processing the distribution of payments. Create as many organization payment methods as required for your enterprise. Use the Manage Organization Payment Methods page in the Payment Distribution work area.

Important aspects of organization payment methods are:

- Payment types
- Payment sources
- Payment rules

Payment Types

When creating an organization payment method, you select a payment type. You can create more than one organization payment method with the same payment type.

The payment types that Canada supports are:

- Cash
- Cheque
- Direct Deposit

Payment Sources

If you’re using Oracle Fusion Global Payroll for Canada for payroll processing, you must define at least one payment source for each organization payment method. Each payment source must be associated with an active bank account in Oracle Fusion Cash Management.

You can use the same bank account in different payment sources in more than one organization payment method, as illustrated in the following example.

<table>
<thead>
<tr>
<th>Payment Method</th>
<th>Payment Source</th>
<th>Bank Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheque</td>
<td>Cheque</td>
<td>National Bank of Canada Account 6132549</td>
</tr>
</tbody>
</table>

Direct Deposit    | Direct Deposit | National Bank of Canada Account 6132549 |

Note: If you are costing your payments, enter cost account information on the Manage Costing of Payment Sources page in the Accounting Distribution work area.
Payment Rules and Default Payment sources

If you define multiple payment sources, you can use payment rules to determine the appropriate payment source based on tax reporting unit (TRU).

The following example shows one organization payment method with three different payment sources for different TRUs.

<table>
<thead>
<tr>
<th>Payment Source</th>
<th>Tax Reporting Unit</th>
<th>Default Payment Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Direct Deposit Source CA</td>
<td>None</td>
<td>Yes</td>
</tr>
<tr>
<td>National Bank of Canada Account 6132549</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll Direct Deposit Ontario</td>
<td>TRU1</td>
<td>No</td>
</tr>
<tr>
<td>Bank of the West 1238900</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll Direct Deposit Source Quebec</td>
<td>TRU2</td>
<td>No</td>
</tr>
<tr>
<td>Commercial Bank 8765999</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The first payment source that you add is the default payment source, but you can select another payment source as the default, or not have a default payment source.

To understand the effect of having a default payment source, consider the following examples that describe what happens when a TRU changes, causing a payment rule to be invalid.

<table>
<thead>
<tr>
<th>Approach</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>With a default payment source, the payment process pays employees using the default payment source.</td>
<td>This approach might suit a company with multiple independent franchises, each with its own TRU. If a franchise holder sells the franchise, payments don’t fail.</td>
</tr>
<tr>
<td>Without a default payment source, the payments process issues error notifications to ensure that you use the appropriate payment source to fund the payment.</td>
<td>This approach might suit a company with strict policies about payment rule compliance.</td>
</tr>
</tbody>
</table>

Related Topics

- Third-Party Payments: Examples
- Payroll User Interface Configuration Formula Type

Payment Methods and Payroll Definitions: How They Work Together

You select organization payment methods when creating other objects, such as payroll definitions, third-party payment methods, and personal payment methods. This topic describes the functional relationship between organization payment methods and the objects that use them.
Functional Relationships
The following table describes the functional relationship of organization payment methods with other objects.

<table>
<thead>
<tr>
<th>Object</th>
<th>Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Payment Method</td>
<td>Associates a person to a payment method, currency, and payment source.</td>
</tr>
<tr>
<td>Third-Party Payment Method</td>
<td>Enables separate payment information for payments to third parties who aren’t on the payroll. Payments to third parties, such as garnishments or other involuntary deductions, are typically cheque payments processed separately from the payroll.</td>
</tr>
<tr>
<td>Payroll Definition</td>
<td>Establishes the payment method for payments to employees who have no personal payment method defined.</td>
</tr>
<tr>
<td>Run-Type Payment Method</td>
<td>Overrides a payroll’s payment method for payments to employees with no personal payment method defined. For example, your regular payroll is by Direct Deposit but you issue cheque bonuses once a year. Using the Separate Payment run type, the payment method overwrites the payment method of the payroll.</td>
</tr>
</tbody>
</table>

Note: You can’t set Direct Deposit payment methods as the payment method because each payee must have a personal payment method with account information to know where to deposit the money.

Configuring Payment Method Preferences: Procedure
You can configure preferences related to payment methods using a user-defined table and fast formulas. After you create your formulas for the configuration that you require, you attach formula names as values for the corresponding preferences in the user-defined table.

1. Use the Manage Fast Formulas task to create the formula using the Payroll User Interface Configuration formula type.
2. On the Manage User-Defined Tables page, select the legislative data group that you to manage the user-defined table, and then search for and select PAYROLL_USER_INTERFACE_CONFIGURATION.

Note: The formulas attached in the user-defined table are effective at the enterprise level. The legislative data group isn’t significant. However, to make any later edits to the table, you must select the same legislative data group.

3. Click Edit, and then click Next.
4. On the User-Defined Table Values page, click Add and select the row for one of the values, and then click OK.

<table>
<thead>
<tr>
<th>Value</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Default Organization Payment Method</td>
<td>Controls which payment methods can be created using the simplified user interface.</td>
</tr>
</tbody>
</table>
Value | Purpose
---|---
Execute Personal Payment Method Validation | Enables validations for personal payment methods that meet the criteria set in the formula. For example, an employee can only create one personal payment method with the Pay Card account type.

Maximum Number of Personal Payment Methods | Limits the number of personal payment methods that employees can create.

Payment Types Available to Workers | Limits personal payment methods to be based only on organization payment methods of the specified payment types.

Prevent Edit Personal Payment Method | Prevents employees from modifying any personal payment method details that meet the criteria set in the formula, such when the account type is equal to Pay Card.

Show Percentage or Amount | Sets a restriction to display only the Percentage amount type and field on the Manage Personal Payment Methods page.

5. In the Value field, enter the name of your formula. You must enter the formula name exactly as you created it on the Manage Fast Formulas page.

**Note:** Each preference that you configure must have its own formula.

**Payment Method Rules: Examples**

The following scenarios illustrate how you might use payment method rules to handle payments to different parties and from different payment sources. You set payment method rules on the Manage Organization Payment Methods page in the Payment Distribution work area.

**Pay Workers and Third Parties Using the Same Payment Source**

Your organization pays all workers and third-party payees from the same source bank account. In this scenario, no special payment method rules are required. Ensure that the payment source is set as the default and that you leave the Third-Party Payment, Tax Reporting Unit, and Payment Criteria fields blank.

**Pay Workers and Third Parties in the Same TRU Using Separate Payment Sources**

You currently pay everyone in your TRU using Payment Source A. Your company recently employed a private consultant, Jon Moore, from a third-party auditing company. A new company requirement states that payments must come from a new payment source, Payment Source B. You create John as a third-party person payee. In your organization payment method, you add the Payment Source B as the payment source and a new payment method rule. In the payment method rule, you select the Third-Party Payment check box, John’s name as the third-party person to pay, and Payment Source B.

**Pay Workers in a Specified Department Using a Separate Payment Source**

You want to pay employees in the Sales and Development departments using different payment sources. You create a payment method rule for each department, enter the department name in the Payment Criteria field, select the TRU and payment source.
This scenario has the following prerequisites:

- An information element exists named Default Payer with an input value named Payment Criteria.
- A formula exists that retrieves department names and the assignment IDs of the employees associated with them.
- The processing rules in the Default Payer element refer to the formula. The result rules target field is set to Payment Criteria. The returned field is set to the value specified in the formula.

Setting Up Payment Sources in Organization Payment Methods: Worked Example

This example demonstrates how to set up payment sources when creating organization payment methods for payroll processing. You set up payment sources on the Manage Organization Payment Methods page.

In this example, the InFusion Canada company pays its workers by Direct Deposit payments. The company sets payment rules to pay from two different banks based on tax reporting unit (TRU). The following table summarizes the key decisions for this scenario.

<table>
<thead>
<tr>
<th>Decisions to Consider</th>
<th>In This Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>How many organization payment methods do you need?</td>
<td>One method to pay by Direct Deposit in Canadian dollars.</td>
</tr>
<tr>
<td>How many payment sources do you need?</td>
<td>Three. One default payment source for Canada, one source for payments in Ontario, and one source for payments in Quebec.</td>
</tr>
<tr>
<td>How many bank accounts do you need?</td>
<td>Three. One for each payment source.</td>
</tr>
<tr>
<td>What payment method rules do you need?</td>
<td>Rules for bank accounts used as payment sources based on TRU.</td>
</tr>
<tr>
<td>Is notification required to alert the source financial institution before processing EFT payments?</td>
<td>Yes. Ten days before Direct Deposit payments.</td>
</tr>
</tbody>
</table>

Summary of Tasks

This worked example includes details for the following tasks you perform when creating organization payment methods:

1. Creating the basic details
2. Adding Direct Deposit file information
3. Setting up payment sources
4. Creating payment rules

Prerequisites

This worked example assumes that the following tasks are complete:

1. The primary ledger is set up in Oracle Fusion General Ledger.
2. The banks, branches, and account information to use as the payment sources are set up in Oracle Fusion Cash Management.
3. The legal entity associated with the legislative data group is assigned to a general ledger.
4. TRUs are set up.

Creating the Basic Details
1. In the Payment Distribution work area, click Manage Organization Payment Methods.
2. In the Search Results section, click Create.
3. Select the legislative data group, for example, Canada LDG.
4. Select the date when you want this payment method to be available for use, and then click Continue.

Tip: Select a date that is on or before the effective date of the payroll definition or other objects that use this payment method.

5. In the Basic Details section, complete the fields as shown in this table and then click Save.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Payroll Direct Deposit Canada</td>
</tr>
<tr>
<td>Payment Type</td>
<td>Direct Deposit</td>
</tr>
<tr>
<td>Currency</td>
<td>Canadian Dollar</td>
</tr>
</tbody>
</table>

6. Click Save.

Adding the Direct Deposit Information
When you select the Direct Deposit payment type, you can enter the Direct Deposit information at the following levels:

- Organization payment method level
- Payment source level
- Both levels

Note: Direct Deposit information entered at the payment source level takes priority over information entered at the organization payment method level.

Perform the following steps three times to create each payment source.

1. In the Payment Sources section under Payment Source Information, click Create.
2. On the Create Payment Source page, complete the fields in order, as shown in this table, and then click Continue.

<table>
<thead>
<tr>
<th>Field</th>
<th>Canada Value</th>
<th>Ontario Value</th>
<th>Quebec Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Payroll Direct Deposit Source CA</td>
<td>Payroll Direct Deposit Source ON</td>
<td>Payroll Direct Deposit Source QC</td>
</tr>
<tr>
<td>Bank Account Name</td>
<td>National Bank of Canada</td>
<td>National Bank, Ontario</td>
<td>National Bank, Quebec</td>
</tr>
<tr>
<td>Bank Reference</td>
<td>123456789</td>
<td>234567890</td>
<td>345678901</td>
</tr>
<tr>
<td>Company Reference</td>
<td>456789012</td>
<td>567890123</td>
<td>678901234</td>
</tr>
</tbody>
</table>
Tip: Keep your payment source names unique and as specific as possible for each scenario. This naming convention helps when managing complicated combinations of organization payment methods and payment rules.

Creating Payment Rules

1. In the Payment Method Rules section, for Payroll Direct Deposit Source CA, ensure that the default setting is Yes.
2. In the same section, click Create and select the values shown in this table to create two payment rules that map a payment source to a TRU.

<table>
<thead>
<tr>
<th>Field</th>
<th>Ontario Value</th>
<th>Quebec Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Default</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Tax Reporting Unit</td>
<td>Ontario TRU</td>
<td>Quebec TRU</td>
</tr>
<tr>
<td>Payment Source</td>
<td>Payroll Direct Deposit Source ON</td>
<td>Payroll Direct Deposit Source QC</td>
</tr>
</tbody>
</table>

3. Click Submit.

Deriving Payment Sources by Department: Worked Example

You can use payment criteria to set up rules that derive payment sources within a single tax reporting unit (TRU). The prepayments process identifies the source bank information using the employee’s TRU and any additional payment criteria that you define. This example uses department, but you can use other criteria, such as business unit.

The tasks to complete this setup are Manage Organization Payment Method, Manage Elements, and Manage Fast Formulas. The key steps in this example are:

1. Define the payment rules in the organization payment method.
2. Create the formula to get department names from HR.
3. Create the formula that calls the department names formula to get employee department by Assignment ID.
4. Create the Default Payer information element.

In this example, the enterprise wants to pay employees in the Sales and Development departments from separate payment sources. You create an element to pass the department name as a run result value.

Defining Payment Rules

1. On the Manage Organization Payment Method page, in the Payment Sources section, create the payment sources to use in the payment rules, if they don’t already exist.
2. In the Payment Method Rules section, add one payment rule for each department, as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Development Department</th>
<th>Sales Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Reporting Unit</td>
<td>TRU 1</td>
<td>TRU 1</td>
</tr>
<tr>
<td>Payment Criteria</td>
<td>Development</td>
<td>Sales</td>
</tr>
</tbody>
</table>
Creating the Department Formula

Use the following steps to create the formula that retrieves the database items from HR for department names.

1. On the Manage Fast Formulas page, create the formula with values as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formula Name</td>
<td>XX_Employee_Department</td>
</tr>
<tr>
<td>Formula Type</td>
<td>Payroll Access to HR</td>
</tr>
<tr>
<td>Description</td>
<td>Formula to return the department of an employee</td>
</tr>
<tr>
<td>Effective Date</td>
<td>01/01/1951</td>
</tr>
</tbody>
</table>

Note: Enter the same date used to create elements during implementation.

2. In the Formula Text section, enter the following content:
   
   Default for PER_ASG_ORG_DEPARTMENT_NAME is ''
   l_dept_output = PER_ASG_ORG_DEPARTMENT_NAME
   Return l_dept_output

3. Click Submit.
4. Click Compile.

Creating the Payment Criteria Formula

Use the following steps to create the formula that retrieves the departments for employees to use as payment criteria values.

1. On the Manage Fast Formulas page, create the formula with values as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formula Name</td>
<td>XX_Default_Payer_Payment_Criteria</td>
</tr>
<tr>
<td>Formula Type</td>
<td>Oracle Payroll</td>
</tr>
<tr>
<td>Description</td>
<td>Formula to use the returned Department database item as Payment Criteria input for Default Payer element.</td>
</tr>
<tr>
<td>Effective Date</td>
<td>01/01/1951</td>
</tr>
</tbody>
</table>

Note: Enter the same date used to create elements during implementation.
2. In the **Formula Text** section, enter the following content:

```sql
Default for ASG_HR_ASG_ID is 0
SET_INPUT('HR_ASSIGNMENT_ID', ASG_HR_ASG_ID)
EXECUTE('XX_Employee_Department') /* Formula to retrieve the
Employee Department. */
Emp_Dept = GET_OUTPUT('l_dept_output','Null')
Return Emp_Dept
```

3. Click **Submit**.
4. Click **Compile**.

---

### Creating the Default Payer Element

Perform the following steps to create the Default Payer element with the Payment Criteria input value, and automatic element eligibility.

1. On the Manage Elements page, create an element using the Information primary classification and the values shown in this table, and then submit your changes.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Default Payer</td>
</tr>
<tr>
<td>Reporting Name</td>
<td>Default Payer</td>
</tr>
<tr>
<td>Effective Date</td>
<td>01/01/1951</td>
</tr>
</tbody>
</table>

*Note:* Enter the same date used to create other elements during implementation.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the earliest entry date for this element?</td>
<td>First Standard Earnings Date</td>
</tr>
<tr>
<td>What is the latest entry date for this element?</td>
<td>Last Standard Process Date</td>
</tr>
</tbody>
</table>

2. Edit the new element to create an input value named Payment Criteria as follows:
   a. In the Element Overview section, click **Input Values**, and then select **Create Input Values** from the Actions menu.
   b. Enter values as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Payment Criteria</td>
</tr>
<tr>
<td>Display Sequence</td>
<td>10</td>
</tr>
<tr>
<td>Unit of Measure</td>
<td>Character</td>
</tr>
</tbody>
</table>
c. Click Save.

3. Edit the new element to create element eligibility that is set to automatic entry as follows:
   a. In the Element Overview section, click Element Eligibility, and then select Create Element Eligibility from the Actions menu.
   b. In the Element Eligibility Name field, enter Payment Criteria Element Eligibility.
   c. Select Automatic entry.
   d. Click Save.

4. Edit the new element to create processing rules as follows:
   a. In the Element Overview section, click Status Processing Rules, and then select Create Status Processing Rules from the Actions menu.
   b. In the Formula Name field, select XX_Default_Payer_Payment_Criteria.
   c. In the Result Rules section, add a row using the values in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Result Returned</td>
<td>EMP_DEPT</td>
</tr>
<tr>
<td>Result Rule</td>
<td>Direct Result</td>
</tr>
<tr>
<td>Target Input Value</td>
<td>Payment Criteria</td>
</tr>
</tbody>
</table>

d. Click Submit.

Personal Payment Methods

Considerations When You Create Accounts

Banks, branches and accounts fit together on the premise of the Bank Account model. The Bank Account model enables you to define and keep track of all bank accounts in one place.

The Bank Account Model can explicitly grant account access to multiple business units, functions, and users. Consider the following when you set up bank accounts:

- Assign a unique general ledger cash account to each account, and use it to record all cash transactions for the account. This facilitates book to bank reconciliation.
- Grant bank account security. Bank account security consists of bank account use security, bank account access security, and user and role security.

Account Use

Account Use refers to accounts created for:

- Oracle Fusion Payables
- Oracle Fusion Receivables
- Oracle Fusion Payroll

Select the appropriate use or uses when creating an account in one or more of these applications.
Account Access
Payables and Receivables account access is secured by business unit. Before the bank account is ready for use by Payables or Receivables, you must:

1. Select the appropriate use for the application.
2. Grant access to one or more business units.

Note: You can only assign access to the business units that use the same ledger as the bank accounts owning the legal entity.

User and Role Security
You can further secure the bank account so that it can only be used by certain users and roles. The default value for secure bank account by users and roles is No. For Payables and Receivables, you must have the proper business unit assigned to access a bank account even if the secure bank account by users and roles is No. If the secure bank account by users and roles is set to Yes, you must be named or carry a role assigned to the bank account to use it.

- You must assign the security duty role Cash Management Administration to the Cash Manager job role to provide access for setting up banks, branches, and accounts. You must have the assigned Manage Bank Account Security privilege to modify the User and Role Security.
- If you want to restrict the access to the Security tab, you must create a customized role and remove the privilege Manage Bank Account Security. For example, you would copy the Cash Management Administration duty role, rename it, and remove the privilege.

Bank, Branch, and Account Components: How They Work Together
Banks, branches, and accounts fit together on the premise of the Bank Account model.

The model enables you to define and keep track of all bank accounts in one place and explicitly grant account access to:

- multiple business units
- functions
- users

This eliminates the redundant duplicate bank account setup in different business units when these business units share the same bank account.

Banks
Creating a bank is the first step in the bank account creation. You can:

- Search for existing banks to view and update
- Create a new bank from an existing party

Consider the following:

- The option to create from an existing party is implicitly implemented by the matching option.
- The option is available only after the existing party has been found with the same bank.
- If you select the matching option, the page repopulates the information from the matched party.
Branches

Once you have created your bank, the next step is creating a branch or branches associated to the bank. The matching option is also available when creating branches. To create a new branch without using the matching option, manually enter the required information. You can also define other branch-related attributes in the same page.

If you don’t use the matching option when an existing party is found, a branch with the same party name is created.

Accounts

The four areas associated with defining an account are:

- General information
- Control of the account
- Security and access to the account
- Business unit assignment

Once the bank and branch are created, proceed to the bank account setup by doing the following:

- Select the bank branch you want to associate to your bank account.
- Assign the owner of the bank account.

\[\text{Note:}\] To create a bank account for Payables or Receivables, add the Business Unit Access first for the business units to use the bank account.

Consider the following:

- The Oracle Fusion Account Payables or Receivables accounts are identified by the business unit.
- The Oracle Fusion Payroll accounts are identified by the legal entity.
- The program, Inactivates Banks and Bank Branches allows you to inactivate all banks and bank branches that have no active internal and external bank accounts.

Related Topics

- Reconciliation Matching Rules: Explained

Entering Bank Information for Personal Payment Methods: Critical Choices

You can enter bank, branch, and bank account information centrally as part of implementation, or you can let employees add their own bank information. You can share this information across multiple applications for different purposes.

The following table summarizes several approaches for creating bank information for employees.

<table>
<thead>
<tr>
<th>Approach</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manage Banks page and Manage Bank Branches page</td>
<td>View, create, or edit banks and branches centrally for outgoing payments or receiving payments</td>
</tr>
</tbody>
</table>
Controlling Who Can Manage Banks and Branches

The following table shows the roles that are typically involved in managing bank information, what actions they can take by default, and which pages they use.

<table>
<thead>
<tr>
<th>Role</th>
<th>Can Create Banks and Branches?</th>
<th>Can Create Employee Bank Account Details?</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Manager</td>
<td>Yes</td>
<td>No</td>
<td>Manage Banks page and Manage Bank Branches page.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Offerings: Workforce Deployment</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Functional Area: Payroll</td>
</tr>
<tr>
<td>Payroll Administrator</td>
<td>Depends on duty role or profile option</td>
<td>Yes</td>
<td>Manage Personal Payment Methods page, Payment Distribution work area</td>
</tr>
<tr>
<td>Payroll Interface Coordinator</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll Manager</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee</td>
<td>Depends on duty role or profile option</td>
<td>Yes</td>
<td>Manage Payment Methods page, Portrait</td>
</tr>
</tbody>
</table>

You can use a profile option to control access to create bank and branch data. On the Manage Cash Management Profile Options page, set the Use Existing Banks and Branches profile option to either Yes or No.

- If you set it to Yes, you can load bank and branch data so that administrators and employees select bank details from a list of values on the Create Personal Payment Method page.
- If you set it to No (default setting), you can’t load any bank details. Administrators and employees enter their bank and branch details as free text.

Related Topics

- Payroll User Interface Configuration Formula Type

Account Number Masking in Payroll Reports: How it Works

To prevent display of sensitive bank account information on some payroll reports, the application provides you the option of masking or encrypting the information.
The following payroll reports display bank account information:

- Payslips
- Payment Register
- Third-Party Payment Register

Masking involves displaying only a few specific characters of the account number or IBAN number, usually characters at the start or end of the number. The remaining characters are obfuscated and you cannot see them on the reports. For example, a customer may want to display only the last 4 characters of the account number. In such cases, an account number ABC123456 displays as XXXXX3456 in reports and UIs that support masked account numbers.

Encryption requires a secure key for decoding the encrypted account number and IBAN number through an API. The application displays the truncated account or IBAN number when the encryption is turned on and the full, clear number when the encryption is turned off.

**Settings that Affect Account Number Masking**

The application stores the bank account number and IBAN number information in the tables as follows:

- Original column that stores the visible unmasked portion of the numbers.
- Masked column that stores the masked numbers. When masking is not enabled, these columns store the full numbers.
- Secured column that stores the encrypted numbers and requires a secure key to retrieve the data.

The following table shows how the bank account numbers are stored in the tables depending on how you configure masking and encryption.

<table>
<thead>
<tr>
<th>Actual Account Number</th>
<th>Configuration - Masking</th>
<th>Configuration - Encryption</th>
<th>Original Column</th>
<th>Masked Column</th>
<th>Secured Column</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABC123456</td>
<td>No</td>
<td>No</td>
<td>ABC123456</td>
<td>ABC123456</td>
<td>ABC123456</td>
</tr>
<tr>
<td>ABC123456</td>
<td>Yes</td>
<td>No</td>
<td>ABC123456</td>
<td>XXXXX3456</td>
<td>ABC123456</td>
</tr>
<tr>
<td>ABC123456</td>
<td>Yes</td>
<td>Yes</td>
<td>3456</td>
<td>XXXXX3456</td>
<td>ABC123456</td>
</tr>
</tbody>
</table>

**Note:** The above table assumes that the masking setup displays only the last four characters of the bank account number.

- The first row in the table shows the default settings where both masking and encryption is turned off. The original full number is stored in all the three columns.
- The second row in the table depicts a scenario where masking is turned on but encryption is turned off. In this case the masked column displays only the last four characters of the account number.
- The third row depicts a scenario where both masking and encryption is turned on. In this case the original column contains the truncated four-digit account number. You need the secure key to retrieve the full account number from the secured column.

When you turn on encryption, the unsecured account number and IBAN columns only shows the visible characters as defined by masking. This means that to turn on encryption, you must turn on masking. However, you can turn on masking without turning on encryption.
How Account Number Masking Works

Use the new **Extract Unmasked Bank Information** (ORA_PAY_UNMASKED_ACCOUNT_INFO) process configuration parameter to display either the masked or full numbers in the reports. This new parameter ensures:

- Consistency across the three reports
- Control how you display the numbers on the reports

The following figure shows how account number masking happens for the three reports.

The above figure shows the following:

- The first stream layer shows the table columns that store the account number information.
- The second stream layer shows the XML tags and process configuration groups.
- The third stream layer shows the RTF fields shown on the report template.

As explained in the previous section, the application stores the account number information in three separate columns. The new **ORA_PAY_UNMASKED_ACCOUNT_INFO** process configuration parameter controls the **MASKED_ACCOUNT_NUM** tag to display:

- The masked account number when the process configuration parameter is by default or set to No, or
- The clear or full account number when the process configuration parameter is set to Yes.

For example, if you mail a copy of the Third-Party Payment Register to the payee, you may want to mask the sensitive bank account information. If the same report is shared securely within the Payroll Department to verify the bank account details, you may run the report with the process configuration parameter set to Yes.

All the three reports use the **MASKED_ACCOUNT_NUM** XML field to display the Account Number.
You can use the **BANK_ACCOUNT_NUM** field if you use an older copy of the three reports. If you do so and you have turned on encryption, you can use the **ORA_PAY_DECRYPTED_ACCOUNT_INFO** parameter to switch between a clear and truncated number.

**Related Topics**
- Options for System Security
- Enable Encryption of Sensitive Payment Information

**Third-Party Payment Methods**

**Creating Third Parties: Points to Consider**

You create third parties to process payments to external organizations and people who aren’t on the payroll. Use the Manage Third Parties task in the Payment Distribution work area or the Batch Loader task in the Payroll Administration, Data Exchange, or Checklist work area to create third-party organizations for payments, such as pension providers or professional bodies, or third-party organizations, such as disability organizations. During the creation, third party persons and organizations are also defined as trading community members in the Trading Community Architecture (TCA), allowing use in other products.

The following figure illustrates the steps to create third parties.
Party Usage Codes
Creating third parties on the Manage Third Parties page creates corresponding records for them as trading community members. For third-party persons, the application automatically assigns a party usage code of External Payee. For third-party organizations, you assign a party usage code.

The following table describes the party usage codes for third-party organizations.

<table>
<thead>
<tr>
<th>Party Usage Code</th>
<th>Use For</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>External Payee</td>
<td>Organizations that can be associated with employee calculation cards or element entries. Use this party usage code for organizations when the others don’t apply.</td>
<td>State Disbursement Unit for child support payments</td>
</tr>
<tr>
<td>Payment Issuing Authority</td>
<td>Organizations responsible for issuing instructions for involuntary deductions, such as a tax levy or bankruptcy payment order. Payment issuing authorities don’t receive payments.</td>
<td>Court, agency, or government official</td>
</tr>
<tr>
<td>Pension Provider</td>
<td>Organizations that provide pension administration for employee pension deductions.</td>
<td>Stock broker, investment company, benefit administrator, labor union</td>
</tr>
<tr>
<td>Professional Body</td>
<td>Organizations entrusted with maintaining oversight of the legitimate practice of a professional occupation.</td>
<td>The American Society for Mechanical Engineers in the US</td>
</tr>
<tr>
<td>Bargaining Association</td>
<td>Organizations that represent employees in negotiations. Bargaining associations associated with trade unions may receive payments for union fees deducted from an employee’s pay.</td>
<td>The Air Line Pilots Association International (ALPA) in Canada and the US</td>
</tr>
<tr>
<td>Disability Organization</td>
<td>Organizations that are authorized to make disability assessments. Disability organizations don’t receive payments.</td>
<td>The Royal National Institute of Blind People in the UK</td>
</tr>
</tbody>
</table>

Related Topics
- Creating Third-Party Payment Methods: Procedure

Third-Party Rollup Payments
A third-party payment is a payment you make to organizations. The organization could be a court, labour union, or a pension provider, or persons not on the payroll.

Before you run the Third-Party Payments Register process to view third-party payment details, complete the following tasks:
1. Calculate and verify prepayments
2. Run the Third-Party Payments Rollup process
3. Generate the payments
The Run Third-Party Payments Rollup process is optional. Use this process to consolidate multiple payments made to a third party and generate a single payment.

Submit the Run Third-Party Payment Register task from the Payroll Checklist or Payment Distribution work areas.

Understanding Third-Party Rollup Payments
A union can have several of its members belonging to the same employer. An employee can have multiple deductions made to the same third-party payee, such as multiple child support orders.

Rather than make individual payments for each individual employee deduction, you can roll up the multiple payments into a single payment. Use the Third-Party Payments Rollup process to combine the individual employee deductions and pay the union through a single payment instrument. Additionally, you can generate the third-party payments register and provide the third-party payee employee and deduction details.

Excluding Third-Party Payment Methods
You may want to exclude specific third parties from the Third-Party Rollup process because they may want an individual cheque per payment. For example, the UK requires that deduction from earnings orders, such as child maintenance payments, be sent as separate transactions.

Select the Exclude from Third-Party Rollup Process check box on the Manage Third-Party Payment Methods page to exclude a third-party payee from the Third-Party Rollup process. Use the Manage Third-Party Payment Methods task in the Payment Distribution work area to access this page.

Generate the third-party payments register to view the individual payments made.

Reporting Third-Party Rollup Payments
Run the Third-Party Payments Register process to generate and view the following:

- List of individual third-party payments and the corresponding employee deduction information
- List of all rollup payments and deduction information of employees who share the same rollup payments
- Consolidated total of each rollup payment
- Payments made to each individual payee
- Consolidated total of multiple deduction payments of each employee
- Component name and component reference of involuntary deductions stored on the calculation cards
- Element name of voluntary deductions

Generating Employee and Third-Party Cheque Payments
Use the Generate Employee and Third-Party Cheque Payments task from the Payment Distribution work area to generate cheque payments. The process selects employees and third parties who:

- Are processed in the prepayments process for a given payroll
- Have a payment method of cheque

Before you generate the cheque payments, you must consider the following:

- An employer can have multiple employee deductions made to the same third-party payee, such as multiple child support orders. Rather than make individual payments for each individual employee deduction, use the Third-Party Payments Rollup process to combine individual employee deductions and make a single payment.
• Run this process to generate your cheques for employees and then run the process again to generate cheques for your third parties. Use the Payee field while running this process to select the appropriate payee.

• You may want to exclude specific third parties from the Third-Party Rollup process because they may want an individual cheque per payment. Select the Exclude from Third-Party Rollup Process check box on the Manage Third-Party Payment Methods page to exclude a third-party payee from the Third-Party Rollup process.

• A third-party payee may want the payments on a date that is different from the employee payment date. For example, you may want to make employee payroll payments on the last day of the month, whereas, make third-party payments five days later. Use the Manage Time Definitions task and create a time definition to define a time span of five days. Select this time definition in the Time Definition field on the Manage Third-Party Payment Methods UI. Enter the relevant process dates, and run the prepayments process, for example, with a process date of 30, June. This stamps the effective employee payments date as 30, June and the third-party payments date as 05, July. The payments process runs twice:
  o Once for the employees with a process end date of 30, June
  o Once for the third parties with a process end date of 05 July and an overriding payment date of 05 July

• Different banks can have different cheque templates. To accommodate this requirement, you must first create a report category for each separate bank and cheque template. Select the created report category for the requisite bank’s payment source so that the process uses the correct cheque template to generate the cheque payments. Use the Manage Organization Payment Methods task in the Payment Distribution work area to define the payment source for third-party payments. Attach the correct report category for that payment source. Use the Report Category for Third-Party Payee or Report Category for Worker field in the Payee Information section of the Create Payment Source page.

Generating Employee and Third-Party Cheque Payments: Procedure

The Generate Employee and Third-Party Cheque Payments task selects employees and third parties who:

• Are processed in the prepayments process for a given payroll
• Have a payment method of cheque

Payroll Managers and Payroll Administrators can run this process from the Payment Distribution work area.

Prerequisites

The prerequisite tasks for the Generate Employee and Third-Party Cheque Payments task include:

• Create the third party and the third party payment method, and associate a deduction from the employee to pay the third party.
• Add an organization payment method (OPM), including a payment source (the bank details should already be set up).
• Add a payroll definition, including a default payment method of Cheque, and all valid payment methods.
• Attach a payroll to the employee.
• Attach element entries to the employee.
• Calculate payroll.
• Run the Prepayments process to calculate the distribution of net pay.
• Run the Payroll Archive process to archive the earnings, deductions, tax calculation details, accruals, payment methods, and so on.
Generating the Employee and Third-Party Payments
Run this process to generate cheques for your employees and then run the process again to generate cheques for your third parties. To run the process:

1. Open the Payment Distribution work area, and click **Submit a Process or Report** from the Tasks pane.
2. Select the required legislative data group.
3. Select the **Generate Employee and Third-Party Cheque Payments** task, and click **Next**.
4. Enter a unique payroll flow name.

> **Note:** Name the flow so you can easily identify the process later. This is helpful while searching, so you can determine what you have already run or if you must roll back any process.

5. Specify the required payroll name.
6. Select the payee type for which the cheque payment process is run. The available options are Employee or Third Party. You can generate the cheque payments for either employees or third parties.
7. Enter a Process Start Date to define the date range of this process.
8. Enter a Process End Date to define the date range of this process.
9. Select the required consolidation group to view the payments for all payrolls that are included in this consolidation group. A consolidation group defines a grouping of different payrolls for reporting purposes. This is not a mandatory field. If you don’t select a value, the process uses the default consolidation group assigned to the payroll.
10. Select the OPM you want to use for this process. The value you select determines the payment source to make the payments. There could be multiple payment sources in the OPM.
11. Select the payment source to process for the above payment method. This parameter is optional. If you have defined attributes, such as a payment file limit or report category, at the payment source level, you should enter the payment source. When you enter the payment source, the defined attributes are applied.

> **Note:** You can have different payment sources (bank accounts), with different banks, which have different cheque templates. You must then run the cheque process for each payment source and each set of payees. Select the correct payment source so that the correct stationary is used for the payments.

To accommodate this requirement, you must first create a report category for each separate bank and cheque template. Attach the created report category to the appropriate bank’s payment source so that the correct cheque template is used to generate the cheque payments.

12. Optionally, specify an **Overriding Payment Date** on which a payment is due to be made to the payee.
13. Specify the **Start Cheque Number** in the sequence of cheques used for payroll processing.
14. Specify the **End Cheque Number** in the sequence of cheques used for payroll processing.
15. Select a **Process Configuration Group** if available. Use a process configuration group to set rules for payroll processes, such as passwords or number of threads. If you don’t select a process configuration group, the process uses the parameters in the default group.
16. Click **Next**.
17. Click **Submit**.

Direct Deposits
Direct Deposit Configuration

Direct deposit refers to the electronic transfer of an employee’s net pay directly into the accounts designated by the employee. For employees who have requested direct deposit payments, Oracle Fusion HCM for Canada generates a direct deposit file. The direct deposit file contains the details of the net pay distribution for each employee deposit. Financial institutions use the details in the file for processing and distributing the payments.

The CPA Standard 005 electronic file format is the format that is used for direct deposit transactions.

Before you generate the direct deposit file, you must complete the following:

- Set up the financial institutions
- Set up employer account information and organization payment methods
- Set up employee account information

Setting Up Financial Institutions

Use the Manage Banks task in FSM to set up the financial institutions, branches, and account information for the organization. Before you enter the employees direct deposit account information, you must set up the financial institutions and branches that your employees use.

When defining the bank account information, Oracle recommends that you enter the transit number in the Account Name field. The transit number is required for recalls and it appears on the Core Payment Register Report.

Setting Up Employer Account Information and Organization Payment Method

Use the Manage Organization Payment Methods task in the Payment Distribution work area to set up employer account information and organization payment methods. On the Create Organization Payment Method page, enter the following information pertaining to your financial institution.

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment Type</td>
<td>Select Direct Deposit, the name for electronic transfer of funds directly into employee designated accounts.</td>
</tr>
<tr>
<td>Financial Institution</td>
<td>Name of financial institution sending or receiving the direct deposit orders.</td>
</tr>
<tr>
<td>Destination Data Centre Code</td>
<td>A unique six-digit code issued by the financial institution for identifying the destination data institution to which the file is delivered.</td>
</tr>
<tr>
<td>Originator ID</td>
<td>Ten-digit code issued by the financial institution. It identifies the originator of the transaction.</td>
</tr>
<tr>
<td>Originator Long Name</td>
<td>The long name of the originator of the transaction. It is a name agreed upon with your financial institution.</td>
</tr>
<tr>
<td>Originator Sundry Information</td>
<td>Used by the originator to further identify the transaction to the payee or payer.</td>
</tr>
<tr>
<td>Originator Short Name</td>
<td>Short name of the originator of the transaction. It is a name agreed upon with your financial institution.</td>
</tr>
<tr>
<td>Balancing entries</td>
<td>If you select Yes, the balance debits offset the credits in the direct deposit.</td>
</tr>
</tbody>
</table>
### Field

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaction Limit</td>
<td>Maximum amount of money allowed on a single direct deposit transaction.</td>
</tr>
<tr>
<td>Payment Limit</td>
<td>Maximum amount of money allowed on a single direct deposit file.</td>
</tr>
<tr>
<td>Transaction Type</td>
<td>Used by the originator to identify the type of payment, and it enables the processing Direct Clearer to further identify the payment to the customer.</td>
</tr>
<tr>
<td>Return Institution ID</td>
<td>Routing information of the institution branch or office to which items are returned. It is a nine-digit number agreed upon with your financial institution. The format is N NNN NNNNN (without spaces): first position is constant 0, second position is return institution number and the third position is return branch routing number.</td>
</tr>
<tr>
<td>Return Account Number</td>
<td>Account number for returns.</td>
</tr>
</tbody>
</table>

### Setting Up Employee Account Information

You must create a payroll definition that uses the Direct Deposit payment method and assign all employees to this payroll. Set up the direct deposit account information for each participating employee:

- If you have not enabled employee self-service, use the Manage Personal Payment Methods task in Person Management work area to enter employee’s direct deposit information.
- If you have enabled employee self-service, individual employees can provide their direct deposit account information using the Manage Personal Payment Methods task.

The first account you enter should be the default account. If you define a second personal payment method account, you can specify the deposit amount as percent of the total amount or a flat amount.

After you have set up the employer’s account information and the employee’s personal payment methods, the processing of direct deposits can occur. Prior to running the direct deposit process, you must complete the following three tasks:

- Calculate Payroll
- Calculate Prepayments
- Archive Periodic Payroll Results

### Reprocess Rejected Direct Deposit Payments

#### Overview

Use the Process Bank Corrections File flow pattern from the Payroll Checklist work area to reissue cheque payments against rejected Direct Deposit payments. A bank can reject a direct deposit payment because of:

- Incorrect bank account details
- Employee has closed their bank account without notifying the employer
The process of reissuing a cheque involves:

- End dating the employee’s personal payment method
- Inactivating the employee’s bank account. You must inactivate the invalid bank account so that it is not used for future payments.
- Voiding the payment and making an external payment against the rejected direct deposit payment.

Before you run the flow, you must first transform the information returned by the bank into the requisite Object Group HCM Data Loader file format. You must provide a unique name in the **Object Group Name** field each time you create an HCM Data Loader file. You must then load the Object Group HCM Data Loader file into the Oracle Web Center Content server.

The Process Bank Corrections File flow pattern includes the following payroll tasks:

1. **Upload Bank Corrections File** task stores the information entered in the Object Group HCM Data Loader file into the object group table. The bank information is stored in the object group table, under the ‘Process Information Group’ object group type in the payroll application.
2. **Update Personal Payment Methods** task determines, through built-in logic, whether the personal payment method needs end dating or updating. The logic is as follows:
   - If there is a value in the **Replacement Bank Number**, the **Replacement Account Number**, or the **Replacement Account Type** field, then the process updates the Personal Payment Method.
   - If any of the above mentioned fields is blank, then the process end dates the Personal Payment Method.

This task uses the Payment Reference number to identify the Personal Payment Method that is linked to the bank account that has been identified as incorrect. It also inactivates the incorrect bank details to stop them being used in future payments.

**Note:** The flow task does not create a new Personal Payment Method. You must create one manually.

3. **Void Payments** task marks the original payments as void.
4. **Make External Payments** task runs the external payment process to ensure that the payments voided in the previous task are paid externally.
5. **Generate Cheque Payments** task runs the HCM Extract Report to retrieve the cheque number and other information from the external payment record to produce the report output. The delivered HCM Extract Report has a built-in logic to generate the cheque number, if not available.

Steps 3–5 only run if you have to reissue an external cheque for a rejected payment.

**Note:** You can use the delivered default cheque template or configure the template to include additional attributes such as a company logo.

Since a payslip is already issued, this flow does not generate the payslip.

### Object Group HCM Data Loader Files for Bank Reprocessing

Before you run the Process Bank Corrections File flow, you must use the HCM Data Loader to load the information returned by the bank. The bank returns a file containing details of the payments that are rejected. You must transform this information returned by the bank into the HCM Data Loader .dat file formats required by the Object Group HCM Data Loader.

You must provide a unique name in the **Object Group Name** field each time you create an HCM Data Loader .dat file. You must then load the Object Group HCM Data Loader file into the Oracle Web Center Content server.
The bank information is stored in the Object Group table, under the Process Information Group Object Group Type. Use the Object Group UI and the name given in the Object Group HCM Data Loader file to view the information loaded by the ObjectGroup.dat and ObjectGroupStore.dat files, as part of the Process Bank Corrections Flow.

When you load the ObjectGroupStore.dat file into the Oracle Web Center Content server, a UCM ID is generated. The Process Bank Corrections File flow uses the UCM ID to retrieve and use the bank information necessary for the flow.

**Loading Process Information Group Object Group**

Create and use the following HCM Data Loader .dat files to process the bank information by the HCM Data Loader.

- ObjectGroup.dat file to create the object group
- ObjectGroupStore.dat file to load the bank information returned by the bank

**ObjectGroup.dat File Format**

The table below lists the attributes for loading the ObjectGroup.dat file.

<table>
<thead>
<tr>
<th>HCM Data Loader Attribute</th>
<th>Required</th>
<th>User Interface Prompt</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ObjectGroupName</td>
<td>Yes</td>
<td>Name</td>
<td>The name of the object.</td>
</tr>
<tr>
<td>ObjectGroupCode</td>
<td>Yes</td>
<td>Does not appear on the UI.</td>
<td>The code of the object group.</td>
</tr>
<tr>
<td>LegislativeDataGroup</td>
<td>Yes</td>
<td>Legislative Data Group</td>
<td>THE NAME OF THE LEGISLATIVE DATA GROUP.</td>
</tr>
<tr>
<td>ObjectGroupTypeCode</td>
<td>Yes</td>
<td>The meaning of the code is displayed in the Type field.</td>
<td>The code of the object group type. The supported value for the process information group type is PROCINFO.</td>
</tr>
<tr>
<td>StartDate</td>
<td>Yes</td>
<td>Start Date</td>
<td>The start date of the object group.</td>
</tr>
<tr>
<td>EndDate</td>
<td>Yes</td>
<td>End Date</td>
<td>The end date of the object group.</td>
</tr>
</tbody>
</table>

**ObjectGroupStore.dat File Format**

The table below lists the attributes for loading the ObjectGroupStore.dat file.

<table>
<thead>
<tr>
<th>HCM Data Loader Attribute</th>
<th>Required</th>
<th>User Interface Prompt</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ObjectGroupCode</td>
<td>Does not appear on the UI.</td>
<td>The code of the object group.</td>
<td></td>
</tr>
<tr>
<td>LegislativeDataGroup</td>
<td>Legislative Data Group</td>
<td>THE NAME OF THE LEGISLATIVE DATA GROUP.</td>
<td></td>
</tr>
<tr>
<td>HCM Data Loader Attribute</td>
<td>Required</td>
<td>User Interface Prompt</td>
<td>Description</td>
</tr>
<tr>
<td>---------------------------</td>
<td>----------</td>
<td>----------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>SequenceNumber</td>
<td>Yes</td>
<td>Sequence</td>
<td>A unique identifier for a row of data in the object group store file.</td>
</tr>
<tr>
<td>assignmentNumber</td>
<td></td>
<td>Assignment Number</td>
<td>The assignment number of the employee whose payment is rejected, or whose bank information needs updating.</td>
</tr>
<tr>
<td>paymentDate</td>
<td></td>
<td>Payment Date</td>
<td>The original payment date of the rejected payment.</td>
</tr>
<tr>
<td>processDate</td>
<td></td>
<td>Process Date</td>
<td>This date overrides the process date entered in the flow. The date entered here is stamped against each process in the flow. It is the date the personal payment method is end dated and the payment is voided. Enter a value if you want one particular payment to have a different payment date to that of the payment date entered in the flow.</td>
</tr>
<tr>
<td>paymentReference</td>
<td>Yes</td>
<td>Payment Reference</td>
<td>A unique identifier for a specific payment line on the original NACHA file that was sent to the bank.</td>
</tr>
<tr>
<td>Amount</td>
<td></td>
<td>Amount</td>
<td>The original amount of the rejected payment.</td>
</tr>
<tr>
<td>chequeNumber</td>
<td></td>
<td>Cheque Number</td>
<td>The cheque number used in the External manual payment task and printed on the manual external payment cheque template.</td>
</tr>
<tr>
<td>replacementBranchNumber</td>
<td></td>
<td>Replacement Branch Number</td>
<td>Enter a value if the branch number (routing transit number) needs updating. If a value is entered in this column, it tells the process that the bank account associated to the personal payment method (PPM) used for payment needs updating.</td>
</tr>
<tr>
<td>replacementAccountType</td>
<td></td>
<td>Replacement Account Type</td>
<td>Enter a value if the employee's account type needs updating. If a value is entered in this column, it tells the process that the bank account associated to the PPM used for payment needs updating.</td>
</tr>
</tbody>
</table>
The Update Personal Payment Methods task within the flow determines, through built in logic, whether the personal payment method needs end dating or updating. The logic is as follows:

- If there is a value in the 'Replacement Branch Number' field, the 'Replacement Account Number' field or the 'Replacement Account Type' field, then the process updates the Personal Payment Method.
- If any of the above mentioned field is null then the process end dates the Personal Payment Method.

You can delete information loaded to the process information group object group type using the HCM Data Loader. You must take care when deleting the records, because you cannot recover the deleted records.

For more information on creating the HCM Data Loader .dat files and using the HCM Data Loader to upload data, refer to the HCM Data Loader User’s Guide on My Oracle Support.

### Configure Payslips and Cheques

#### Cheque Advice

The Cheque Advice feature generates both an advice and an actual cheque. The advice contains employee, employer and payroll details, as well as earnings and deductions information. These details are based on the balances, personal, and other information archived by the Payroll Archive process. The actual cheque is located at the bottom of the advice.

The Generate Cheque Payments process selects employees processed in the Payroll Archive for a given payroll and pay period, and who have a payment method of cheque.

You must run this process after the Calculate Payroll, Prepayments and Archive Periodic Payroll Results processes.
If the employee’s payroll relationship has multiple tax reporting units (TRUs) that are processed in the same payroll run, separate cheque advices are generated for each TRU. The separate advices are contained within one PDF document.

The cheque advice does not extend past one page. To accomplish this requirement, some details might be summarized if the output extends past one page.

**Frequently Asked Questions**

The following table lists frequently asked questions about this report.

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>How do I find this report?</td>
<td>In the Payment Checklist work area, select <strong>Submit a Process or Report</strong>. Specify a Canadian legislative data group, and select <strong>Generate Cheque Payments</strong>.</td>
</tr>
</tbody>
</table>
| Who uses this report?                         | • Payroll Administrator  
• Payroll Manager                                                                                                                      |
| When do I use this report?                    | Generate this report whenever you require printable copies of your employee payments made by cheque.                                      |
| What prompts can I use to narrow the results of this report? | Use the Payroll field to restrict the results to a specific payroll run.                                                                  |
| How do I share this report?                   | • Add to briefing book  
• Schedule an agent to run the report                                                                                                     |
| What tool do I use to edit this report?       | Oracle Business Intelligence Publisher                                                                                                                                 |

**Related Topics**

- How You Create and Edit Reports

**Setting the Translation for Payslip and Cheque Advice**

The employee’s correspondence language determines if the payslip and cheque advice are generated in English or Canadian French.

The attributes you can translate include:

- Balance Name
- Position Name
- Job Name
- Tax Reporting Unit Name
- Payroll Name
- Salary Basis Name

The following attributes are translated automatically:

- Cheque Net Pay in words
- Payroll Period Type
- Accrual Plan Category

⚠️ **Note:** To generate the output in Canadian French, a user with a language preference of English must run the payroll archiver. This is because the archiver needs to archive all balances in English as the default language.

The sections below show how you can set the user preferred language and the employee's correspondence language to Canadian French.

**Setting the User Preferred Language**

Before you translate the fields on a page to Canadian French, you must install the language pack and set the user preference to Canadian French. To set the user preferred language:

1. After you sign in to the application, use the drop-down list at the extreme right corner of the screen and select *Set Preferences*.
2. Select Canadian French for the Current Session and Display Name.
3. Click *Save*.

**Setting the Employee's Correspondence Language**

To set the employee's correspondence language:

1. Select *Person Management* under My Workforce in the Navigator.
2. Search for and select the person record for the employee you want to set the correspondence language to Canadian French.
3. Select *Manage Employment*.
4. On the Manage Person page, click Edit in the Biological Information section.
5. Select Canadian French as the Correspondence Language.
6. Click *Save*.

**Translating the Payslip and Cheque Advice Attributes: Examples**

Before you translate the attributes on a page to Canadian French, you must install the language pack and set the user preference to Canadian French.

The following scenarios illustrate how you can translate attributes on a page.

**Translating a Balance Name**

To translate a balance name:

1. Select *Manage Balance Definitions* in the Payroll Calculation work area.
2. Select a Canadian Legislative Data Group and click *Search*.
3. Select the Balance Name row.
4. Click *Edit*.
5. Edit the Balance Reporting Name.
6. Click *Submit*.

⚠️ **Note:** Predefined balances are translated by Oracle. You should only translate the names of balances defined by you.
Translating a Job Name
To translate a job name:

1. Select Go to Task for the Manage Job task in the implementation project task list.
2. Search for the Job Name you want to translate. Select the Job Name row.
3. Click Edit - Correct.
4. Edit the Job Name.
5. Click Submit.

Translating a Position Name
To translate a position name:

1. Select Go to Task for the Manage Positions task in the implementation project task list.
2. Search for the Position Name you want to translate. Select the Position Name row.
3. Click Edit - Correct.
4. Edit the Position Name.
5. Click Submit.

Translating a Tax Reporting Unit Name
To translate a tax reporting unit name:

1. Set the Scope for the Manage Legal Reporting Unit task in the implementation checklist.
2. Select Go to Task for the Manage Legal Reporting Unit task in the implementation project task list.
3. On the Manage Legal Reporting Unit page, edit the legal reporting unit name.
4. Click Submit.

Translating a Payroll Name
To translate a payroll name:

1. Select Go to Task for the Manage Payroll Definitions task in the implementation project task list.
2. Select the Legislative Data Group and the Effective As-of Date.
3. Click Search.
4. Search for the Payroll Name you want to translate.
5. Select the Payroll Name row.
6. Click Edit - Correct.
7. Edit the Reporting Name.
8. Click Submit.

Translating a Salary Basis Name
To translate a salary basis name:

1. Select Manage Salary Basis in the Compensation work area.
2. Search for the Salary Basis Name you want to translate.
3. Click Edit.
4. Edit the Salary Basis Name.
5. Click Submit.
Adding Text to Payslips and Cheques: Procedure

Configuring your cheques and payslips to display additional text requires the setup steps described in this topic. You can create element input values to store information, such as congratulatory messages and detailed earnings information, that you want displayed on cheques or payslips. You must create an information element with input values, add the input values to the Organization Information EFF flexfield, and modify the output template. Depending on your implementation, you also may require a new formula.

Summary of the setup steps:

1. Create the information element, its element eligibility, and the input values you want displayed.
2. If you need a formula to calculate the run results, perform the following steps:
   a. On the Manage Fast Formulas page, create a formula of type Oracle Payroll to return the values that you want to add.
   b. On the Manage Elements page, edit the information element to:
      • Create a status processing rule associated with your new formula.
      • Add formula result rules to return formula results to the element’s input values.
3. On the Manage Enterprise HCM Information page, in the Organization Information EFF section, add the information element and input values.

Note: The Organization Information EFF configuration is at the enterprise level. For each LDG for which you want to archive payroll information, you must add a separate row for the information element.

4. Create employee element entries, unless you selected the Automatic Entry option for the element.
5. After calculating the payroll and prepayments, run the Archive Periodic Payroll Results process.
6. Modify the cheque template or payslip template, as appropriate. Refer to the Report Designer’s Guide for Oracle Business Intelligence Publisher for more information.

FAQ for Payment Methods

How can I display employee work location and department on their payslip or cheque?

Define a cheque or payslip template to include the archived payroll information, including the employee’s work location and department details. Use this template in the BI Publisher Report and add the report to the Generate Cheque Payments or Generate Payslips flow. When you submit the flow, the flow output is automatically generated based on the template included in the BI Publisher Report.

Related Topics

• Add a BI Publisher Report to a Flow
15 Set Up Payroll Flow Patterns

Flow Patterns

Payroll Flows

A payroll pattern is a set of predefined tasks, such as processes, reports, and single tasks, grouped together in a predefined order. After you create a flow pattern, provide a unique name for the flow pattern, and submit the flow pattern. This instance of a flow pattern submission is referred to as a flow.

You can use a single task such as the Calculate Payroll or a series of multiple tasks to create the flow pattern. The tasks are grouped into activities such as extract reports and processes, or tasks that cover a phase of the payroll process. The tasks can be automatic or manual tasks.

Here's what you can do with a flow pattern.

- Determine the sequence of tasks to be executed.
- Define parameter binding rules so that you can enter parameters that are common across multiple tasks, such as dates, only once on submission. When you submit the flow, the parameter value is constant across all tasks within the flow.
- Use the checklist to monitor the status of tasks within the flow.

After you have submitted a flow pattern, here's what you can do with the flow.

- Schedule the tasks to run at a specified time or at regular intervals so that you can monitor the status of the tasks within a flow.
- Link one or more flows to create a process.
- Define a flow within a flow.
- Define a flow to execute multiple instances of a task within the flow.

Predefined Flow Patterns

Here are some payroll flow patterns that are automatically available to you:

- Expedited Payroll Flow
- Payroll Cycle
- QuickPay
- QuickPay and View SOE
- QuickPay Simplified
- Simplified Payroll Cycle

For example, use the Expedited Payroll Flow pattern to identify, calculate, and make expedited payments. The Expedited Payroll Flow pattern includes the following tasks:

1. Recalculate Payroll for Retroactive Changes
2. Calculate Payroll
3. Calculate Prepayments
4. Archive Periodic Payroll Results
5. Generate Check Payments
6. Make EFT Payments
7. Generate Payslips

You can also use stand-alone tasks, like the Generate Check Payments or the Run Payroll Register, that submit a single process or report. You can submit these flows as an individual task or include them within a flow to complete a process.

Configured Flow Patterns

Use the Manage Payroll Flow Patterns task or the Refine Extracts flow to create your own flow patterns or copy an existing flow pattern. Copy and modify an existing flow to add, delete, or reorder the list of tasks within the flow and create your own flow pattern.

Flow Pattern Parameters

Each task in a flow pattern supports task actions, such as submit, roll back, mark for retry, retry, and view. Task action parameters control how the application processes a task and how the task relates to other tasks in the flow pattern. Flow parameters are a subset of task action parameters. They supply the information required to successfully complete the tasks in the flow pattern.
The following figure shows the relationship of the tasks, task action parameters, and flow parameters in a flow pattern. Before you submit a flow, review and edit the task action parameters and the flow parameters for each task within the flow. Task action parameters control task interactions.

When you create a flow pattern, you review and edit the task parameters for the Submit and Initialize task actions. After submitting the flow pattern, you can edit the parameters for the remaining task actions, such as Mark for Retry, Retry, and Roll Back. The parameter details you can edit include:

- Display and display format
- Lookups and value sets
- Usage
- Sequence
- Parameter Basis and Basis Value

**Display and Display Format**
Display parameters control the format and availability of the flow parameter, as shown in the following table.
Oracle Human Resources Cloud
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Chapter 15
Set Up Payroll Flow Patterns

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Display</td>
<td>Determines whether the parameter displays when submitting the flow</td>
</tr>
<tr>
<td>Display Format</td>
<td>Identifies the type of data displayed, such as a date or text, or choice list</td>
</tr>
</tbody>
</table>

Display parameters work with other parameters, such as Parameter Basis and Basis Value. For example, most task action parameters don’t display the Request parameter because the application obtains the value for this parameter from the context.

**Lookups and Value Sets**

Use lookups and value sets for descriptive flexfields to control and validate the data used in the payroll flow pattern. The following table describes which parameter basis to use for the different methods for obtaining the lookup value.

<table>
<thead>
<tr>
<th>Lookup Value</th>
<th>Parameter Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entered when submitting a flow</td>
<td>Bind to Flow</td>
</tr>
<tr>
<td>Derived by the application from existing tables, such as the value for the payroll statutory unit</td>
<td>Bind to Flow Task or Context Binding</td>
</tr>
<tr>
<td>Derived by application from a Post SQL process</td>
<td>Post SQL Bind</td>
</tr>
</tbody>
</table>

**Usage**

A parameter can receive information (input) or generate information (output) that subsequent tasks can use. For example, for the Calculate Payroll task, the Payroll Process parameter for the Submit task action generates an output value for the payroll action ID. The Retry task action can use this payroll action ID.

The following table describes the typical settings for a parameter whose usage is output. For output usage parameters the parameter is not displayed and its value is derived using the parameter basis.

<table>
<thead>
<tr>
<th>Parameter Option</th>
<th>Setting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Display</td>
<td>No</td>
</tr>
</tbody>
</table>

Parameter Basis
- Bind to Flow, the application derives the value from the flow parameter and then updates the flow parameters table with the output value
- If you select no value, the output value results from the task’s output

**Sequence**

Control the order in which the application processes and displays the parameters by specifying the sequence. Sequence numbers provide default logic for the application to derive the order in which to process the parameters. For example, if you have two lookups and the values of the second lookup depends on the first lookup. You must set the first lookup to a lower sequence number than the second one.
Parameter Basis and Basis Value

The Parameter Basis controls how the application derives the value for the parameter. The Basis Value further specifies the value the application uses for the parameter.

Use the values listed in the following table to select parameter basis and values when you define payroll flows. The table provides examples when you might select them and describes how the values are assigned.

<table>
<thead>
<tr>
<th>Parameter Basis</th>
<th>Description</th>
<th>Basis Value Available</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use Specified Value</td>
<td>Assigns a specific value to the parameter.</td>
<td>Text is entered as constant or value entered by the person who submits the flow.</td>
<td>Specify a constant if the value is the same for all tasks, such as the payroll statutory unit.</td>
</tr>
<tr>
<td>Bind to Context</td>
<td>Derives the value from the context of the current flow instance or the task instance of the flow pattern.</td>
<td>Select flow, task, or the Request. The application automatically generates the parameter value.</td>
<td>If the task includes a Request parameter, bind it to the flow context. Tasks in the flow reference this task using the Request ID generated by the application.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Bind the legislative data group parameter to a task parameter that supplies the legislative data group.</td>
</tr>
<tr>
<td>Bind to Flow Parameter</td>
<td>Derives the value from one of the flow parameter values.</td>
<td>Application automatically derives the parameter value.</td>
<td>Bind a parameter to the flow that several tasks share to avoid multiple occurrences of the same parameter.</td>
</tr>
<tr>
<td>Bind to Flow Task Parameter</td>
<td>Binds the value to the output of the previous task.</td>
<td>Select a value from the previous task's parameters.</td>
<td>Bind a parameter to a task, such as Retry corrective action. When the flow owner resubmits the task to retry it, the application uses the output of the Submit task parameter.</td>
</tr>
<tr>
<td>Bind to Task Parameter</td>
<td>Resolves the value for the task parameter.</td>
<td>Select a value from the current task's parameters.</td>
<td>Bind a parameter to the task if several tasks share a parameter, such as a start date, but one task requires a different date.</td>
</tr>
<tr>
<td>No value specified</td>
<td>Stops the application from generating a parameter value when the task executes.</td>
<td>Application generates a blank value.</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Post SQL Bind</td>
<td>Calculates the parameter but doesn't display it on the user interface.</td>
<td>SQL statement calculates the parameter value.</td>
<td>Bind a parameter using the Post SQL bind to generate data.</td>
</tr>
</tbody>
</table>
### Create Flow Patterns

Use flow patterns to create flows that group tasks to complete your extract reports, processes, or payroll tasks. Build flow patterns from the delivered tasks, such as processes, reports, or task flows.

For example, use the delivered Expedited Payroll flow pattern to identify, calculate, and make expedited payments.

#### Build a Flow Pattern

Let's look at the steps to create a flow pattern.

1. Select the Manage Payroll Flow Patterns task in the Payroll Checklist work area or the Refine Extracts flow from the Data Exchange work area.
2. Create a new flow pattern or search for and select an existing flow pattern to copy.
3. Select a legislative data group (LDG).
4. Make these selections on the Basic information page.
   a. Select one of these **LDG Required** options.
      i. **Flow pattern available to all LDGs**
      ii. **Flow pattern restricted by LDG**
   b. Select a **Flow Status** option.
5. Select the activities and tasks to include in the flow pattern.
6. On the Tasks page, complete this information.
   o If necessary, rename the task and description, and change the activity or task group.
   
   For example, place all your reports in the Statutory activity and rename each verification task to include the report name.
   o Select a task owner.

---

### Parameter Basis

<table>
<thead>
<tr>
<th>Parameter Basis</th>
<th>Description</th>
<th>Basis Value Available</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>SQL Bind</td>
<td>Calculates and displays value on the user interface, prior to submission.</td>
<td>SQL statement calculates the parameter value and display it on the user interface, before submission.</td>
<td>For example, use SQL Bind to calculate the payment type parameter for the Generate Cheque Payment task. The application obtains the payment type ID for the cheque payment record. Use SQL Bind to prompt the task owner to enter a reason for a corrective action, such as a QuickPay.</td>
</tr>
</tbody>
</table>
7. On the Task Sequence page, review the task sequence and reorder, add or delete tasks, as required. All flow patterns begin with a Start task and conclude with an End task. Tasks are sequential but you can start processing more than one task concurrently. For example, you can run reports concurrently along with the process.
8. On the Parameters page, select the parameters to submit and complete the tasks in the flow pattern. Alternately, use the parameters as a basis for deriving values to submit the remaining tasks in the flow pattern.
9. On the Parameters page, select the parameters to submit and complete the tasks in the flow pattern. Alternately, use the parameters as a basis for deriving values to submit the remaining tasks in the flow pattern.
10. On the Task Parameters page, review and if necessary, update the parameters. For example, specify a constant if the value is the same for all tasks, such as the Process Configuration Group parameter.
11. Specify the duration dates on the Tasks page of the Manage Payroll Flow Patterns page. Optionally, offset the date by specifying a plus or minus value depending on whether the date falls before or after the duration date.
12. Use the Manage Payroll Flow Security Profile task in the Setup and Maintenance work area, to define a security profile for the flow pattern.
   The HCM data role security controls who can submit the flow pattern or view the resulting flow from the Payroll Dashboard or payroll work areas.
13. Review the resulting checklist.
14. Click **Save and Close**, or click **Submit**.

**Editing Flow Patterns: Examples**

Review the following scenarios to better understand how to edit flow patterns to meet the requirements of your enterprise. Use the Manage Payroll Flow Pattern task in the Payroll Checklist work area or the Refine Extracts task in the Data Exchange work area to edit the scenarios:

- Updating a parameter to use a specified value
- Supplying a reason for a corrective action
- Adding tasks and reordering the task sequence
- Automatically incrementing dates in a scheduled extract

**Updating a Parameter to Use a Specified Value**

Your payrolls use a single process configuration group named InFusion UK Consolidation Group. You want to specify a constant for the configuration group task action parameter and hide the parameter to avoid data entry mistakes. You perform the following steps.

1. Query the flow pattern you defined for the payroll cycle.
2. On the Parameters tab of the Manage Payroll Flow Pattern page, edit the Process Configuration Group parameter. You enter the values shown on the following table. The table lists the parameters you define to maintain a constant value for the Process Configuration Group task action parameter and avoid data entry mistakes.

<table>
<thead>
<tr>
<th>Parameter Detail</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Display</td>
<td>No</td>
</tr>
</tbody>
</table>
Supplying a Reason for a Corrective Action

Your enterprise typically issues electronic funds transfer payments. You defined a flow pattern to issue cheque payments and to verify them. You want to track the reason managers issue cheques, so you add a flow parameter to capture that information.

1. Query the payments flow pattern you defined.
2. On the Parameters tab of the Manage Payroll Flow Pattern page, Select and Add the Reason parameter to include the parameter as a flow submission parameter. Complete the details as shown in the following table.

<table>
<thead>
<tr>
<th>Parameter Detail</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Display Format</td>
<td>Text</td>
</tr>
<tr>
<td>Lookup</td>
<td>No value</td>
</tr>
<tr>
<td>Usage</td>
<td>Input Parameter</td>
</tr>
<tr>
<td>Parameter Basis</td>
<td>Constant Bind</td>
</tr>
<tr>
<td>Basis Value</td>
<td>InFusion UK Configuration Group</td>
</tr>
</tbody>
</table>

Adding Tasks and Reordering the Task Sequence

Your flow pattern includes a Calculate Gross Earnings process and the Element Results Register Report. You can add two extract reports that run concurrently, followed by a verification task, to simplify the checklist to a single list. You perform the following steps:

1. From the Data Exchange work area, select the Refine Extracts task.
2. On the Refine HCM Extracts page, query the flow pattern.
3. On the Tasks tab of the Manage Payroll Flow Patterns page:
   a. Add the first extract report, specifying the same Activity and Task Group as the Calculate Gross Earnings.
   b. Add the second extract report, specifying the same Activity and Task Group as the Calculate Cross Earnings.
c. Add a manual verification task, specifying the same Activity and Task Group as the Calculate Cross Earnings.

4. Edit each task, specifying a sequence number on the Edit Task Details Owners and Details page.

The lowest number is used for the first task in the checklist. For example, you might specify a sequence of:

- 10 for the Calculate Gross Earnings task
- 20 for the first extract report
- 30 for the second extract report
- 40 for the manual verification task

5. On the Tasks Sequence tab, reorder the sequence of reporting tasks as shown in the following table. Follow this order to run the two reports concurrently:

<table>
<thead>
<tr>
<th>Task</th>
<th>Following Task</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start Flow</td>
<td>Calculate Gross Earnings</td>
</tr>
<tr>
<td>Calculate Gross Earnings</td>
<td>First extract report</td>
</tr>
<tr>
<td>Calculate Gross Earnings</td>
<td>Second extract report</td>
</tr>
<tr>
<td>First extract report</td>
<td>Manual verification task</td>
</tr>
<tr>
<td>Second extract report</td>
<td>Manual verification task</td>
</tr>
<tr>
<td>Manual verification task</td>
<td>End Flow</td>
</tr>
</tbody>
</table>

Automatically Incrementing Dates in Scheduled Extract

You create a flow pattern to extract weekly payroll data that requires the user to enter a process date parameter. You schedule the extract to run weekly. The application evaluates the flow parameters at the time of submission, and the task parameters at the beginning of task execution. You edit the task parameters to automatically increment the date field. The date values are derived from the default date parameter values.

You use the Refine Extracts task from the Data Exchange work area, or the manage Flow Patterns task from the checklist work area. You edit the task parameters on the task’s Basic Information page by performing the following actions:

1. Select the Process Date parameter.
2. Select Context binding from the Parameter Basis field.
3. Select System Date from the Basis Value field.

Editing a Flow Pattern: Worked Example

This example demonstrates how to edit a QuickPay flow pattern that you copied to change the task owner and to notify the flow owner in advance of the payments process.

In this example, the process date is the date paid. You designate an owner for the task that verifies prepayment results, to ensure that a person with adequate authority reviews the results before the task submits to generate payments. You notify
the owner that verification starts before the task should begin. The following table summarizes the key decisions for this example.

<table>
<thead>
<tr>
<th>Decisions to Consider</th>
<th>In this Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Who is the task owner for the Verify Prepayments Result task?</td>
<td>Payroll Manager Operations role</td>
</tr>
<tr>
<td>When does the prepayments verification task start?</td>
<td>Two days before the process date for the Generate Cheque Payments task starts</td>
</tr>
</tbody>
</table>

Prerequisites

1. Create a QuickPay flow pattern by copying the predefined QuickPay flow pattern, entering a name for the flow pattern and the legislative data group.

Specifying a Task Owner

1. In the Payroll Checklist work area, click the Manage Payroll Flow Patterns task from the task pane.
2. On the Manage Payroll Flow Patterns page, search for the QuickPay flow pattern that you created, and edit the flow pattern.
3. On the Tasks tab, select the Verify Prepayment Results task, and click the Edit Task icon.
4. On the Edit Task Details: Owner and Checklist page, select the Payroll Manager Operations role as the checklist owner.
5. On the Edit Task Details: Duration and Notifications page, in the Duration region, complete the fields, as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due Date</td>
<td>Process Date</td>
</tr>
<tr>
<td>Offset</td>
<td>-2</td>
</tr>
</tbody>
</table>

6. In the Notifications region, select the Flow Task Start Notification option.
7. Click Submit, and return to the Manage Payroll Flow Patterns page.
8. On the Manage Payroll Flow Patterns page, click Submit.

Creating a Flow Pattern to Reissue a Cheque: Worked Example

This example demonstrates how to create a payroll flow pattern to issue a replacement cheque that an employee lost or didn’t receive.

The following table summarizes the key decisions for this scenario.

<table>
<thead>
<tr>
<th>Decision to Consider</th>
<th>In This Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Which tasks should the flow pattern include and in what sequence?</td>
<td>Verify a Payment, Void Payment, Generate Cheque Payment</td>
</tr>
<tr>
<td>Who has access to submit the flow?</td>
<td>InFusion Payroll Manager</td>
</tr>
</tbody>
</table>
Decision to Consider | In This Example
---|---
Which notifications should the flow owner receive? | Error and Warning notifications
Which predefined task or flow parameters do you want to override? | Process Configuration Group parameter for the Void Payment task

Creating the Payroll Flow Pattern

1. In the Payroll Checklist work area, select the Manage Payroll Flow Patterns task from the task pane, and create a new flow pattern for the legislative data group.
2. On the Create Payroll Flow Pattern: Basic Information page, complete the fields, as shown in this table.

<table>
<thead>
<tr>
<th>Region</th>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Information</td>
<td>Flow Pattern</td>
<td>InFusion Reissue Cheque</td>
</tr>
<tr>
<td>Activities</td>
<td>Activities to Include</td>
<td>Payment</td>
</tr>
<tr>
<td>Tasks</td>
<td>Available Tasks</td>
<td>Void Payment, Generate Cheque Payments, Verify a Payment</td>
</tr>
</tbody>
</table>

3. Click Next.
4. On the Create Payroll Flow Pattern: Tasks page, select the Verify the Payment task.
5. In the Owner and Checklist region, click the Owner field, and select Fusion Payroll Manager.
6. On the Create Flow Pattern: Tasks Sequence page, confirm tasks follow this sequence: Verify a Payment, Void Payment, Generate Cheque Payment. Correct the sequence, if necessary.
7. On the Create Payroll Flow Pattern: Flow Parameters page, click Select and Add. Select multiple parameters from the Select and Add window, as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Void Payment</td>
<td>Start Cheque Number, End Cheque Number, Process Configuration Group, Process Date, Payroll Process, Reason</td>
</tr>
</tbody>
</table>

Note: With the exception of the Reason parameter, only the Generate Cheque Payment task uses these parameters. Add them only once as flow parameters to cover both tasks.

| Generate Cheque Payment      | Payroll, Start Date, Consolidation Group, Organization Payment Method, Overriding Payment Date, Payment Source, Payment Type |

8. Select the row for the Process Configuration Group flow parameter and edit the flow parameters, as shown in this table:

<table>
<thead>
<tr>
<th>Field</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Display</td>
<td>No</td>
</tr>
</tbody>
</table>

| Display Format         | Text   |
### Field | Action
--- | ---
Lookups | No value
Parameter Basis | Use Specified Value
Basis Value | InFusion Process Configuration Group

You don’t need to edit the Process Configuration task parameter. The application uses the details specified for the flow parameter, not the task parameter details.

9. On the Create Payroll Flow Pattern: Review page, preview the resulting payroll checklist, and submit the flow pattern.

### Create a User-Defined QuickPay Flow Pattern

When you start a QuickPay process using the Calculate QuickPay task, the checklist displays the tasks included in the predefined QuickPay flow pattern. To base the checklist on a user-defined flow pattern, you update the FLOW_DEFINITION user-defined table. When required, you can always start a QuickPay process using the predefined or other QuickPay flow pattern. Use the Submit a Payroll Flow task in the Payroll Checklist work area.

This topic covers the following procedures:

- Replace the predefined QuickPay flow
- Revert to the predefined QuickPay flow

#### Replace the Predefined QuickPay Flow

As a prerequisite, you copy and update the predefined QuickPay flow pattern. You then complete the steps to update the FLOW_DEFINITION user-defined table.

Create a user-defined flow pattern.

1. Use the Manage Payroll Flow Pattern task in the Payroll Checklist work area.
2. Copy the predefined QuickPay flow pattern, and specify its legislative data group.
3. Update the new flow pattern with the tasks to include in your QuickPay flow.

Complete the following steps for the FLOW_NAME column.

1. Use the Manage User-Defined Tables task in the Payroll Calculation work area. Specify the legislative data group as a search criteria. Search for and open the FLOW_DEFINITION table.

   **Note:** Each legislative data group can have only one flow pattern specified for the Calculate QuickPay task.

2. Click the Edit.
3. Specify the Effective As-Of Date.
4. In the User-Defined Columns section, select FLOW_NAME.
5. In the User-Defined Rows section, click Create.
6. In the Sequence field, enter the number 1.
7. In the Exact field, enter a name, such as Enter Flow Name.
8. Click Next.
9. On the Edit User-Defined Table page in the User Defined Table Values section, click **Create**.

10. In the Add User-Defined Table Values dialog, select the name you specified for the **Exact** field.

11. In the Value field, enter **QUICK_PAY**.

12. Save your work.

13. Click **Back** to return to the Edit User-Defined Table page.

Complete the following steps for the **FLOW_NAME_OVERRIDE** column.

1. On the Edit User-Defined Table page, in the User-Defined Columns section, select **FLOW_QUICKPAY_OVERRIDE**.

2. Click **Next**.

3. On the Edit User-Defined Table page in the User Defined Table Values section, click **Create**.

4. In the Add User-Defined Table Values dialog, select the name you specified for the Exact field.

5. In the Value field, enter the name of the QuickPay flow pattern you configured.

6. Click **Submit**.

**Revert to the Predefined QuickPay Flow**

The Calculate QuickPay task uses the user-defined table values specified in the **FLOW_DEFINITION** table. As a result, if you no longer want to use the configured default QuickPay flow, edit the user-defined table values.

1. Use the Manage User-Defined Tables task and search for the **FLOW_DEFINITION** table for your legislative data group.

2. Edit the **FLOW_NAME_OVERRIDE** column. Delete the name of the configured QuickPay in the **Value** field in the User-Defined Table Values section.

3. Review the **FLOW_NAME** column. Keep **QUICK_PAY** in the **Value** field in the User-Defined Table Values section.

**Related Topics**

- Example to Create a User-Defined Table for Matched Row Values:
- Example to Create a User-Defined Table for a Range of Row Values

**Checklist and Flow Tasks**

**Checklist and Flow Tasks**

When you submit a flow pattern it creates an instance of the flow. For every submitted flow, the application generates a checklist by default. The flow can be a task flow, process, or report.

Here’s what the checklist might include, depending on the flow pattern.

- Automatic tasks, such as extracts, reports, and processes
- Manual tasks, such as the Verify Payroll Process verification task, required to complete a flow

Here’s what you can do with checklists.

- Monitor the status of the flow tasks
- Manage the flow tasks, such as reassigning tasks, marking tasks as completed, and performing corrective actions
- View task details, such as a list of records processed by the flow

While working on a task in the flow, you can remain in the Payroll Checklist work area or go to a related work area that includes tasks in the regional area. For example, while reviewing the results for the Calculate Payroll task, you can go to the Payroll Calculation work area to review the person’s calculation card or element entries.
Flow Task Start and Due Dates

Specify duration dates and notification options in the payroll flow pattern to give flow owners adequate time before a task starts to prepare and before a task is due to address any issues.

Task Start and Due Dates

Specify the following duration dates on the Tasks page of the Manage Payroll Flow Patterns page:

- Start date, the date the task owner should start the task

  ![Note:](image) The start date applies to notifications only. You schedule when a flow starts on the Scheduling page when you submit the flow.

- Due date, the date the task owner should complete the task

To specify duration dates:

1. Select the flow parameter date to use as the basis for the duration date
2. Optionally, offset the date by specifying a plus or minus value depending on whether the date falls before or after the duration date.

Notifications

Select notifications to send error and warning messages, and to inform the task owner when a task starts or ends. The receipt of notifications depends on the duration dates and their offsets.

1. Specify the notifications the task owner receives.
2. Optionally, specify the number of days before the application automatically deletes a notification from storage.

Use the Manage Payroll Process Configuration task in the Setup and Maintenance work area to complete the Notification Expiration Offset parameter.

Manage Corrective Tasks in a Payroll Flow Pattern

Before defining flow patterns to correct payroll run or payment results, consider whether flow owners can correct individual records or tasks by using task actions, predefined processes, or predefined flows, such as the Cancel Payments flow.

Use Task Actions

Most tasks support corrective task actions at the task level or individual record level. The type of task and its status determine which corrective actions the flow owner can select from the Actions menu when viewing results.
The following figure shows the task actions available from the Actions menu when working on the Payroll Flow Checklist or the Processes and Reports tab of the payroll flow.

You can confirm whether the task includes the task actions by performing these steps:

1. Edit your flow pattern on the Manage Payroll Flow Pattern page of the Payroll Checklist work area.
2. Select the task on the Tasks tab, and edit it.
3. Review the Execution Mode column on the Edit Task Details: Basic Information page to confirm that the task supports the Mark for Retry, Retry, and Roll Back task actions.

**Use Predefined Processes**
Flow owners can use the Submit a Process or Report task from a payroll work area to submit corrective processes:

- Roll Back Process
- Retry Payroll Process
The flow owner might use these processes to roll back or retry a flow that includes a single process and that is in progress with errors.

**Use Flow Patterns**

If your enterprise performs several tasks to correct problems, flow owners can use a predefined flow pattern, such as the Cancel Payment flow.

- A predefined flow pattern, such as the Cancel Payment flow

  The Cancel Payment flow pattern includes tasks to view the person process results, void the payment, process an external payment to prevent reissue of the original payment, and reverse the original prepayment and payroll run calculations.

- A flow pattern you create, such as a flow pattern to reissue a lost check

  This flow pattern might include tasks to void the payment, issue an external payment, and view the person process results.

**How Flow Patterns are Edited**

You can create or copy a flow pattern and then edit add, delete, or move a task in the flow pattern. This topic provides examples of edits you can perform to tasks in a flow pattern or checklist.

Perform these edits on the Task Sequence tab of the Manage Payroll Flow Patterns page. For payroll flow patterns, use the Manage Payroll Flow Patterns task in the Payroll Checklist work area. For extract flow patterns, use the Refine Extracts task in the Data Exchange work area.

**Edit Tasks**

Here’s a list of examples of edits you can perform and the probable impact the edits can have on the flow.

<table>
<thead>
<tr>
<th>Edits</th>
<th>Impact</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Add a task</td>
<td>You add a task to position it as the last task in the activity or task group. Update the task sequence. If you repeat a task, rename it to make clear its purpose on the checklist.</td>
<td>You add a manual verification task after each report. You rename each task with the report name.</td>
</tr>
<tr>
<td>Delete a task</td>
<td>When you delete a task you may impact subsequent tasks in the flow that depend on its results. Review the subsequent tasks.</td>
<td>You delete a task. The Parameter Basis of the next task is Bind to Task and its Basis Value is the value of the deleted task. You update the Parameter Basis of the subsequent task as required, for example, to Bind to Flow.</td>
</tr>
<tr>
<td>Move a task to a different activity</td>
<td>The activity determines the work areas where you can submit the flow patterns you define, and controls how the checklist displays.</td>
<td>You move a task in a payroll flow pattern for a report from the Payments activity to the Statutory activity. The flow owner can view the report results from the Payroll Checklist or Regulatory and Tax Reporting work areas, but not the Payment Distribution work area.</td>
</tr>
</tbody>
</table>
Reorder the list of tasks displayed in a checklist

The sequence specified for the task further determines the task order within an activity on the checklist.

You decide to flatten the checklist sequence to group all the tasks within a single activity.

1. On the Tasks page, you confirm that each task belongs to the same activity and task group.
2. You edit each task, specifying a value in the Sequence column on the Edit Task Details Owners and Details page. The lowest number is used for the first task in the checklist. For example, you might specify a sequence of 10 for the payroll calculation task and 20 for the prepayments calculation task.

Adding an Individual Flow Task within a Checklist

Use the Submit Another Task option from the Actions Menu in the checklist to add an individual flow task to a flow that is ‘In Process’.

You can submit a task that is initially not included in the checklist. For instance, you are analyzing the payroll run and require additional information about pay elements included in the run. You can run an additional deduction report that is not in the initial flow.

Use the Submit Another Task option from the Actions Menu, and select any process or flow pattern and submit it.

After you select the task, select or modify the parameters presented to you. The list of parameters are the task parameters inherited from the task you have selected. The parameters are prepopulated with the entries you have made in the main flow. You can retain the same values and add new parameters or change the values of existing parameters as required.

After you submit the task, you can view the task in the Linked Region of the checklist. After you submit the task, you can either:

- Stay in the existing checklist, or
- Click Go to Checklist and access the checklist of the task you have just submitted. To return to the original flow, go to the related flows section and select the original flow. From here you can see the task you previously submitted in the Related Flows section. Click the task to view the checklist of the task.

Flow Security Profiles

Flow Security and Flow Owners

Your HCM data role security determines which flows you can submit or view. This topic explains how the HCM data roles and flow security work together. Use the Manage Payroll Flow Security Profile task in the Setup and Maintenance work area to define security for payroll flow patterns.
Payroll Flow Security and HCM Data Roles

HCM data roles secure the access to flows through data privileges and to the tasks on a checklist through functional privileges.

- When you submit a flow pattern, it generates a checklist of the included tasks.
- You become the owner of the flow and its tasks. If a flow pattern designates tasks to different owners, you remain the flow owner.
- Either you or the owner of a task can reassign the task to someone else. For example, to cover situations where the task is overdue and the task owner is on leave.

This figure illustrates how the payroll manager and payroll administrator can submit a process or report and can view the results of the monthly payroll flow.

- The payroll manager or the payroll administrator can submit the flow and perform its tasks or have the tasks reassigned to them.
- The payroll manager and the payroll administrator can perform the same tasks because both of them have the same functional privileges.
- They can both submit and view the payroll flow data.

This figure illustrates how only the payroll manager can calculate the payroll. The payroll manager can't reassign this task to a payroll administrator, because the administrator doesn't have the necessary functional privileges to submit the monthly payroll flow action.
Troubleshooting

If you encounter problems submitting or completing a task in a flow, these are the actions you can take.

<table>
<thead>
<tr>
<th>Problem</th>
<th>Solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Can’t submit or view a flow</td>
<td>Confirm that the data role assigned to you includes a security profile for the payroll flow pattern.</td>
</tr>
<tr>
<td>Can’t perform a task, such as a process or report</td>
<td>Confirm that your data role is based on a job or abstract role that includes functional privileges to perform that task.</td>
</tr>
</tbody>
</table>

Examples of Flow Pattern Security Profiles

You can use different methods to organize payroll flows into appropriate security profiles. Use the Assign Security Profiles to Role task in the Setup and Maintenance work area to grant workers access to those profiles by data role.

Scenario

Here’s a few examples of payroll security profiles and data roles.
Multiple Owners for a Flow

Overview

You can assign payroll flows and tasks within payroll flows to individuals or a group of individuals. When you assign group ownership, all members of the group have access to the tasks. Any member of the group can claim ownership of a task and complete the task, even if they have not submitted the task.

While creating a flow pattern, use the Owner Type and Owner fields to specify the group or person who can have access to the tasks.

Task ownership and access are given by default to the person who submits the flow. Granting the task ownership and access only to a single person seems restrictive. Only the person who submits the flow can take corrective action on the task and access the report output. Granting ownership to more than one person ensures continuity and completion of the task. Anyone who has access to the flow can monitor the task even if they are not owners of the task. For example, if the person who submitted the task is unavailable, and the task is overdue, someone else can monitor and complete the task.

You can assign group ownership only to user-defined flows and not the predefined flows. When the ownership is defined at a flow level, any future flow instance inherits the group information.

After you submit the flow, you can assign group ownership to the individual tasks. Such ownership is only applicable to the particular flow instance.

Create Data Roles and Security

Before you assign ownership, consider these points:

1. Create a data role that you can assign to the users you plan to group together. Use the Manage Data Roles and Security Profiles task to create the data role. The grouping of users is through the data role you create.

2. Associate appropriate job roles and security profiles as required. The values you associate determine which flows a person with this data role can submit or view.

Create Users and Add the Data Role

After you create the data role, use the Manage Users task to create users. Use Add Role in the Roles region to provision the newly created data role manually to the user.

Select the Task Owners

The HCM data role security determines who can submit or view the tasks within the flow pattern. You must be a payroll supervisor or administrator to process payroll and review payroll report outputs and extracts. Once you have initiated a payroll
flow, others within the group can monitor the flow and ensure the tasks within the flow are completed successfully. You can assign appropriate responsibilities and functional privileges while defining the different data roles and security profiles.

Related Topics
- Create HCM Data Roles for Global Payroll Implementation Users
- Overview of HCM Data Roles for Implementation Users

Edit a Flow Pattern and Create Multiple Owners

In this you copy a QuickPay flow pattern and change the task owners and assign tasks to multiple individuals within a group. You also claim a task within the flow, review notifications, and set the status of the flow task as 'Completed', so that the flow continues.

Here’s the key decisions to consider for this scenario.

<table>
<thead>
<tr>
<th>Decisions to Consider</th>
<th>In this Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Who is the task owner for the Verify Payroll Results task?</td>
<td>Payroll Supervisor</td>
</tr>
<tr>
<td>Who is the task owner for the Calculate QuickPay Prepayments task?</td>
<td>Any person who has the Payroll Clerk data role and privileges.</td>
</tr>
<tr>
<td>Who is the task owner for the View Prepayments Results task?</td>
<td>Payroll Supervisor</td>
</tr>
<tr>
<td>Who is the task owner for the Make External Payment task?</td>
<td>Any person who has the Payroll Clerk data role and privileges.</td>
</tr>
<tr>
<td>Who is the task owner for the Verify Payment task?</td>
<td>Payroll Supervisor</td>
</tr>
</tbody>
</table>

Before You Start

Before you begin, complete the following.

1. Use the Manage Payroll Flow Pattern task and create a QuickPay flow pattern by copying the predefined QuickPay flow pattern. Enter a name for the copied flow pattern and enter the legislative data group (LDG), to restrict this flow to a single LDG. Use the Owner Type and Owner fields to specify the group or person who can have access to the tasks.
2. Use the Manage Data Roles and Security Profiles task and create a data role for Payroll Supervisor and Payroll Clerk.
3. Set up the right privileges for the data roles you create.

Specify a Task Owner

The HCM data role security determines who can submit or view the tasks within the flow pattern. To specify a task owner:

1. In the Payroll Checklist work area, click the Manage Payroll Flow Patterns task from the task pane.
2. On the Manage Payroll Flow Patterns page, search for the QuickPay flow that you created, and edit the flow pattern.
3. On the Tasks tab, select the Verify Payroll Results task, and click Edit Task.
4. On the Edit Task Details: Owner and Checklist page, complete these fields.
5. Similarly, select the View Prepayment Results task and select Payroll Supervisor as the task owner.
6. Next, select the Verify Payment task and select Payroll Supervisor as the task owner.
7. On the Tasks tab, select the Calculate QuickPay Prepayments task, and click Edit Task.
8. On the Edit Task Details: Owner and Checklist page, complete these fields.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner Type</td>
<td>User</td>
</tr>
<tr>
<td>Owner</td>
<td>Payroll Supervisor</td>
</tr>
</tbody>
</table>

5. Similarly, select the Make External Payment task and select Payroll Supervisor as the task owner.
10. In the Notifications region, select the Flow Task Start Notification option for each task.
11. Click Submit, and return to the Manage Payroll Flow Patterns page.
12. On the Manage Payroll Flow Patterns page, click Submit.

Claim a Task and Monitor the Task Status

Once a task is assigned to a group, all users within the group receive the notification for the task, once the task is in the 'Started' status in the checklist. You can review the notification sent to you and claim the task.

1. In the Payroll Checklist work area, click the Manage Payroll Flow Patterns task from the task pane.
2. On the Manage Payroll Flow Patterns page, search for the QuickPay flow that you created, and edit the flow pattern.
3. On the Tasks tab, select the Calculate QuickPay Prepayments task, and click Edit Task.
4. In the Notifications region, select Claim from the Actions menu.
   Once you have claimed the task, the checklist displays you as the owner of the task. Using the checklist you can set the status of the task as, 'Mark as Complete', 'Mark as Incomplete', and so on.
5. In the Notifications region, use the Actions menu to set the status of the task as, 'Mark as Complete', to continue the flow.
   You can also approve, reject, or reassign the task using the Actions menu in the Notifications region.

Adding a BI Publisher Report to a Flow

Add single or multiple BI Publisher reports to your copied or user-defined flow pattern. When you submit the flow, the report automatically generates an output file that you can view. The output file is based on the template used for the BI Publisher report, such as an html template. The Run BI Publisher Report task belongs to the Statutory activities in the flow pattern.

Add Your Report to a Flow

Follow these steps to add the BI Publisher report to an existing extract flow.

1. Use the Manage Flow Patterns task in the Payroll Checklist work area or the Refine Extracts task in the Data Exchange work area.
2. Search and select the flow that you want to configure.
3. On the Manage Flow Pattern page, on the Tasks tab, click **Edit**.
4. Click **Select and Add** on the menu bar. In the Search Tasks dialog, search for and select Run BI Publisher Report. Click **Done**.
5. On the Task Sequence page, confirm the sequence is correct.
6. On the Flow Parameters page, add a required parameter for the first argument of the BI Publisher report.

The flow parameters map to the BI Publisher arguments. For example, if your report is based on a SQL query, the first argument is the first bind variable of a SQL query data model.

**Tip:** To easily determine the sequence of arguments, view the list of parameters for the generated report in BI Publisher.

7. Optionally, rename the parameter to a more meaningful name.
8. On the Task parameters page, in the Parameter Details section, complete these steps:
   a. Confirm that the Parameter Basis for the First Argument value is Bind to Flow.
   b. Specify a value for the Report Name and Report Path parameters.
      For example, if the BI Publisher data model is saved to the Custom folder in Shared Folders you would specify `/Custom/yourB Ireport.xdo`.
   c. Specify values for other arguments if required.
9. Review the flow and submit it.

Create a Flow within a Flow

In this example you copy the Transfer Batch flow and modify it to include a predefined report flow pattern you created earlier. The predefined flow you add submits a report to check for any batch line errors during the Transfer Batch process. If the transfer fails, you can skip the transfer process or mark it as complete, and then view the report for error details.

Create the Parent Flow Pattern

1. In the Payroll Checklist work area, select the **Manage Payroll Flow Patterns** task.
2. Search for and select the row for **Transfer Batch**, and then click **Copy**.
3. Enter the name of the new flow pattern, such as **Transfer Batch with Error Report**.
4. Enter a description, such as "Transfer a batch and view any batch line errors that occurred." and then click **Save and Close**.
5. Search for and select the **Transfer Batch with Error Report** flow pattern, and then click **Edit**.
6. To add the parameter that derives batch name from the batch ID:
   a. On the Parameters tab, click **Add**.
   b. Select the added row and click **Edit**.
   c. Add these values.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flow Parameter</td>
<td>Batch Name</td>
</tr>
</tbody>
</table>
Add the Report Flow to the Parent Flow

1. On the Tasks tab, click **Select and Add**.
2. In the Search window, search for and select **Submit Another Flow**, and then click **Done**.
3. In the row for Submit Another Flow, click **Edit** in the menu bar and set these values to define the task you have added to generate the batch lines error report.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task</td>
<td>Run Batch Lines Report</td>
</tr>
<tr>
<td>Activity</td>
<td>Statutory</td>
</tr>
<tr>
<td>Task Group</td>
<td>Reporting</td>
</tr>
<tr>
<td>Description</td>
<td>Submit the batch lines error report for the specified batch.</td>
</tr>
</tbody>
</table>

4. Edit task parameters as follows:
   a. In the row for Run Batch Lines Report, click **Edit Task**.
   b. Configure these predefined task parameters. Select a parameter and the corresponding parameter basis and basis value.

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Parameter Basis</th>
<th>Basis Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flow Name</td>
<td>Constant Bind</td>
<td>The name of the flow, for example Batch Lines Report. This value is case-sensitive. Enter the name exactly.</td>
</tr>
<tr>
<td>From Flow Instance ID</td>
<td>Context Binding</td>
<td>Payroll flow</td>
</tr>
</tbody>
</table>
### Chapter 15

#### Set Up Payroll Flow Patterns

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Parameter Basis</th>
<th>Basis Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>From Flow Task Instance ID</td>
<td>Context Binding</td>
<td>Payroll task</td>
</tr>
<tr>
<td>Use to Calculate Results</td>
<td>Constant Bind</td>
<td>Y</td>
</tr>
<tr>
<td>Parameter Name 1</td>
<td>Constant Bind</td>
<td>Batch Name</td>
</tr>
<tr>
<td>Parameter Value 1</td>
<td>Bind To Flow</td>
<td>Batch Name</td>
</tr>
</tbody>
</table>

**c.** Click Next, and optionally complete the owner and checklist information.

**d.** Click Next, and optionally complete the duration and notification information.

**e.** Click Submit.

**5.** Edit the task sequence as follows:

**a.** On the Task Sequence tab, edit these two rows to enter the flow tasks and sequence in the flow.

<table>
<thead>
<tr>
<th>Start Flow</th>
<th>Following Task</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer Batch</td>
<td>Run Batch Lines Report</td>
</tr>
<tr>
<td>Run Batch Lines Report</td>
<td>End Flow</td>
</tr>
</tbody>
</table>

**b.** Click Submit.

### Test the Flow

1. Create and save a test batch that should cause an error. Alternatively, you can search for an existing batch that was transferred with errors using this SQL query:

   ```sql
   select * from pay_batch_headers where batch_status = 'E';
   ```

2. On the Submit a Process or Report page, select a legislative data group.

3. Select the Transfer Batch with Error Report task, and then click Next.

4. Enter a unique name for the current flow instance.

5. Enter the name of the batch with errors that you saved or queried, and then click Submit.

6. Click OK and View Checklist, and then click the Refresh icon until the Transfer Batch task shows as in progress with error.

7. View the report in the flow as follows:

   **a.** Select the row with the Transfer Batch task, and then select Skip Task in the Actions menu.

   **b.** In the row for Run Batch Lines Report, click Go to Task.

   **c.** In the Processes and Results section, click the name of the report.

   **d.** In the row for Run BI Publisher Report, click Go to Task.

   **e.** On the Process and Reports tab, click View Results.

   **f.** Click the PDF file name to open the report.
Multiple Instance of a Flow

Overview

Use the Submit Another Task to repeat a task instance multiple times. For example, you can schedule the Archive End-of-Year Payroll Results task for multiple payroll statutory units (PSUs) within the organization. You can initiate and submit the task for a single PSU and make the task repeat itself for each subsequent PSU. The number of iterations you specify, determines the number of times the task repeats itself.

Use the Manage Payroll Flow Pattern task from the Payroll Checklist work area to create a flow pattern that includes the task, Submit Another Task. Submit Another Task takes the task name as the input parameter and uses the repeat formula to execute multiple submissions of a task. The formula controls the repetition logic and execution of the task.

Before you begin, consider these points.

Task Name
This is the name of the task that is submitted multiple times. The Submit Another task takes this parameter as an input parameter.

Task Repeat Formula
The Task Repeat Formula is a prerequisite for this flow and it decides the repetition logic and drives the iteration. When you create the repeat formula, use the ’Task Repeat’ formula type. The input parameters are predefined for an input task. You can add them as flow parameters during flow creation. The formula return values are used to validate the task parameters.

Parameters
Task parameters submit the information required for the task submissions to complete successfully. The flow has these two sets of parameters:

- Parameters for Submit Another Task
- Parameters for the repeat submission task that is submitted multiple times

You can specify the parameters for Submit Another Task as flow task parameters while defining the flow pattern.

The input values for the repeat submission task are either one of these:

- Task parameters from the flow parameters defined while creating the flow
- Return parameters from the repeat formula

Flow parameter values are used as the task parameters in either one of these options:

- If the task parameter name matches the Base Flow Parameter Name, exposed in the UI at the flow-level, then the values are used directly.
- If the task parameter names do not match the Base Flow Parameter Name, the application uses a fast formula function to pass the flow parameter values as the task parameters. This formula function is built into the repeat formula.
For example, assume that you have defined the flow parameter as ‘Effective Date’, and the corresponding Base Flow Parameter Name is ‘EFFECTIVE DATE’. The application uses formula function `GET_FLOW_PARAM_VALUE()` and stores the return value of this formula function in the task parameter ‘EFFECTIVE DATE’. The formula function is:

```
*EFFECTIVE DATE = GET_FLOW_PARAM_VALUE('Effective Date')
```

Provide the correct parameter basis when you define the task parameters. Some of the static parameters like the Effective Date or the Start Date can have a parameter basis value of ‘Bind to Flow’. The dynamic parameters like the Payroll Statutory Unit ID are derived from the database tables. Hence you can have a parameter basis value of ‘Bind to Flow Task’ or ‘Context Binding’. If you have defined specific names for the flow task parameters, you must ensure that the same names are used in the repeat formula.

Alternately, use the return parameters from the repeat formula as the task parameters. In this case the input parameters for the repeat formula are only the Base Task Name and the Repeat Counter. While calling the formula, the application uses these two parameters to get the context of the job submission. You create the Repeat formula to return input values for the submission task.

The formula output Repeat Flow decides if another job submission has to be done.

These parameters can be static or dynamic parameters. For example, for the Archive End-of-Year Payroll Results process the following parameters are defined as static parameters:

- Effective Date
- Start Date
- Tax Year Date
- Repeat Counter

The Repeat Counter is a static variable and is maintained by the application. During the iteration process this parameter increments by ‘1’ after every submission.

In this example, these are the dynamic parameters for each submission:

- Payroll Statutory Unit ID
- Repeat Flow

However, you can also define the Tax Year as a dynamic parameter, so that you can generate the report for various years.

**Maximum Repeat Counter**

Specify a threshold limit of the maximum number of instances that can be executed for a single submission of the task. If the iteration runs into an error, this parameter prevents the process from getting into an infinite loop. A repeat counter N indicates one parent and N-1 child submissions.

**Repeat Flow Parameter**

The repeat flow parameter indicates when the task iteration should stop. A repeat flow instance is submitted only if the repeat flow parameter is set to ‘Y’.

**Execute in Parallel**

Execute the submissions in parallel or serial. For parallel submissions, the number of threads is taken into consideration. A number of submissions equivalent to the number of threads is submitted in parallel. For serial submissions, number of submissions equivalent to the Repeat Counter is executed one after the other.
If you have set the Execute in Parallel parameter to ‘Yes’, you must specify a value for the Maximum Parallel Threads. This parameter is taken into consideration for a parallel submission.

For example, if you specify a value of X, during a submission, the application processes X instances of the task initially. The parent task waits for X child submissions to complete, evaluates the fast formula and executes another set of X child submissions to complete. This cycle continues till the Maximum Repeat Counter submissions are completed or the Repeat Flow value is ‘N’.

### Parent Log File

After completion of the flow, use the ESS Log file to view the details of the input parameters for each job submission. The log displays one set of flow instance details and parameter values for the parent submission and similar set of values for each subsequent child submission.

### Generate Archive End-of-Year Payroll Results Process for Multiple PSUs

In this example you create a flow pattern using Submit Another Task and generate the Archive End-of-Year (EOY) report. You generate the report for multiple payroll statutory units (PSUs) within your organization. Use the Archive EOY Payroll Results task to retrieve employee and employer information and employee balances in a given year for year-end reporting.

Use the Manage Payroll Flow Pattern task from the Payroll Checklist work area to create a flow pattern that also includes the task, Submit Another Task.

### Before You Start

Review and validate the year-end data and complete balance adjustments and balance feeds for year-end reporting.

Here are the key decisions for this example.

<table>
<thead>
<tr>
<th>Decisions to Consider</th>
<th>In This Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the start date of the report?</td>
<td>January 01, 2011</td>
</tr>
<tr>
<td>What is the effective date of the report?</td>
<td>January 01, 2012</td>
</tr>
<tr>
<td>What is the tax year?</td>
<td>January 01, 2011</td>
</tr>
<tr>
<td>What is the repeat formula name?</td>
<td>Sample Formula</td>
</tr>
<tr>
<td>Is this report confined to a single legislative data group (LDG)?</td>
<td>No. The report can be used globally for any LDG in the organization.</td>
</tr>
<tr>
<td>What are the static flow parameters?</td>
<td>Effective Date, Start Date, Tax Year Date, Repeat Counter</td>
</tr>
<tr>
<td>What are the dynamic parameters?</td>
<td>Payroll Statutory Unit ID and the Repeat Flow</td>
</tr>
</tbody>
</table>
The input parameters for the repeat submissions are obtained from the repeat formula returns. Perform these tasks to use Submit Another Task and generate the Archive End-of-Year (EOY) report for multiple PSUs.

1. Create a repeat formula
2. Create a flow pattern
3. Submit the flow
4. View the results and log file

Create a Repeat Formula

Use the text editor to create a fast formula and return the values required to run the Archive EOY Results for a PSU. This formula is not specific to any legislative data group (LDG) and the formula type you use for this formula is Task Repeat.

Complete these steps to create a repeat formula.

1. Use the Manage Fast Formulas task in the Payroll Calculations work area.
2. On the Manage Fast Formulas page, click Create to create a formula.
3. On the Create Fast Formula, complete these fields.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formula Name</td>
<td>Sample Formula</td>
</tr>
<tr>
<td>Formula Type</td>
<td>Repeat Task</td>
</tr>
<tr>
<td>Description</td>
<td>Archive EOY Results for each PSU</td>
</tr>
<tr>
<td>Effective Start Date</td>
<td>January 01, 2011</td>
</tr>
</tbody>
</table>

4. Click Continue.
5. Enter this formula text details in the Formula Text Section.

```
FORMULA NAME: Sample Formula
FORMULA TYPE: Flow Schedule
DESCRIPTION: Formula to iterate the EOY Archiver
Formula Results: Iterates the EOY and generates the report
/* Inputs */
INPUTS ARE REPEAT_COUNTER, BASE_TASK_NAME (text)
REPEATFLOW = 'N'
START_DATE = '2011-01-01'
EFFECTIVE_DATE = '2012-01-01'
TAX_YEAR_DATE = '2011-01-01'

/* FORMULA BODY */
IF REPEAT_COUNTER= 1
THEN_PAYROLL_STATUTORY_UNIT = 300100001794785
REPEATFLOW = 'Y'
IF REPEAT_COUNTER= 2
THEN_PAYROLL_STATUTORY_UNIT = 300100002950763
REPEATFLOW = 'Y'
IF REPEAT_COUNTER= 3
THEN_PAYROLL_STATUTORY_UNIT = 300100013071724
REPEATFLOW = 'Y'
IF REPEAT_COUNTER= 4
THEN_PAYROLL_STATUTORY_UNIT = 300100007796226
REPEATFLOW = 'N'
```

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Create a Flow Pattern

Complete these steps to create a flow pattern.

1. Select the Manage Payroll Flow Patterns task in the Payroll Checklist work area.
2. Click **Create** to create a flow pattern. You can also search for and select an existing flow pattern to copy.
3. Leave the Legislative Data Group field blank and click **Continue**.
4. On the Basic Information page, complete these basic flow information fields.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flow Pattern Name</td>
<td>EOY Results Flow</td>
</tr>
<tr>
<td>Description</td>
<td>Enter a description for the flow.</td>
</tr>
<tr>
<td>LDG Required</td>
<td>No</td>
</tr>
<tr>
<td>Activities to Include</td>
<td>Select two options, Statutory and Calculate.</td>
</tr>
</tbody>
</table>

5. Select **Submit Another Task** to include it in the flow pattern. The activity associated with the task determines the work area where you can submit the flow.
6. On the Task Sequence page, reorder, add, or delete tasks as required.
7. Specify the order in which the tasks display in the checklist. You can specify a value for the sequence on the Edit Task Details Owners and Checklist page.
8. On the Parameters page, select **Create**.
9. On the Select and Add: Parameters page, add these parameters to complete the flow pattern.

<table>
<thead>
<tr>
<th>Name</th>
<th>Description</th>
<th>Task</th>
<th>Display</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task Name</td>
<td>Name of the task</td>
<td>Submit Another Task</td>
<td>Required</td>
</tr>
<tr>
<td>Task Repeat Formula</td>
<td>Name of the formula</td>
<td>Submit Another Task</td>
<td>Required</td>
</tr>
<tr>
<td>Maximum Repeat Counter</td>
<td>Maximum number of submissions</td>
<td>Submit Another Task</td>
<td>Required</td>
</tr>
<tr>
<td>Execute in Parallel</td>
<td>Decides if the submissions are in parallel or sequential</td>
<td>Submit Another Task</td>
<td>Yes</td>
</tr>
<tr>
<td>Maximum Parallel Threads</td>
<td>Maximum number of submissions executed in parallel</td>
<td>Submit Another Task</td>
<td>Yes</td>
</tr>
</tbody>
</table>

The flow parameters are used to submit and complete the tasks in the flow pattern, or as a basis for deriving values to submit the remaining tasks in the flow pattern.
10. After you have completed the requisite parameters, click **OK**.

11. On the Task Parameters page, review the parameters, and if necessary update the parameters.

12. Review the resulting checklist for the flow pattern before submitting the flow pattern.

13. Click **Submit**.

### Submit the Flow

Complete these steps to submit the newly created flow pattern.

1. Select the **Submit a Payroll Flow** task in the Payroll Checklist work area.
2. Search for **EOY Results Flow** and click **Next**.
3. Enter these parameters.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Flow</td>
<td>Enter a payroll flow name.</td>
</tr>
<tr>
<td>Task Name</td>
<td>Archive End-of-Year Payroll Results</td>
</tr>
<tr>
<td>Task Repeat Formula</td>
<td>Archive EOY Results Repeat Formula</td>
</tr>
<tr>
<td>Maximum Repeat Counter</td>
<td>10</td>
</tr>
<tr>
<td>Execute in Parallel</td>
<td>Yes</td>
</tr>
<tr>
<td>Maximum Parallel Threads</td>
<td>3</td>
</tr>
</tbody>
</table>

4. Click **Next**. Check the flow interaction.
5. Click **Next** and select the schedule. You can select ‘As Soon As Possible’ to execute the task immediately.
6. Click **Review** to review the parameters.
7. Click **Submit**.
8. Click **Done**.

### View the Results and Log File

To access the archive results after the process is submitted:

1. From the Confirmation page, click **OK and View Checklist**.
2. Click **Go to Task**.
3. Click the **Processes and Results** tab.
4. Click **View Results**.
5. Highlight a process row to view the results of a specific process.
6. Click the **View Output** icon to view the output of the process.
7. Click **Log** to view the process log.
   - The log file shows details of each submission. You can also use the View Payroll Process Results task in the Payroll Checklist work area to view the process results.

### Value Sets in Payroll Flows
Using Value Sets in Payroll Flows

Use value sets for descriptive flexfields and control and validate the data you use in payroll flow patterns. A value set provides a dynamic list of values for an entry value.

Use the Manage Value Sets task to create a value set. Once you create a value set, it uses a SQL statement to filter values from an existing table, such as person name or number, location, legislative data group, or payroll statutory unit. You can then use the value set as a parameter to run a payroll flow. You don’t have to create and maintain a lookup type. Using value sets help maintain consistency and accuracy in your data.

Consider these points while creating value sets for payroll flows:

• Use the Module field to specify the module for which you want to create the value set. For example, you can create a value set for payroll calculations, payroll checklists, payroll flows, and so on.

• Use only the table-based type of value set for payroll flow parameters. Other value set types, such as Independent or Format Only, are not supported.

• Use Value Data Type of Character only. Value Data Type refers to the data type of the values that are filtered from the existing data and displayed on the payroll flow page.

• Enter these details while creating the value set definition, to build a query for the value set:
  o The From Clause defines the table name used for the query.
  o The Value Column Name is the attribute which is visible on the screen.
  o ID Column Name is the attribute used to store the value in the back end. The Column Type and Column Length pertain to the column in the database that stores the entered values.

• Put the respective parameter name as bind value in the Where Clause when creating a value set for a flow parameter which is dependent upon another parameter value. For example, if the location parameter is dependent upon the payroll flow parameter while flow submission, bind the payroll flow ID value to the Where Clause as given below:
  o \text{Pf\_flow\_id = \{PARAMETER.LOCATION_IP\}}, where \text{LOCATION_IP} is the value name.

Value sets give you the flexibility to create your own list of values, without depending on other teams.

Related Topics
• Overview of Value Sets

Using Value Sets in Payroll Flows: Worked Example

In this example you create a value set and use the input values for location name as an entry value for a flow. Use the location parameter when you run the custom flow to generate multiple reports in a sequence. Use the search option on the parameter to select an appropriate value.

Use the Manage Value Sets task to create a value set. After you create a value set, use the Manage Payroll Flow Patterns task to link the value set with a flow.

Create a Value Set that Returns all Locations

Let’s look at the steps to create a value set that returns all locations.

1. Select the Manage Value Sets task in the Setup and Maintenance work area.
2. On the Manage Value Sets page, click Create.
3. Enter these values.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value Set Code</td>
<td>LOCATION_VS</td>
</tr>
<tr>
<td>Description</td>
<td>Locations</td>
</tr>
<tr>
<td>Module</td>
<td>Payroll Flows</td>
</tr>
<tr>
<td>Validation Type</td>
<td>Table</td>
</tr>
<tr>
<td>Value Data Type</td>
<td>Character</td>
</tr>
<tr>
<td>FROM Clause</td>
<td>pay_flows_pf</td>
</tr>
<tr>
<td>Value Column Name</td>
<td>pft.flow_name</td>
</tr>
<tr>
<td>Value Column Type</td>
<td>VARCHAR2</td>
</tr>
<tr>
<td>Value Column Length</td>
<td>100</td>
</tr>
<tr>
<td>ID Column Name</td>
<td>pf.base_flow_id</td>
</tr>
<tr>
<td>ID Column Type</td>
<td>Number</td>
</tr>
<tr>
<td>ID Column Length</td>
<td>18</td>
</tr>
<tr>
<td>WHERE Clause</td>
<td>Pf_flow_id = {PARAMETER. LOCATIONIP}</td>
</tr>
</tbody>
</table>

Note: LOCATION_IP is the input value name.

4. Optionally, to secure the value set, select the **Data Security** check box and provide the Data Security Resource Name.
   Note: You can enable data security only if the value set is based on a single table or view.

5. Click **Save**.

Add the Value Set Codes to the Manage Flow Patterns Page
Let’s look at the steps to add the value set codes to the Manage Flow Patterns page:

1. Form the Payroll Checklist work area click the **Manage Flow Patterns** task.
2. Create a new custom flow to meet your requirements, add the required tasks, and arrange their sequence.
   Use the flow parameters to submit and complete the tasks in the flow pattern, or as a basis for deriving values to submit the remaining tasks in the flow pattern.
3. Select the **Parameters** tab, and click **Create**, and create an empty parameter.
4. Select the new parameter and click Edit and add these parameter details.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Display Format</td>
<td>Value Set</td>
</tr>
<tr>
<td>Lookup</td>
<td>Enter the Value Set Name, LOCATION_VS, in this example.</td>
</tr>
</tbody>
</table>

5. Optionally, enter **Owner and Checklist** information, and then click **Next**.

6. **Click Submit.**
   When you run the custom flow, the Location parameter renders as a smart list of values. You can use the search option to select a location.

### FAQs for Payroll Flow Patterns

**Can I edit a predefined flow pattern?**

You can only edit payroll flow patterns that you copy or create. You can’t edit predefined flow patterns. For example, you might copy a predefined flow pattern and configure it to your requirements, such as adding a report extract you defined, or displaying additional flow parameters. You can create a new flow pattern that includes only the tasks you perform during a specific phase of the payroll cycle, such as the end of an accounting period or at the end of a quarter.

**Can I skip the flow parameters for a single-task payroll flow pattern?**

No, you must specify flow parameters required to successfully complete the task. Typically, these parameters include the mandatory task action parameters. You can also specify optional parameters that serve to restrict the results of the flow.

**How can I rearrange tasks in a flow pattern?**

Every flow pattern begins with a Start Flow task, which does not belong to an Activity or Task Group, and concludes with an End Flow task. Edit the task sequence by selecting a different task in the Following Task column.

When you create a flow, use the Task Sequence page to rearrange the tasks. When you edit a flow, select the task and edit its sequence on the Create Flow Pattern: Basic Information page. When you submit a flow, processes in the flow use and build upon the results of the previous processes. To maintain data integrity, ensure the sequenced tasks follow a consecutive order.

**How can I run tasks concurrently in a flow?**

Use the Manage Payroll Flow Patterns task in the Payroll Checklist. Search for and open your flow pattern. Click the Task Sequence tab. You specify that each concurrent task follows the same previous task.

For example, you create a flow pattern with a payroll calculation task and two reports. The flow ends when both reports complete. For the first row, you specify the Start Flow task with the Calculate Payroll as the following task. For the second
row, you specify Calculate Payroll as the task, and the first report as the following task. For the third row, you specify Calculate Payroll as the task, and the second report as the following task. For the fourth row, you specify the first report as the task and End Flow as the following task. For the last row, you specify the second report as the task and End Flow as the following task.

What happens if I don't enter a task owner in a flow pattern?

The person who submits the flow becomes the flow owner and the task owner. The person’s security privileges determine whether the person can submit the flow.

Why don't the duration dates in the flow pattern display?

The start and end dates and their offsets display after you complete the flow parameter dates. Use the Manage Payroll Flow Patterns task in the Payroll Checklist work area or the Refine Extracts task in the Data Exchange work area. Enter the flow parameters on the Parameters page, and then return to the Tasks page to enter the duration dates.

If your flow pattern doesn't specify dates as flow parameters, the duration list of values is blank. Change the values for the Duration list by displaying the date parameters for tasks in your flow pattern.

Can I automate a QuickPay flow using a service?

No, because QuickPay tasks require user input. The Flow Actions service is only for flows that don’t require user action.
16 Set Up Payroll Process Configuration

Payroll Process Configuration Groups

Payroll process configuration groups provide sets of processing parameters, primarily related to logging and performance. Select a process configuration group when you run a process, such as a new-hire flow or termination flow, or an extract process or report.

If you don’t select a process configuration group, the application uses the parameters in the default group. You must specify the default group in the Process Configuration Group ACTION_PARAMETER_GROUPS profile option.

Here’s the list of tasks where you can set up profile options and default process configuration groups.

<table>
<thead>
<tr>
<th>Action</th>
<th>Task and Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edit predefined process configuration groups</td>
<td>Default Group tab of the Manage Payroll Process Configuration page</td>
</tr>
<tr>
<td>Create additional process configuration groups</td>
<td>Group Overrides tab on the Manage Process Configuration Group page</td>
</tr>
<tr>
<td>Select a process configuration group as the default at the site or user level</td>
<td>Manage Administrator Profile Values task</td>
</tr>
</tbody>
</table>

To open this page, use the Manage Payroll Process Configuration task from Quick Actions on the Home page.

Create a group with the logging parameters turned on to troubleshoot processes. You can also specify different performance parameter values, such as chunk size and buffer size, for running different processes.

Parameters

Payroll Process Configuration Parameters

Payroll processing parameters are system-level parameters that control aspects of payroll-related processes, such as flows and reports. Values for each parameter are predefined with the application, but you can override these values as part of your initial implementation and for performance tuning. Use the Manage Payroll Process Configuration task from the Quick Actions menu.

Processing Parameters

The effects of setting values for specific parameters may be system-wide. When you submit a process that uses flows, such as a batch upload, new hire, or report process, it reads values from the PAY_ACTION_PARAMETERS table.
Note: You should understand the concept of array processing and how this affects performance before setting some parameters.

The application does not allow a blank value for any parameter and you must delete the parameter row if the parameter is not required.

The following table describes processing parameters and lists values and predefined default values. These parameters apply to HR applications including payroll and payroll interface.

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Description</th>
<th>Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assignment ID to End Logging</td>
<td>Assignment ID upon which logging ends.</td>
<td>Default: All assignments</td>
</tr>
<tr>
<td>Assignment ID to Start Logging</td>
<td>Assignment ID upon which logging starts.</td>
<td>Default: All assignments</td>
</tr>
<tr>
<td>Balance Buffer Size</td>
<td>Buffer size for array inserts and updates of latest balances, based on one row per balance.</td>
<td>Maximum: 1000</td>
</tr>
<tr>
<td>Tip: If your trace files show differences between execute and retrieve timings, look at the buffer sizes you’re using. Try setting each of these to 100.</td>
<td>Minimum: 1</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default: 500</td>
</tr>
<tr>
<td>Batch Error Mode</td>
<td>Determines error notifications for payroll batch loader uploads.</td>
<td>ALL = all rows</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ANY = any rows</td>
</tr>
<tr>
<td></td>
<td></td>
<td>NONE = no errors</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default: ANY</td>
</tr>
<tr>
<td>Chunk Size</td>
<td>Number of payroll relationship actions that process together. See also the Parallel Processing Parameters topic.</td>
<td>Maximum: 16000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Minimum: 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default: 20</td>
</tr>
<tr>
<td>Disable Locking Code in Check Process Post-Populate Method</td>
<td>Disables the locking code added to the post-populate method to improve check process performance.</td>
<td>Yes, No</td>
</tr>
<tr>
<td></td>
<td>This parameter isn’t available by default. To add the parameter, search for the lookup type PAY&gt;Action_PARAMETER_TYPE on the Manage Common Lookups page and add the lookup code ORA_DISABLE_POST_POP_FIX.</td>
<td>Default: No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Don’t change this value unless advised by Oracle Support.</td>
</tr>
<tr>
<td>Element Entry Buffer Size</td>
<td>Buffer size that payroll runs use in the initial array selects of element entries, element entry values, run results, and run result values per assignment.</td>
<td>Maximum: 1000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Minimum: 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default: 500</td>
</tr>
<tr>
<td>Parameter</td>
<td>Description</td>
<td>Values</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Formula Execution Logging</td>
<td>Sets the logging level to investigate formula code problems. See also the Logging Processing Parameters topic.</td>
<td>Delete the parameter row if the parameter is not required.</td>
</tr>
<tr>
<td>Historic Payment</td>
<td>Removes the validation to look for banks active as of the process date. This validation is usually enforced by the payments process.</td>
<td>Yes, No</td>
</tr>
<tr>
<td></td>
<td>This parameter isn’t available by default. You can add it in test environments only. To add the parameter, search for the lookup type PAY_ACTION_PARAMETER_TYPE on the Manage Common Lookups page and add the lookup code HISTORIC_PAYMENT.</td>
<td>Default: No</td>
</tr>
<tr>
<td>Logging Area</td>
<td>Area where code logging is performed. See also the Logging Processing Parameters topic.</td>
<td>The values correspond to C-code entries in the form PY_ENTRY, that includes the functional area that has logging enabled.</td>
</tr>
<tr>
<td>Logging Category</td>
<td>Helps investigate problems with large volumes of detailed data. See also the Logging Processing Parameters topic.</td>
<td>You can set any number of categories by specifying multiple values. For example, enter GMPE, for general logging information, routing information, performance information, and element entry information.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Refer to the Logging Processing Parameters topic in the Related Links section for applicable values.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Delete the parameter row if the parameter is not required.</td>
</tr>
<tr>
<td>Manual Task Processing</td>
<td>Enables processing of manual tasks when SOA server is unavailable.</td>
<td>Y, N</td>
</tr>
<tr>
<td></td>
<td>Default: Y</td>
<td></td>
</tr>
<tr>
<td>Maximum Errors Allowed</td>
<td>Number of payroll relationship actions that you can roll back, when rolling back a process.</td>
<td>Minimum: 0</td>
</tr>
<tr>
<td></td>
<td>Default: CHUNK_SIZE or 20</td>
<td></td>
</tr>
<tr>
<td>Maximum File Size for View Report Output</td>
<td>Maximum size in bytes of the report file to show in the output window.</td>
<td>Must be a positive number.</td>
</tr>
<tr>
<td></td>
<td>This parameter isn’t available by default. To add the parameter, search for the lookup type PAY_ACTION_PARAMETER_TYPE on the Manage Common Lookups page and add the lookup code BI_OUTPUT_SIZE.</td>
<td>Default: 1000000</td>
</tr>
<tr>
<td>Maximum Iterations Allowed per Run Action</td>
<td>Maximum number of iterations allowed per run action within net-to-gross calculations within the payroll run.</td>
<td>Minimum: 0</td>
</tr>
<tr>
<td></td>
<td>Default: 15</td>
<td></td>
</tr>
<tr>
<td>Maximum Number of Payroll Relationship Actions to Roll Back</td>
<td>Number of payroll relationship actions that you can roll back, when rolling back a process.</td>
<td>Minimum: 1</td>
</tr>
<tr>
<td></td>
<td>Default: 50</td>
<td></td>
</tr>
<tr>
<td>Parameter</td>
<td>Description</td>
<td>Values</td>
</tr>
<tr>
<td>-----------------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>Multithreaded XML Generation for Extracts</td>
<td>Generates XML for extracts using multiple threads.</td>
<td>Y, N</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default: N</td>
</tr>
<tr>
<td>New Hire Flow Pattern</td>
<td>Name of the customer-defined flow that is triggered as part of the new hire process.</td>
<td>Delete the parameter row if the parameter is not required.</td>
</tr>
<tr>
<td>Notifications Expiration Offset</td>
<td>Number of days before a payroll flow notification is automatically deleted.</td>
<td>Minimum: 5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default: 5</td>
</tr>
<tr>
<td>Payroll Batch Loader Encryption Type</td>
<td>The type of encryption applied to source files loaded using the payroll batch loader.</td>
<td>PGPSIGNED, PGPUNSIGNED, PGPX509SIGNED, PGPX509UNSIGNED</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Delete the parameter row if the parameter is not required.</td>
</tr>
<tr>
<td>Payroll Criteria for Element Eligibility</td>
<td>Enables eligibility by payroll for assignment-level elements.</td>
<td>Yes, No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default: No</td>
</tr>
<tr>
<td>Process Timeout</td>
<td>Number of minutes before the Run Balance Generation process times out.</td>
<td>Minimum: 0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default: No timeouts limit enforced. Delete the parameter if no value is specified.</td>
</tr>
<tr>
<td>Remove Report Assignment Actions</td>
<td>Removes report processing actions after generating reports.</td>
<td>Yes, No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default: Yes</td>
</tr>
<tr>
<td>Run Result Buffer Size</td>
<td>Buffer size for array inserts and updates, based on 1 row for each payroll run result.</td>
<td>Maximum: 1000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Minimum: 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default: 500</td>
</tr>
<tr>
<td>Shuffle Chunk Processing</td>
<td>Random processing of order chunks for assignment actions.</td>
<td>Yes, No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default: No</td>
</tr>
<tr>
<td>Suppress Empty XML Tags in Extract Reports</td>
<td>Reduces the size of extract output for reports by excluding tags with blank values in XML output files.</td>
<td>Y, N</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default: Y</td>
</tr>
<tr>
<td>Termination Flow Pattern</td>
<td>Name of the customer-defined flow that is triggered as part of the termination process.</td>
<td>Delete the parameter row if the parameter is not required (No predefined Termination flow pattern).</td>
</tr>
<tr>
<td>Threads</td>
<td>Total number of subprocesses that you can run from the Oracle Enterprise Scheduler Service. See also the Parallel Processing Parameters topic.</td>
<td>Minimum: 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default: 1</td>
</tr>
</tbody>
</table>
### Payroll-Specific Processing Parameters

The following table lists the processing parameters that are applicable only for Oracle Fusion Global Payroll.

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Description</th>
<th>Values</th>
</tr>
</thead>
</table>
| Accounting Date for Transfer to General Ledger | The date to transfer and post journal entries for costing results to Oracle Fusion General Ledger. | E = Date Earned  
EVE = For the Partial Period Accrual Reversal process, date earned is used. If the date earned isn't defined for the time periods on the Payroll Definition page, the payroll period end date is used.  
For the payroll run that includes the actual costs, the process date of the payroll run is used.  
Default: P |
| Cost Buffer Size                         | Buffer size for array insert and select statements when calculating the costing of the payroll run results. | Maximum: 1000  
Minimum: 1  
Default: 500 |
| Date to Retrieve Assignment Status       | Date earned or date paid, used to determine the effective date for checking assignment status in payroll calculations. | E = Date earned  
P = Date paid  
Default: P |
<p>| Earliest Retroactive Processing Date     | The earliest date that retroactive processes are calculated. Updates made before this date are not recalculated. | Date value in YYYY/MM/DD format |</p>
<table>
<thead>
<tr>
<th>Parameter</th>
<th>Description</th>
<th>Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extract Data Group for Payroll Register</td>
<td>Limits the records to include in the output file based on the specified data group name.</td>
<td>Default: No data group</td>
</tr>
<tr>
<td>Limit Payroll Register Output by Data Group</td>
<td>Enables processing a subset of records to include in the output file when an extract data group parameter value is also specified.</td>
<td>Y, N</td>
</tr>
<tr>
<td>Override Location for Tax Libraries</td>
<td>Directory location for Quantum tax libraries.</td>
<td>There are no set values. Values must be directory structures where the tax libraries are stored. Delete the parameter row if the parameter is not required. Default: $VERTEX_TOP/lib</td>
</tr>
<tr>
<td>Reversal and Balance Adjustment Accounting Date</td>
<td>Accounting date based on one of the following dates:</td>
<td>T = Transfer using end date of the Transfer to Subledger Accounting task as the accounting date P = Use process date of the reversal or balance adjustment as the accounting date Default: P</td>
</tr>
<tr>
<td>Wage Basis Rules Buffer Size</td>
<td>Used in array selects from the PAY_TAXABILITY_RULES table within the Payroll Calculation process.</td>
<td>Minimum: 100 Default: 500</td>
</tr>
</tbody>
</table>

Logging Processing Parameters

Use logging parameters to investigate problems that aren’t easily identified in other ways. In a normal operation, disable logging because it can impact the performance of the process you’re logging.

⚠️ **Note:** Prepare log files before contacting Oracle Support for assistance. Define the logging area, category, and range of assignments before resubmitting the problem.

Logging Parameters

Typically, you use this feature during your initial implementation and testing before you go live. In a normal operation you should disable detailed logging.

The three processing parameters for logging are:

- Logging Area
- Logging Category
- Formula Execution Logging
Logging Area

The Logging Area parameter works with the Logging Category parameter to limit the code area for logging. Even if you set the logging category, you must also set the logging area if you want to limit logging to a particular code area.

The values correspond to C-code entries in the form PY_ENTRY, which includes the functional area that will have logging enabled.

Logging Category

Logging categories define the type of information included in the log. You can set any number of categories by specifying multiple values to focus on specific areas that you think may be causing a problem. The default value is no logging.

The following table explains each logging category. It provides the log output information to investigate the problems encountered.

<table>
<thead>
<tr>
<th>Parameter Value</th>
<th>Logging Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>Balance Information</td>
<td>Provides output information that shows the creation and maintenance of balances used during payroll processing.</td>
</tr>
<tr>
<td>C</td>
<td>C cache structures information</td>
<td>Provides output information that shows details of the payroll cache structures and changes to the entries within the structure. While working on a service request, Oracle may ask you to use this parameter to gather additional information.</td>
</tr>
<tr>
<td>E</td>
<td>Element entry information</td>
<td>Provides output information that shows the state of the element entries in the process memory after retrieving entries from the database. The information is provided whenever data for an entry is changed during processing.</td>
</tr>
<tr>
<td>F</td>
<td>Formula information</td>
<td>Provides output information that shows details of formula execution, including formula contexts, inputs, and outputs.</td>
</tr>
<tr>
<td>G</td>
<td>General logging information</td>
<td>Provides general information, rather than a specific information type. This parameter doesn’t provide sorted output. In general, it’s recommended that you choose parameters that provide specific types of information.</td>
</tr>
<tr>
<td>I</td>
<td>Balance output information</td>
<td>Provides output information that shows details of values written to the database from the balance buffers.</td>
</tr>
<tr>
<td>L</td>
<td>Balance fetching information</td>
<td>Provides output information that shows the balances retrieved from the database and whether or not the process will use those balances. (If balances such as Year To Date totals have expired because the year has changed, the process resets them and uses the new balance.)</td>
</tr>
<tr>
<td>Parameter Value</td>
<td>Logging Category</td>
<td>Description</td>
</tr>
<tr>
<td>-----------------</td>
<td>---------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>M</td>
<td>Entry or exit routing information</td>
<td>Provides output information to show when any function is entered and exited.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>This information is indented to show the call level, and can be used to trace the path taken through the code at the function call level. Often, this information is useful when attempting to track down a problem such as a core dump.</td>
</tr>
<tr>
<td>P</td>
<td>Performance information</td>
<td>Provides output information to show the number of times certain operations take place at the assignment and run levels and why the operation took place. This parameter is often used to balance the buffer array write operation.</td>
</tr>
<tr>
<td>Q</td>
<td>C cache query information</td>
<td>Provides output information that shows the queries being performed on the payroll cache structures. While working on a service request, Oracle may ask you to use this parameter to gather additional information.</td>
</tr>
<tr>
<td>R</td>
<td>Run results information</td>
<td>Provides output details of run results and run result values from the Run Results buffer or the Values buffer before writing them to the database. This enables verification that the buffer contents were correct.</td>
</tr>
<tr>
<td>S</td>
<td>C cache ending status information</td>
<td>Provides output information that shows the state of the payroll cache before the process exits, whether that process ends with success or an error. While working on a service request, Oracle may ask you to use this parameter to gather additional information.</td>
</tr>
<tr>
<td>T and Z</td>
<td>PL/SQL detail and PL/SQL output</td>
<td>To obtain detailed information about the PL/SQL calls made by the Payroll application, use the combination of the T parameter and the Z parameter.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>This combination is typically useful for obtaining information about payroll processes that use a large amount of PL/SQL code, such as prepayments and archive.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Using this parameter, the process buffers output while it’s running and places it the end of the log file after processing is complete. Each payroll process instance has its own log file, located under the log subdirectory for the particular process ID.</td>
</tr>
<tr>
<td>V (USA and Canada only)</td>
<td>Vertex tax calculation information</td>
<td>Provides output information that shows the values passed in and out of a third-party Vertex tax engine. This parameter also</td>
</tr>
</tbody>
</table>
Parameter Value | Logging Category | Description
---|---|---
provides a separate file in the Out directory that shows the internal settings of the Vertex engine. This logging option is available to customers in the USA and Canada only.

### Formula Execution Logging

Formula execution logging is the code area where logging is performed. This processing parameter mechanism is only available for formula logging in the payroll run. Specify parameter values as a character or combination of characters to determine the area for logging. For example, the string di (the combination of d and i) corresponds to the logging of database item cache access and formula input and output values. The default value is no logging.

⚠️ **Caution:** Use the dump logging options in rare circumstances only. The T trace option, which generates very large amounts of data, would significantly slow down processing.

The following table lists formula execution logging parameter values and its details.

<table>
<thead>
<tr>
<th>Parameter Value</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>c</td>
<td>Change contexts</td>
</tr>
<tr>
<td>d</td>
<td>Database item cache access</td>
</tr>
<tr>
<td>D</td>
<td>Database item cache dump</td>
</tr>
<tr>
<td>f</td>
<td>Formula cache access</td>
</tr>
<tr>
<td>F</td>
<td>Formula cache dump</td>
</tr>
<tr>
<td>I</td>
<td>Formula input/output values</td>
</tr>
<tr>
<td>m</td>
<td>Miscellaneous</td>
</tr>
<tr>
<td>n</td>
<td>Nested calls</td>
</tr>
<tr>
<td>s</td>
<td>SQL execution (database item and PL/SQL formula function calls)</td>
</tr>
<tr>
<td>T</td>
<td>Trace (very large level that provides the inputs and outputs of every call made when executing a formula)</td>
</tr>
<tr>
<td>w</td>
<td>Working storage area access</td>
</tr>
<tr>
<td>W</td>
<td>Working storage area dump</td>
</tr>
<tr>
<td>1</td>
<td>Level 1 (combination of c, f, i, and m)</td>
</tr>
</tbody>
</table>
Parallel Processing Parameters

Payroll processes are designed to take advantage of multiprocessor computers. You can improve performance of your batch processes, such as Calculate Payroll or Calculate Gross Earnings, by splitting the processing into a number of threads, or subprocesses, which run in parallel.

To improve performance you can also set the number of payroll relationship actions that process together and the size of each commit unit for the batch process.

**Parallel Processing Parameters**

**Threads**

When you submit a batch process, the Threads parameter determines the total number of subprocesses that run concurrently. The number of subprocesses equals the Threads value minus 1.

Set this parameter to the value that provides optimal performance on your computer:

- The default value of 1 is set for a single-processor computer.
- Benchmark tests on multiprocessor computers show that the optimal value is approximately 2 processes per processor.
  
  For example, if the server has six processors, set the initial value to 12 and test the impact on performance of variations on this value.

**Chunk Size**

The Chunk Size parameter:

- Indicates the size of each commit unit for the batch process.
- Determines the number of assignment actions that are inserted during the initial phase of processing.
- Sets the number of assignment actions that are processed at one time during the main processing phase.

This parameter doesn’t apply to all processes, such as Generate Cheque Payments and Retroactive Pay.

To set the value of the Chunk Size parameter, consider the following points:

- Parameter values range from 1 to 16,000.
- The default value is 20, which was set as a result of benchmark tests.
- Each thread processes one chunk at a time.
FAQ for Payroll Process Configuration

How can I improve performance and troubleshoot flows?

Add parameters to a payroll process configuration group to optimize performance and troubleshoot your payroll processes. To process large volumes of records, use the Threads and Chunk Size parameters. To troubleshoot processes, add the Logging Category or Formula Execution Logging parameters to a configuration group and rerun the process using that configuration group. Using these parameters enables you to investigate formula code problems.
Set Up Auditing and Data Validation

Audit Business Objects

Auditing Payroll Business Objects

Set up auditing policies to maintain a history of changes to your important data: what changed, who changed it, and when. The audit tracks changes to attributes of payroll business objects made using the application pages, web services, or payroll processes, which use Oracle Enterprise Scheduler.

You can view the audit history to determine how a business object obtained its current value and to compare old and new values. To view the history or to create an audit report from the Audit History work area, you require appropriate duty roles and privileges. Enterprises typically assign the following two audit duty roles to the application implementation consultant and master data management application roles:

- Audit trail management, which determines the objects audited
- Audit trail report viewing to view the audit history

Payroll Business Objects

When you set up auditing for payroll, you configure Oracle Fusion Applications business objects on the Manage Audit Policies page in the Setup and Maintenance work area:

1. Select the HCM Payroll application on the Configure Business Object Attributes page.
2. Specify the attributes to audit for the objects.

For example, you might audit the start and end date attributes for the calculation card component details.

The following table lists the payroll business objects you can set up for auditing payroll. You track changes to attributes specified for these objects.

<table>
<thead>
<tr>
<th>Payroll Business Object</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assigned Payroll</td>
<td>Holds date-effective attributes about payrolls assigned to a worker.</td>
</tr>
<tr>
<td>Assigned Payroll More Details</td>
<td>Holds details that aren’t date-effective about the payroll assigned to a worker.</td>
</tr>
<tr>
<td>Calculation Card</td>
<td>Holds values required for calculating payroll components.</td>
</tr>
<tr>
<td>Calculation Card Component</td>
<td>Holds the definition of a component that represents one or more logically related payroll components.</td>
</tr>
<tr>
<td>Calculation Card Component Detail</td>
<td>Holds the input values of a person’s calculation card.</td>
</tr>
<tr>
<td>Calculation Reporting Card</td>
<td>Defines the tax reporting units that report the calculation.</td>
</tr>
</tbody>
</table>
Managing Audit Policies

Auditing is used to monitor user activity and all configuration, security, and data changes that have been made to an application. Auditing involves recording and retrieving information pertaining to the creation, modification, and removal of business objects. All actions performed on the business objects and the modified values are also recorded. The audit information is stored without any intervention of the user or any explicit user action.

Use audit policies to select specific business objects and attributes to be audited. The decision to create policies usually depends on the type of information to be audited and to the level of detail required for reporting.

Enabling Audit Functionality

For Oracle Applications Cloud, you must configure the business objects and select the attributes before enabling audit. If you enable audit without configuring the business objects, auditing remains inactive. By default, auditing is disabled for all applications. To enable and manage audit, ensure that you have a role with the assigned privilege Manage Audit Policies (FND_MANAGE_AUDIT_POLICIES_PRIV). For appropriate assignment of roles and privileges, check with your security administrator.

To enable auditing for Oracle Fusion Middleware products, select one of the levels at which auditing is required for that product. The audit levels are predefined and contain the metadata and events to be audited. For more information, see Audit Events for Oracle Applications Cloud Middleware (Doc ID 2114143.1) on My Oracle Support at https://support.oracle.com.

If you don’t want an application to be audited, you can stop the audit process by setting the Audit Level option to None.

Related Topics
  - Overview of Audit Configuration
  - Audit Events for Oracle Applications Cloud Middleware

Audit Configuration for Business Object Attributes

Audit enables tracking the change history of particular attributes of a business object. However, those objects and their attributes must be selected for audit and auditing must be enabled for that application. Your configuration settings determine
which attributes to audit for a given object, and when the audit starts and ends. Auditing takes into account all the operations performed on an object and its attributes, such as create, update, and delete. To configure audit business object attributes, use the Manage Audit Policies task in the Setup and Maintenance work area.

Selecting an Application

To set up auditing, you must select a web application that contains the required business objects that can be audited. From the list of business objects, select those business objects that you want to audit. Selecting a business object also displays its attributes that are enabled for auditing.

Selecting Attributes

For each selected business object to be audited, select the corresponding attributes to include in the audit. All attributes that belong to that object are by default selected for audit and appear on the user interface. However, you can add or remove attributes from the list. When you remove an attribute from the list, you stop auditing it even when the parent object is selected for audit. So, if you want an attribute to be audited, you must add it to the list. If the object selected in an audit hierarchy is also a part of several other audit hierarchies, the attribute configuration for that object is applicable to all the hierarchies in that application.

Tip: For business objects based on flexfields, select the Flexfields (Additional Attributes) check box to view and add or remove flexfield attributes, to include or exclude them from the audit.

Starting and Stopping Audit

The business object is ready for audit after you select its attributes and save the configuration changes. However, to start auditing, the audit level for Oracle Applications Cloud must be set to Auditing on the Manage Audit Policies page.

To stop auditing an object, you can deselect the entire object and save the configuration. As a result, all its selected attributes are automatically deselected and are not audited. To continue to audit the business object with select attributes, deselect those attributes that are not to be audited. When users view the audit history for an application, they can specify the period for which they want the results. Therefore, make a note of when you start and stop auditing an application.

For example, users intend to view the audit history of an object for the previous week, but auditing for that object was stopped last month. They wouldn’t get any audit results for that week, because during the entire month that object wasn’t audited. Even if you enable audit for that object today, users can’t get the wanted results because audit data until today isn’t available.

Audit History

Using audit history you can view changes to the application data such as the business objects that were created, updated, and deleted. To view the history or to create a report, you must have a role with the assigned privilege View Audit History (FND_VIEW_AUDIT_HISTORY_PRIV). For appropriate assignment of roles and privileges, check with your security administrator.

To open the Audit History work area, click Navigator > Audit Reports.

The default search displays a summary of the audit history in the search results table. It includes key data such as date, user, product, event type, business object type, and description. For a detailed report, search again with modified search criteria. You can export the report summary to Microsoft Excel.
The following table lists the search parameters used and the outcome of their selection in the detailed report.

<table>
<thead>
<tr>
<th>Search Parameter</th>
<th>Result of Selection</th>
</tr>
</thead>
</table>
| Business Object Type                  | • Narrows the search results to that specific business object within the selected product.  
• Enables the Show Attribute Details check box.                                                |
| Include Child Objects                 | Displays all the child objects that were listed for that business object when audit was set up. For example, a sales order object that contains several items as child objects. |
| Include Child Objects                 | **Note:** Displays the objects at the immediate parent-child level only. To view the children at subsequent levels, select the child object as the business object type and search again. |
| Show Impersonator                    | Displays the details of the impersonator who modified the objects during an impersonation session. |
| Show Attribute Details               | Enables the attribute list so that users can select either all attributes or a specific attribute to view the changes. Based on the selection, the search results indicate whether the attribute is created, updated or deleted, and the corresponding old and replaced values. |
| Show Additional Object Identifier Columns | Displays the instances (contexts) in which the business object was used. The context values identify the objects and the transactions in which they were used. Each context is unique and assigns a unique description to the business object. |

**Note:** The default report displays a standard set of columns that contain prominent details of the audit history. To view additional details, you can change the display of columns.

**Related Topics**

- Types of Audit Events
Glossary

**absence plan**
A benefit that entitles workers to accrue time for the purpose of taking leave and receiving payments during absence periods.

**absence type**
A grouping of absences, such as illness or personal business that is used for reporting, accrual, and compensation calculations.

**abstract role**
A description of a person's function in the enterprise that is unrelated to the person's job (position), such as employee, contingent worker, or line manager.

**assignment**
A set of information, including job, position, pay, compensation, managers, working hours, and work location, that defines a worker's or nonworker’s role in a legal employer.

**assignment level**
See sourcing assignment level.

**assignment statement**
A statement that formulas use to set a value for a local variable.

**benefits object hierarchy**
A structure that enables efficient management of benefits that share similar attributes. The four object types used to structure benefits offerings are programs, plan types, plans, and options.

**calculation card**
Captures values required for payroll calculations for some earnings and deductions, such as absence payments and involuntary deductions. For some countries, you can also create various types of cards to hold default values for tax reporting units or payroll statutory units.

**calculation component**
An individual calculation captured on a calculation card, which is typically associated with an element.

**calculation type**
The amount or percent based method used to calculate a pricing guideline. Values include Percent of, Percent off, Margin percent, Amount off, and Absolute value.
calculation value definition
The rates, amounts, or rules that payroll runs use to calculate the components listed on a calculation card.

consolidation group
A grouping of payroll runs within the same period for the same payroll, for which you can run reporting, costing, and post-run processing. You can specify a default consolidation group for each payroll definition.

context
A grouping of flexfield segments to store related information.

context-sensitive segment
A flexfield segment that may or may not appear depending upon a context. Context-sensitive segments are attributes that apply to certain entity rows based on the value of the context segment.

cost profile
Defines the cost accounting policies for items, such as the cost method and valuation structure.

data instance set
The set of HCM data, such as one or more persons, organizations, or payrolls, identified by an HCM security profile.

database item
An item of information that has special programming attached, which formulas and HCM extracts use to locate and retrieve the data.

date-effective object
An object with a change history. Professional users can retrieve the object as of a current, past, or future date.

distribution
Amount paid to a participant from a plan such as a savings plan or a flexible spending account.

effective end date
For a date-effective object, the end date of a physical record in the object’s history. A physical record is available to transactions between its effective start and end dates.

effective start date
For a date-effective object, the start date of a physical record in the object’s history. A physical record is available to transactions between its effective start and end dates.

element
Component in the calculation of a person’s pay. An element may represent a compensation or benefit type, such as salary, wages, stock purchase plans, pension contributions, and medical insurance.
**element classification**
Provides various element controls, such as the processing order, balances feeds, costing, and taxation. Oracle predefines primary element classifications and some secondary classifications. You can create other secondary classifications.

**element eligibility**
The association of an element to one or more components of a person’s employment record. It establishes a person’s eligibility for that element. Persons are eligible for the element if their assignment components match the components of the element eligibility.

**element entry**
The record controlling an employee’s receipt of an element, including the period of time for which the employee receives the element and its value.

**element group**
Group of one or more elements, which you define for running various payroll processes, reports, or for cost distribution purposes. Use element groups to limit the elements processed by a payroll batch process.

**element template**
Predefined questions that you answer to create elements and associated items. Templates vary depending on the element classification, country, and products you are using.

**eligibility profile**
A user-defined set of criteria used to determine whether a person qualifies for a benefits offering, variable rate or coverage, compensation plan, checklist task, or other object for which eligibility must be established.

**extensible flexfield**
Expandable fields that you can use to capture multiple sets of information in a context or in multiple contexts. Some extensible flexfields let you group contexts into categories.

**fast formula**
A simple way to write formulas using English words and basic mathematical functions. Formulas are generic expressions of calculations or comparisons that repeat with different input values.

**final close date**
The last date on which a payroll run can process element entries. Typically, the last effective date of the payroll record.

**flexfield**
A flexible data field that you can configure such that it contains one or more segments or stores additional information. Each segment has a value and a meaning.

**flexfield segment**
An extensible data field that represents an attribute and captures a value corresponding to a predefined, single extension column in the database. A segment appears globally or based on a context of other captured information.
**flow**
An occurrence of a flow pattern that you manage from a payroll work area or from the Data Exchange work area using the View Extracts task. The data security for your role determines which flows you can submit and access.

**flow checklist**
A sequence of automatic and manual flow tasks grouped into activities, such as extract reports and processes, or tasks related to payroll processing. Submitting a flow generates a checklist that you use to monitor the flow and manage its tasks.

**flow pattern**
A series of tasks performed in a predefined order, which are grouped into activities, such as extract reports and processes, or tasks that cover a phase of the payroll process. The flow pattern is used to generate a flow, which you can manage from its checklist.

**formula**
Combination of operators, functions, dimension and member names, and numeric constants used to calculate database members.

**grade**
A component of the employment model that defines the level of compensation for a worker.

**HCM data role**
A job role, such as benefits administrator, associated with instances of HCM data, such as all employees in a department.

**HR**
Abbreviation for human resource.

**input value**
Field defined for an element that holds information about an element entry that’s needed for calculation. For example, hours worked, an alternate payment rate, or the amount of a bonus or deduction.

**job**
A generic role that is independent of any single department or location. For example, the jobs Manager and Consultant can occur in many departments.

**job role**
A role, such as an accounts payable manager or application implementation consultant, that usually identifies and aggregates the duties or responsibilities that make up the job.

**key flexfield**
Configurable flexfield comprising multiple parts or segments, each of which has a meaning either individually or in combination with other segments. Examples of key flexfields are part numbers, asset category, and accounts in the chart of accounts.
key flexfield structure instance
An occurrence of a key flexfield structure that shares the same order of segments as other instances of the key flexfield structure. However, each instance uses different value sets to validate the segments.

last standard earnings date
Date on which standard earnings stop accumulating, typically the date of the termination or payroll transfer.

last standard process date
Last date on which element entries are considered for normal processing in a payroll run. Typically, the last day of the payroll period in which a termination or payroll transfer occurs.

layout
The time card, calendar, web clock, and shift components that appear on pages and dialog boxes, and the details of their appearance.

legal authority
A government or legal body that is charged with powers such as the power to make laws, levy and collect fees and taxes, and remit financial appropriations for a given jurisdiction.

legal employer
A legal entity that employs people.

legal entity
An entity identified and given rights and responsibilities by commercial law through the registration with country’s appropriate authority.

legal reporting unit
The lowest level component of a legal structure that requires registrations. Used to group workers for the purpose of tax and social insurance reporting or represent a part of your enterprise with a specific statutory or tax reporting obligation.

legislation
The base definition that governs certain rules so that Oracle Global Human Resources can perform differently for different countries and territories in order to meet statutory requirements. Can be predefined by Oracle or defined during implementation using the Manage Legislations for Human Resources task.

legislative data group
A means of partitioning payroll and related data. At least one legislative data group is required for each country where the enterprise operates. Each legislative data group is associated with one or more payroll statutory units.
**logical record**
One or more physical records that constitute a date-effective object.

**lookup code**
An option available within a lookup type, such as the lookup code BLUE within the lookup type COLORS.

**lookup type**
The label for a static list that has lookup codes as its values.

**object group**
User-defined set of elements or people that restrict the items you want to include in various processes and reports.

**payment source**
Bank account or other source of funds associated with organization payment methods.

**payroll employment group**
Group of people that payroll runs use for processing, data entry, and reporting.

**payroll interface report**
A process to extract and generate a report of payroll-related data sent to a third-party payroll provider.

**payroll processing parameters**
System-level information that controls settings for flow processes, such as logging, chunk size, and other options that affect process performance.

**payroll relationship**
Defines an association between a person and a payroll statutory unit based on payroll calculation and reporting requirements.

**payroll statutory unit**
A legal entity registered to report payroll tax and social insurance. A legal employer can also be a payroll statutory unit, but a payroll statutory unit can represent multiple legal employers.

**person type**
A subcategory of a system person type, which the enterprise can define. Person type is specified for a person at the assignment level.

**physical record**
A single record, with effective start and end dates, in the history of a date-effective object. Each physical record is a row in a database table.
**position**
A specific occurrence of one job that is fixed within one department. It is also often restricted to one location. For example, the position Finance Manager is an instance of the job Manager in the Finance Department.

**profile option level**
The category or layer that defines a profile option. Site, Product, and User are the predefined levels.

**profile option value**
The setting mapped to the level of a profile option. A profile option may have multiple values set at different levels, such as Site or User.

**registration**
The record of a party’s identity related details with the appropriate government or legal authorities for the purpose of claiming and ensuring legal and or commercial rights and responsibilities.

**retroactive process**
A process that recalculates the amount to pay a person in the current period to account for retrospective changes that occurred in previous payroll periods.

**role**
Controls access to application functions and data.

**role mapping**
A relationship between one or more roles and one or more assignment conditions. Users with at least one assignment that matches the conditions qualify for the associated roles.

**salary basis**
Defines validation and payroll details for worker base pay. It identifies the currency and period of the quoted base pay and the factor used to annualize base pay. It optionally identifies components or rates used to itemize salary adjustments and the grade rate used to validate salary.

**security profile**
A set of criteria that identifies HCM objects of a single type for the purposes of securing access to those objects. The relevant HCM objects are persons, organizations, positions, countries, LDGs, document types, payrolls, and payroll flows.

**set-level definition**
Enables you to segment and share your reference data. Entities that are defined at the set level can be shared by all cost organizations belonging to that set. You can also use the Common set to share the same reference data across all cost organizations.

**stage table**
An intermediate table to which records are loaded from a spreadsheet or file and where some validation occurs.
standard cost
An inventory valuation method in which inventory is valued at a predetermined standard value. You track variances for the difference between the standard cost and the actual transaction cost, and you periodically update the standard cost to bring it in line with actual costs.

tax reporting unit
A legal entity that groups workers for the purpose of tax and social insurance reporting.

time consumer
An application that uses calculated time data for processing. For example, a payroll consumer uses reported time to calculate employee pay. A project costing consumer uses reported time to bill customers for a given project.

unit of measure
A division of quantity that is adopted as a standard of measurement.

user-defined table
Structure of rows and columns that maintains date effective lists of values. Tables store values as cells for specific row and column combinations.

value set
A predefined set to validate the values that a user enters in the application. The set may be hierarchical.

work relationship
An association between a person and a legal employer, where the worker type determines whether the relationship is a nonworker, contingent worker, or employee work relationship.

work relationship group
Group of people that you can define for reporting, for example in HCM extracts.