Oracle Human Resources Cloud
Implementing Payroll for the United Kingdom
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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.
1 About This Guide

Guide Overview

This guide identifies and describes the UK payroll setup tasks for Oracle Global 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 Global Payroll implementation teams. It is assumed that you have working knowledge of the basic principles of payroll and you are familiar with the customary payroll terminology. It is also assumed that you have consulted the following two guides:

- Getting Started with Your Oracle Global Human Resources Cloud Implementation guide to complete your initial setup
- Implementing Global Human Resources guide to complete the related prerequisite tasks required for payroll implementation

Refer the 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 Global Payroll, 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 Global Payroll. 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 on 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 UK-specific information, refer to the Information Center: Human Capital Management (Doc ID 2090342.2) on My Oracle Support.
2 Get Started

Implement Global Human Resources Cloud Payroll

To start an implementation of Global Human Resources Cloud Payroll, a user with the Application Implementation Consultant role (ORA_PAY_APPLICATION_IMPLEMENTATION_CONSULTANT_JOB) must use the Workforce Deployment offerings in the Setup and Maintenance work area.

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, and work structures. 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. The setup steps required for payroll vary depending on your business requirements.

<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 legal authorities.</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 and payment methods required for payroll calculations and reporting, and processing and making payments.</td>
</tr>
</tbody>
</table>

Related Topics

- Oracle Applications Cloud Using Functional Setup Manager
- Plan Your Implementation
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.

Create HCM Data Roles for Global Payroll Implementation Users
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:
   ◦ Functional Area: Users and Security
   ◦ 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>
</tbody>
</table>
Field | Value
--- | ---
Job Role | Payroll Administrator

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>
<th>Section</th>
<th>Security Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization</td>
<td>View All Organizations</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 Autoprovion 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.
Date Effectivity

Date Effectivity

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>4</td>
<td>18 January, 2011</td>
<td></td>
<td>C. Woods</td>
</tr>
<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

How You Delete 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.

<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>C</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>10 June, 2009</td>
<td>14 August, 2011</td>
<td>A</td>
</tr>
</tbody>
</table>

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).
3 Payroll Concepts and Fundamentals

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
- Business functions performed by business units and optionally, centralized in shared service centers
- Locations of facilities

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.

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 United Kingdom (UK) legal entity represent all businesses in that country.

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 France 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 don't 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 a recognized party with rights and responsibilities given by legislation.

Legal entities have the following rights and responsibilities to:

- Own property
- Trade
- Repay debt
- Account for themselves to regulators, taxation authorities, and owners according to rules specified in the relevant legislation

Their rights and responsibilities may be enforced through the judicial system. Define a legal entity for each registered company or other entity recognized in law for which you want to record assets, liabilities, expenses and income, pay transaction taxes, or perform intercompany trading.

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 the property development business as a separate legal entity to limit risk to your leasing business.

The Role of Your Legal Entities

In configuring your enterprise structure in Oracle Fusion Applications, 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. Europe now allows for companies to register in one member country and do business in all member countries, and the US allows for companies to register in one state and do business in all states. To support local reporting requirements, legal reporting units are created and registered.

You are required to publish specific and periodic disclosures of your legal entities’ operations based on 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, in the United States (US), your publicly owned entities (corporations) are required to file quarterly and annual reports, as well as other periodic reports, with the Securities and Exchange Commission (SEC), which enforces statutory reporting requirements for public corporations.

Individual entities privately held or held by public companies don’t have to file separately. In other countries, your individual entities do have to file in their own name, as well as at the public group level. Disclosure requirements are diverse. For example, your local entities may have to file locally to comply with local regulations in a local currency, as well as being included in your enterprise’s reporting requirements in different currency.

A legal entity can represent all or part of your enterprise’s management framework. For example, if you operate in a large country such as the United Kingdom or Germany, you might incorporate each division in the country as a separate legal
entity. In a smaller country, for example Austria, you might use a single legal entity to host all of your business operations across divisions.

What’s a legal employer?

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’re 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’re 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.

What’s a tax reporting unit?

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.

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’s 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.

How Legal Employers Work with Payroll Statutory Units and Tax Reporting Units

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 for court orders or for United Kingdom (UK) statutory sick pay. 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.

Examples of HCM Organization Models

These examples illustrate different models for human capital management (HCM) organizations that include a legislative data group (LDG). This example includes LDGs, which aren’t an organization classification, to show how to partition payroll data by associating them with a payroll statutory unit.

Simple Configuration

This example illustrates a simple configuration that doesn’t include any tax reporting units.

Note the following:

- The legal employer and payroll statutory units are the same, sharing the same boundaries.
- Reporting can only be done at a single level. Countries such as Saudi Arabia and the United Arab Emirates (UAE) might use this type of model, as these countries report at the legal entity level.

This figure illustrates a simple configuration where the enterprise has only one legal entity, which is both a payroll statutory unit and a legal employer.
Multiple Legal Employers and Tax Reporting Units

This example illustrates a more complex configuration. In this enterprise, you define one legal entity, InFusion US as a payroll statutory unit with two separate legal entities, which are also legal employers. This model shows multiple legal employers that are associated with a single payroll statutory unit. Tax reporting units are always associated with a specific legal employer (or employers) through the payroll statutory unit.

The implication is that payroll statutory reporting boundaries vary from human resources (HR) management, and you can categorize the balances separately by one of the following:

- Payroll statutory unit
- Legal employer
- Tax reporting unit

This configuration is based on tax filing requirements, as some tax-related payments and reports are associated with a higher level than employers. An example of a country that might use this model is the US.

This figure illustrates an enterprise that has one payroll statutory unit and multiple legal employers and tax reporting units.
One Payroll Statutory Unit and Two Tax Reporting Units

This model makes no distinction between a legal employer and a payroll statutory unit. You define tax reporting units as subsidiaries to the legal entity.

In this enterprise, legal entity is the highest level of aggregation for payroll calculations and reporting. Statutory reporting boundaries are the same for both payroll and HR management. An example of a country that might use this model is France.

This figure illustrates an example of an organization with one legal entity. The legal entity is both a legal employer and a payroll statutory unit and that has two tax reporting units.

One Payroll Statutory Unit with Several Tax Reporting Units

In this model, the enterprise has one legal entity. Legal employers and tax reporting units are independent from each other within a payroll statutory unit, because there is no relationship from a legal perspective. Therefore, you can run reporting on both entities independently.
Using this model, you wouldn’t typically:

- Report on tax reporting unit balances within a legal employer
- Categorize balances by either or both organizations, as required

An example of a country that might use this model is India.

This figure illustrates an enterprise with one legal entity that’s a payroll statutory unit and a legal employer. The tax reporting units are independent from the legal employer.
Multiple Payroll Statutory Units with Several Tax Reporting Units

In this model, the enterprise has two legal entities. The legal employers and tax reporting units are independent from each other within a payroll statutory unit, because there is no relationship from a legal perspective. Therefore, you can run reporting on both entities independently.

Using this model, you wouldn’t typically:

- Report on tax reporting unit balances within a legal employer
- Categorize balances by either or both organizations, as required

An example of a country that might use this model is the United Kingdom (UK).
This figure illustrates an enterprise with two legal entities, and legal employers and tax reporting units are independent from each other.

Payroll Employment Hierarchy Profile Options

You can use profile options to specify the values that you want to display for each payroll employment hierarchy level. 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 these 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.

### Profile Options for the Payroll Relationship Level

This 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

This 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>PAY_EMP_HIERARCHY_ASG_DESC_3</td>
<td>Grade Name</td>
</tr>
<tr>
<td>PAY_EMP_HIERARCHY_ASG_DESC_3</td>
<td>Job Name</td>
</tr>
<tr>
<td>PAY_EMP_HIERARCHY_ASG_DESC_3</td>
<td>Legal Employer Name</td>
</tr>
<tr>
<td>PAY_EMP_HIERARCHY_ASG_DESC_3</td>
<td>Location Name</td>
</tr>
<tr>
<td>PAY_EMP_HIERARCHY_ASG_DESC_3</td>
<td>Position Name</td>
</tr>
</tbody>
</table>

### Override 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. Override the default value with job for the payroll administrator who manages records for a group of workers who are not assigned to positions.
Jurisdictions and Legal Authorities

Overview
You are required to register your legal entities with legal authorities in the jurisdictions where you conduct business. Register your legal entities as required by local business requirements or other relevant laws. For example, register your legal entities for tax reporting to report sales taxes or value added taxes.

Define jurisdictions and related legal authorities to support multiple legal entity registrations, which are used by Oracle Fusion Tax and Oracle Fusion Payroll. When you create a legal entity, the Oracle Fusion Legal Entity Configurator automatically creates one legal reporting unit for that legal entity with a registration.

Jurisdictions
Jurisdiction is a physical territory such as a group of countries, country, state, county, or parish where a particular piece of legislation applies. French Labor Law, Singapore Transactions Tax Law, and US Income Tax Laws are examples of particular legislation that apply to legal entities operating in different countries’ jurisdictions. Judicial authority may be exercised within a jurisdiction.

Types of jurisdictions are:
- Identifying Jurisdiction
- Income Tax Jurisdiction
- Transaction Tax Jurisdiction

Identifying Jurisdiction
For each legal entity, select an identifying jurisdiction. An identifying jurisdiction is your first jurisdiction you must register with to be allowed to do business in a country. If there’s more than one jurisdiction that a legal entity must register with to commence business, select one as the identifying jurisdiction. Typically the identifying jurisdiction is the one you use to uniquely identify your legal entity.

Income tax jurisdictions and transaction tax jurisdictions don’t represent the same jurisdiction. Although in some countries, the two jurisdictions are defined at the same geopolitical level, such as a country, and share the same legal authority, they’re two distinct jurisdictions.

Income Tax Jurisdiction
Create income tax jurisdictions to properly report and remit income taxes to the legal authority. Income tax jurisdictions by law impose taxes on your financial income generated by all your entities within their jurisdiction. Income tax is a key source of funding that the government uses to fund its activities and serve the public.

Transaction Tax Jurisdiction
Create transaction tax jurisdictions through Oracle Fusion Tax in a separate business flow, because of the specific needs and complexities of various taxes. Tax jurisdictions and their respective rates are provided by suppliers and require periodic maintenance. Use transaction tax jurisdiction for legal reporting of sales and value added taxes.

Tax Jurisdictions
Set up tax jurisdictions for geographic regions or tax zones where a specific tax authority levies a tax. A tax jurisdiction specifies the association between a tax and a geographic location.
At transaction time, Oracle Fusion Tax derives the jurisdiction or jurisdictions that apply to a transaction line based on the place of supply.

Tax Jurisdiction Setup
You must set up at least one tax jurisdiction for a tax before you can make the tax available on transactions.

You can use tax jurisdictions to define jurisdiction-based tax rates. A tax jurisdiction tax rate is a rate that's distinct to a specific geographic region or tax zone for a specific tax.

You can also create multiple jurisdictions at once using the mass create functionality for taxes that relate to specific Trading Community Model geographic hierarchies. For example, create a county jurisdiction for every county in the parent geography type of State and in the parent geography name of California.

The tax within a tax jurisdiction can have different rates for the parent and child geographies. For example, a city sales tax rate can override a county rate for the same tax. In this case, you can set up an override geography type for the city and apply a precedence level to the city and county tax jurisdictions to indicate which tax jurisdiction takes precedence.

In addition, in some cities a different city rate applies to the incorporated area of the city, called the inner city. In these cases, you can set up an inner city tax jurisdiction with its own tax rate for the applicable customers and receivables tax. Inner city tax jurisdictions are often based on postal code groupings.

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

For example, Her Majesty’s Revenues and Customs (HMRC) is the authority that ensures that the correct tax is paid at the right time, whether this relates to payment of taxes received by the department or entitlement to benefits paid. 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.

Although legal entities aren’t mandatory in the application, it’s recommended and are generally referenced on statutory reports.

Workforce Structures

Define Workforce Structures
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. This includes:

- Locations
- Departments
- Jobs
• Grade

Payroll Employment Model

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 Options for Elements
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

Payroll Relationships: Explained

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>
<tr>
<td>Element Entry Only</td>
<td>Person types mapped to this payroll relationship type have only element entries created for them and are excluded from payroll processing.</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 the UK.

<table>
<thead>
<tr>
<th>System Person Type</th>
<th>Payroll Relationship Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
<td>Standard</td>
</tr>
<tr>
<td>Pensioner</td>
<td>Standard</td>
</tr>
</tbody>
</table>
The mapping rules are predefined for legislations provided by Oracle. You can't create your own payroll relationship types, and you must use the values that are predefined in the application.

A payroll relationship can't 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 example:

- A payroll relationship is created for each person type.
- For a relationship that gets terminated, a new payroll relationship is created within the same payroll relationship and PSU, for the rehire.
- If a person is rehired the day after the previous termination date, the previous payroll relationship is used. For example, in case of fixed-term contracts, this enables back-to-back periods of continuous service.

### Continuous Period of Service Payroll Relationship Rule

The payroll relationship rule determines:

- What happens when you terminate the last active employment assignment record for a payroll relationship
- Whether the application creates a payroll relationship when you add a new assignment record for an employee

The Continuous period rule payroll relationship rule is predefined for employees assigned to payroll statutory units (PSUs).

### Continuous Period of Service

When a work assignment is terminated, the associated payroll relationship becomes inactive and is terminated. Subsequently, when you create an assignment, the application searches for an active payroll relationship of the same type and for the same PSU. If a payroll relationship exists, date validation occurs to determine whether to use the existing payroll relationship or to create a new one. The application compares the start date of the new assignment to the last standard earnings date of the existing payroll relationship. If the start date is before the last standard earnings date, the application uses the existing payroll relationship, otherwise, it creates a new one.
Related Topics

- How Terminations Affect Payroll Processing

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

Payroll Calculation Information

When you create an element, the application generates the rules and definitions required to calculate earnings or deduction amount. For all types of elements, these rules and definitions include elements, formulas, and processing rules.

This topic explains the payroll calculation information rules and definitions generated for user-defined elements with one of the following categories:

- Absence
- Benefit
- Involuntary Deductions
- Time card

All predefined tax and social insurance elements also include payroll calculation information rules and definitions.

Note: Elements that use calculation information definitions do not capture the values required for the calculation on element input values.

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>
<tbody>
<tr>
<td>Payroll calculation information</td>
<td>The manage payroll calculation information task groups rates and rules used by the payroll run to calculate values for user-defined earnings, and deductions.</td>
<td>Use the Manage Payroll Calculation Information task.</td>
</tr>
</tbody>
</table>
### Calculation Information

<table>
<thead>
<tr>
<th>Description</th>
<th>Task</th>
</tr>
</thead>
<tbody>
<tr>
<td>Predefined elements such as tax and social insurance rules also use the payroll calculation feature to provide a group of rates and rules which vary by country or territory.</td>
<td>Use the Manage Payroll Calculation Information task to view payroll components and their associated rules.</td>
</tr>
</tbody>
</table>

#### Payroll components

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, which vary by country or territory but may include social insurance, taxes, retirement plans, involuntary deductions, and benefits.

Use the Manage Payroll Calculation Information task to view payroll components and their associated rules.

#### Wage basis rules

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 a worker’s place of residence.

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.

#### Calculation value definitions

Calculation value definitions store calculation rates and rules, which may vary based on other criteria.

For example you can use calculation value definitions to calculate regional income tax rates for employees, which vary based on their income levels.

The calculation value definition controls which calculation values are enterable on a calculation card.

Use the Manage Calculation Value Definitions task to view predefined definitions and the definitions that element templates create.

**Note:** You can edit definitions that element templates create, such as adding default calculation values.

#### Calculation factors

Calculation factors indicate which calculation value definition to use when calculating the amount.

For example, a calculation factor might identify which set of tax rates to use based on the tax code of the employee.

If tax rates vary based on a factor such as a person’s filing status, then filing status is defined as a calculation factor reference. Thus, an element may have multiple

Use the Manage Elements, Element Overview task to access calculation factors.

Use the Manage Payroll Calculation Information task to create new calculation factors. Normally, you don’t need to create new factors, but if you do, you must also edit the element’s payroll formula to use the new calculation factors.
### Calculation Information

<table>
<thead>
<tr>
<th>Calculation Information</th>
<th>Description</th>
<th>Task</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculation factors</td>
<td>calculation factors, one for each unique set of rules and references values.</td>
<td></td>
</tr>
<tr>
<td>Calculation components</td>
<td>When an element template creates a payroll component, it also creates calculation components that you can enter on personal calculation cards to enter specific details for the person.</td>
<td>Use the Manage Calculation Cards task to enter calculation components for a person.</td>
</tr>
<tr>
<td>Calculation types</td>
<td>A calculation type describes a way of calculating a value. For example, calculating a value as a Flat Amount or by applying a Rate to a value. There is a predefined set of Calculation Types.</td>
<td>Use the Manage Calculation Value Definitions task to view calculation types.</td>
</tr>
</tbody>
</table>
| Calculation steps       | A Calculation Step is a name or label that denotes part of a payroll calculation. For example, a time calculation can consist of the following parts:  
- Calculate hours worked  
- Calculate hourly rate  
A regional tax calculation can consist of the following parts:  
- Calculate Exemptions  
- Calculate Allowances  
- Calculate Tax  
Each one of these is a calculation step in a fast formula. | Use the Manage Payroll Calculation Information task. |
| Calculation methods     | Predefined calculation methods are a way of performing a payroll calculation. For example, a tax could be calculated using a cumulative year-to-date payroll balance or a periodic payroll value. | Use the Manage Payroll Calculation Information task. |
| Calculation factors     | Calculation factors create an association between an element, calculation step, and a calculation value definition. Calculation factors indicate which calculation value definition to use when calculating the amount. Calculation factors can support complex calculations such as tax rates. For example, if a tax rate varies based on a factor such as a person’s filing status the filing status can be defined as a calculation factor reference thus, an element may have multiple calculation | Use the Manage Elements, Element Overview task. |
Calculation Information | Description | Task
--- | --- | ---
 | factors, one for each unique set of rules and references values. | |

**Related Topics**

- Examples of Payroll Calculation Information at the Legislative Level
- Wage Basis Rules
- Calculation Factors
- How You Add Involuntary Deductions to a Calculation Card

**How Elements 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>
<tr>
<td></td>
<td>Hourly Salary Basis</td>
</tr>
<tr>
<td>Absence Management</td>
<td>Absence Payment</td>
</tr>
<tr>
<td></td>
<td>Leave Liability</td>
</tr>
<tr>
<td></td>
<td>Discretionary Disbursement</td>
</tr>
<tr>
<td></td>
<td>Final Disbursement</td>
</tr>
<tr>
<td>Benefits</td>
<td>Health Care Deduction</td>
</tr>
<tr>
<td></td>
<td>Savings Plan Deduction</td>
</tr>
<tr>
<td></td>
<td>Employee Stock Purchase Deduction</td>
</tr>
<tr>
<td>Time and Labor</td>
<td>Regular Hourly Earnings</td>
</tr>
<tr>
<td></td>
<td>Overtime Earnings</td>
</tr>
<tr>
<td></td>
<td>Shift Earnings</td>
</tr>
<tr>
<td>Payroll</td>
<td>Regular Standard Earnings</td>
</tr>
<tr>
<td></td>
<td>Bonus Earnings</td>
</tr>
</tbody>
</table>
**Element Usage**

<table>
<thead>
<tr>
<th>Examples of Elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Deduction</td>
</tr>
<tr>
<td>Involuntary Deduction</td>
</tr>
</tbody>
</table>

**Base Pay Management**

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

You can process the payments in Oracle Fusion Global Payroll 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 Labor**

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 Labor, 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 Oracle Fusion Global Payroll, 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.

**Related Topics**

- Create Payroll Elements
- Define Payroll Elements for an Absence Accrual Plan
- Create Earnings Elements for Payroll
- Create Elements for Time Card Entries
Overview of Define 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, if required.
- 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.

![Flowchart](image)

**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 may create 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. For example, you might enter a default payee for pension payments.
- 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 supplied for your country or territory, such as the wage basis rules and calculation factors
- Create new calculation factors, if required.

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, or using the Manage Calculation Cards task in the Payroll Calculation work area. In most cases, 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:** Make sure you create an eligibility record for the statutory deduction elements like Tax, 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

**Related Topics**

- Elements
- Element Eligibility
- How You Define Voluntary and Pre-statutory Deductions
- Create Earnings Elements for Payroll

Object Groups

Overview of Object Groups

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
• Restrict Payroll Processing
4 Geographies, Address Styles, and Country Extensions

Implement 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 the United Kingdom 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 extension.
- Select the Payroll Costing Options to cost your payroll and the appropriate subledger accounting rules.
- Select the appropriate precision for the currency of the United Kingdom 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.

Create an Implementation Project

You must create an implementation project for the UK to perform the setup tasks. Create a new project for the UK under Implementation Projects in the Setup and Maintenance work area. Select Workforce Deployment as the offering to get the relevant tasks for setting up enterprise structures.

Geographies

Geography Structures

This topic describes geography structures and the tasks you can perform using geography structures. A geography structure is a hierarchical grouping of geography types for a country. Here’s the predefined geography structure for the UK:

<table>
<thead>
<tr>
<th>Level</th>
<th>Geography Type</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>County</td>
<td>Avon</td>
</tr>
</tbody>
</table>
Use the Manage Geographies task to set the predefined geography structure code GB for the UK.

### Relate Geography Types
You can determine how a country’s geographies are hierarchically related by creating the hierarchy of the geography types in the geography structure. When you define a country’s structure, the geography type Country is implicitly at the top of the geography structure with the level 1. The subsequent geography types that you add after country are numbered in sequence.

You must add a geography type as a level in the country structure before you can define a geography for that type in a country. For example, before defining the County Avon, the County geography type must be added to the United Kingdom country structure. To quickly create county structure, you can copy a structure from another county and modify the geography types for the county.

### Define Geography Types
You can use any of the master reference geography types to create your geography structure. If required, you can create a geography type, before adding it to the country structure. Each geography type is added below the current lowest level.

> **Note:** You cannot delete geography types that have associated geography data. You can only delete the lowest level geography type of the country structure.

A geography type that you create within the country structure can be used for other country structures as well.

### Geography Validation
Geography validation determines the geography mapping and validation for a country’s address styles, as well as the overall geography validation control for a country.

The **No Styles Format** address style format is the default address style format for a country. By defining the mapping and validation for this format you will ensure that validations can be performed for any address in the country. After the **No Styles Format** is defined you can set up additional mapping for specific address styles.

For each address style format, you can define the following:

- Map to attribute
- Enable list of values
- Tax validation
- Geography validation
- Geography validation control
Map to Attribute

For every address style format, you can map each geography type to an address attribute. Use the following Map to Attribute:

<table>
<thead>
<tr>
<th>Geography Style</th>
<th>Map to Attribute</th>
</tr>
</thead>
<tbody>
<tr>
<td>County</td>
<td>County</td>
</tr>
<tr>
<td>Township</td>
<td>Additional address attribute</td>
</tr>
<tr>
<td>Locality</td>
<td>City</td>
</tr>
<tr>
<td>Postcode</td>
<td>Postal Code</td>
</tr>
</tbody>
</table>

The geography types that appear are based on how the country structure is defined. The list of address attributes that appear are based on address formats delivered with the application, or your custom defined address formats.

**Note:** You only need to map geography types that you want to use for geography or tax validation purposes.

Enable List of Values

Once a geography type is mapped to an attribute, then you can specify whether the geography type will appear in a list of values during address entry in user interfaces. It is very important to review carefully if you want to enable a list of values. You should only enable a list of values if you have sufficient geography data imported or created for that geography. If the setup for master geography data is incomplete, then the geography data is either not imported or created. As a result, the list of values for the address attribute does not list any geography data.

Once you have enabled a list of values for an address attribute, you can only select the geography data available for the geography type. This means that if a specific geography value is not available in the geography hierarchy, you cannot create an address with a different geography value.

Tax Validation

Do not change the default Tax Validation settings. Oracle Fusion HCM applications do not use this functionality.

Geography Validation

Do not change the default Geography Validation settings. Oracle Fusion HCM applications do not use this functionality.

Geography Validation Control

You can select the geography validation level for a country. Validation will check if the entered address maps to the geography hierarchy data available for the country, and the geography validation control determines whether you can save an address that did not pass validation during address entry. For example, if the validation level is Error, then an address cannot be saved if the values do not match the geography hierarchy data.

These are the geography validation levels you can choose:

- **Error** - only completely valid addresses can be saved, with all mandatory address elements entered.
- **No Validation** - all addresses can be saved including incomplete and invalid addresses.

Regardless of the result of validation, the validation process will try to map any address attribute to a geography of the country, and store any mapping it could establish based on the available data. This is called Geography Name Referencing.
and it is executed as part of validation. The result of this referencing is used in several business processes in the application to map an address to a specific geography or zone.

The Geography Dimension value in territories is derived from sell-to addresses of sales accounts. To use geography dimensions in territories, you must validate the geography elements in the addresses, such as state, city, and postal code. You can validate the address by enabling geography validation for each country using the Manage Geographies task. Perform the following in the Manage Geographies task:

- Enable at least one level in the geography hierarchy for geography validation.
- Enable geography validation for all geography levels that you intend to use for territory definition for each country.
- If needed, enable a list of values containing specific geography elements. This will help users search and select appropriate geography values during addresses entry and eliminate all possibilities of wrong address entry.

You can set geography validation control to Error in the Manage Geography Validation page. This ensures that users can only use valid geography elements in addresses.

**Note:** If you have already created addresses before setting up geography validation for a country, you must enabling geography validation and then execute the Run Maintain Geography Name Referencing task for that country. This validates all your geography elements.

### Addresses

**Address Style and Address Validation Settings**

Use the Manage Features by Country or Territory task to control address style and level of address validation. The values you can set depend on the combination of the country or territory and the selected country extension.

**Address Style**

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.

Postal Address is the default address style.

- **Postal Address**

  This address style provides the fundamental set of address attributes. In some cases, this style adds supplemental attributes. For some countries and territories, this address style might include general address attributes that aren’t 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.

Each country has a default address style and the choice of the country extension determines whether you can change the default address style. However, for the UK, don’t modify the predefined address style.
Extension-Specific Validation
The following table describes the style and validations available for addresses:

<table>
<thead>
<tr>
<th>Extension</th>
<th>Style Enforced</th>
<th>Validation Enforced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Resources</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Payroll Interface</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Payroll</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Address Styles and Validation
The format in which addresses must be entered for workers is predefined. Hence, don’t modify this during implementation. The predefined format enables the following fields:

- Country (required)
- Address 1 (required)
- Address 2
- Address 3
- City or Town (required)
- County
- Postal Code

The postal code is validated and must be in one of the predefined formats which is a combination of alphabets and numbers. In addition, the following validations apply:

- The letters Q, V, and X can’t be used in the first position
- The letters I, J, and Z can’t be used in the second position
- The only letters allowed in the third position are A, B, C, D, E, F, G, H, J, K, S, T, U, and W
- The only letters allowed in the fourth position are A, B, E, H, M, N, P, R, V, W, X, and Y
- The second half of the postal code is always in the format: Number, Alphabet, Alphabet. The letters C, I, K, M, O, and V aren’t allowed.

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

Disable Address Validation
For some countries, the application prevents you from disabling the programmatic validation. For the UK, you can’t disable the address validation.

Country Extensions
Select Country Extensions

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. The country extension setting ensures that certain payroll-related features work correctly in your implementation, such as element templates.

To view and set the product extension:

1. Search for and start the Manage Features by Country or Territory task.
2. Ensure the Selected Extension value is correct for the United Kingdom legislation.

Valid values for the selected extension parameter are:

- Payroll
- Payroll Interface
- Human Resources or None

By default, the extension is set to Human Resources or None, which means no payroll product is selected. To use payroll or any predefined payroll interface extracts, you must set the extension to the appropriate payroll setting.

*Note:* After any upgrade, this parameter is set to null, and the Implementation Team must reset it before you can perform any transactional actions, such as running payroll, new hires, setting up elements, and so on.

3. Make any necessary changes, and click Save.
4. Click Done.

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 when you process payroll.
- The New Hire process performs automatic actions, such as:
  - Creates a Statutory Deductions calculation card and the Pensions Automatic Enrolment calculation card for the new employee
  - Associates them with a tax reporting unit (TRU) if the TRU was specified at time of hire
  - Validates 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 Cloud 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. The Calculate Gross Earnings process requires these objects to include employee data.
  - 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 organization payment methods in payroll definitions
- No requirement for payment sources in organization payment methods
- No dependency on source banks in Oracle Cloud Financials

Human Resources or None

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

- The element templates for creating earnings and deductions elements generate only the elements and no 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.
- Additional country-specific validation.
- Validations on payroll objects are less restrictive, as with the Payroll Interface setting.

Examples to Select Country Extensions

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

The Vision enterprise has employees in several countries with different payroll arrangements:

- In the United States and United Kingdom, 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.
- In China, the enterprise stores only HR data in Oracle Fusion Applications and doesn't require any data for payroll purposes.

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 the US and UK</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>
<tr>
<td>Do your plans include processing only HR details?</td>
<td>Yes, using Global HR in China</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 country 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>United States</td>
<td>Payroll</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>Payroll</td>
</tr>
<tr>
<td>France</td>
<td>Payroll Interface</td>
</tr>
<tr>
<td>China</td>
<td>Human Resources or None</td>
</tr>
</tbody>
</table>

4. Click Save, and then click Done.
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 Before You Start Payroll Set Up

Tasks to Complete Before You Set Up Payroll

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 requirements, 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
- 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.

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 for your country or territory. Use the predefined jurisdiction United Kingdom HMRC.  
- 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 a legislative data group for each country or territory you operate in, 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. |
Define Features by Country or Territory

Review and update the selected features for countries and territories you operate in. 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.

Set Up Financials for Payroll

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>
</tbody>
</table>
| Manage Chart of Accounts Structures | 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. |
| Manage Chart of Accounts Structure Instances | Create account structure instances, which you will use to record transactions and maintain account balances. |
Task | Action
--- | ---
Manage Chart of Accounts Value Set Values | Create groups of values, which you will assign to a key flexfield segment.

Manage Account Hierarchies | Search, create, and edit hierarchical groupings of accounts.

Manage Accounting Calendars | Set up accounting calendar period details. Determine the total number, frequency, and duration of the accounting periods.

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.

Task | Action
--- | ---
Manage Primary Ledgers | Create a ledger with a chart of accounts, accounting calendar, currency and subledger accounting method.

**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.

Specify Ledger Options | 1. Complete all the fields for the General Information and Accounting Calendar, and Subledger Accounting sections.
2. In the Period Close section, select the Retained Earnings Account you will use for payroll.
3. In the Journal Processing Intercompany subsection, select the option to launch AutoReverse after the open period.

Assign Balancing Segment Values to Legal Entities | 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

Assign Balancing Segment Values to Ledger | Optionally, assign specific primary balancing segment values to the primary and secondary ledgers to represent transactions for nonlegal entities, such as adjustments.

Manage Reporting Currencies | Review and update reporting currencies.

Reporting currencies maintain and record subledger and general ledger journal entries in additional currencies.
**Before You Start Payroll Set Up**

<table>
<thead>
<tr>
<th>Task</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review and Submit Accounting</td>
<td>Submit your configuration.</td>
</tr>
<tr>
<td>Configuration</td>
<td></td>
</tr>
<tr>
<td>Open First Period</td>
<td>Open the first period when you are ready to process transactions for the ledger.</td>
</tr>
<tr>
<td></td>
<td>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**
- How Payroll Costing Components Work Together
- Primary Ledgers, Secondary Ledgers, and Reporting Currencies
- How to Payroll Setup Tasks for Subledger Accounting
- Assign Legal Entities and Balancing Segments
- Chart of Accounts Structures and Instances

**Set Up Payroll Cost Allocation Key Flexfield**

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.

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 segments does your Accounting flexfield include?</td>
<td>You must create a segment for each corresponding segment of the Accounting flexfield.</td>
</tr>
<tr>
<td>Do you need to reserve segments for future use?</td>
<td>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.</td>
</tr>
<tr>
<td>Do you capture context sensitive information for legislative purposes?</td>
<td>Create additional segments to capture context sensitive costing, such as separate liability accounts maintained for each state and state tax.</td>
</tr>
<tr>
<td>Do you capture information used by other applications?</td>
<td>Create additional segments, for example, to record the breakdown of costs of a project for reporting purposes.</td>
</tr>
</tbody>
</table>

**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

<table>
<thead>
<tr>
<th>Key Flexfield Segments</th>
<th>Company</th>
<th>Account</th>
<th>Cost Center</th>
<th>Product</th>
<th>Project (extra segment)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value Sets</td>
<td>102</td>
<td>00251</td>
<td>452</td>
<td>5841</td>
<td>000</td>
</tr>
</tbody>
</table>

**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.

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>
<tr>
<td></td>
<td><strong>Tip:</strong> 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.</td>
</tr>
<tr>
<td>Element Eligibility</td>
<td>Select Element Eligibility for natural accounts.</td>
</tr>
<tr>
<td></td>
<td>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.</td>
</tr>
<tr>
<td>Department</td>
<td>Select Department for cost centers.</td>
</tr>
<tr>
<td>Job or Position</td>
<td>Select Job to compare and roll-up costs based upon job category.</td>
</tr>
<tr>
<td></td>
<td>Select Position if you are using position management at your enterprise, to better track the cost of turnover to the enterprise.</td>
</tr>
<tr>
<td></td>
<td>Costing at these levels requires higher maintenance to set up and manage the costing in diverse and complex organizations.</td>
</tr>
</tbody>
</table>
Segment | Example
--- | ---
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
- Costing of Elements Options
- How Payroll Costing Components Work Together
Setting 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>
<tr>
<td>Cash Management</td>
<td>Set up transaction codes that map to the payment method transaction codes used in payroll.</td>
<td>• Manage Cash Transaction Type Mapping</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Manage Bank Statement Transaction Codes</td>
</tr>
<tr>
<td>Cash Management</td>
<td>Create reconciliation rules.</td>
<td>• Manage Bank Statement Reconciliation Tolerance Rules</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Manage Bank Statement Reconciliation Matching Rules</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Manage Bank Statement Reconciliation Rule Sets</td>
</tr>
<tr>
<td>Payroll</td>
<td>Create liability, cash clearing, and cash accounts for your payment sources.</td>
<td>• Manage Costing of Payment Sources</td>
</tr>
<tr>
<td></td>
<td>Specify the option Transfer to General Ledger.</td>
<td></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>
</table>
| Manage Bank Statement Transaction Codes   | 1. Review the transaction and statement codes that your enterprise currently uses  
                                           | 2. Create transaction codes for the transaction types that support your organization payment methods                                   |
| Manage Cash Transaction Type Mapping      | 1. Map transaction types to payment types used for the organization payment methods that support costing of payments.  
                                           | 2. Identify the organization payment methods for payroll accounts, such as payroll liability, cash, and cash clearing accounts. |

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

Setting Up Payroll Accounts

Create a liability and cash account. Create a cash clearing account to track payments such as checks, 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.

Related Topics

- Considerations When You Create Accounts
• How to Payroll Setup Tasks for Subledger Accounting
• How to Reconcile Payroll Payments
7 Set Up Payroll Fundamentals

Payroll Business Definitions

Payroll Business Definitions: Explained

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 marital status (MAR_STATUS) that has lookup codes for users to specify married, single, or available legal partnerships.

<table>
<thead>
<tr>
<th>Lookup Code</th>
<th>Meaning</th>
<th>Tag</th>
</tr>
</thead>
<tbody>
<tr>
<td>M</td>
<td>Married</td>
<td>Not applicable</td>
</tr>
<tr>
<td>S</td>
<td>Single</td>
<td>Not applicable</td>
</tr>
<tr>
<td>R</td>
<td>Registered Partner</td>
<td>+NL</td>
</tr>
<tr>
<td>DP</td>
<td>Domestic Partner</td>
<td>-FR, AU</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
Overview of Profile Options

Profile options let you configure and control application data centrally. Administrators and setup users manage profile options in the Setup and Maintenance work area.

Profile options store various kinds of information. This table lists some examples:

<table>
<thead>
<tr>
<th>Type of Information</th>
<th>Profile Option Setting Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>User preferences</td>
<td>Provides access to social networking features</td>
</tr>
<tr>
<td>Installation information</td>
<td>Identifies the location of a portal</td>
</tr>
<tr>
<td>Configuration choices</td>
<td>Changes UI skins and actions</td>
</tr>
<tr>
<td>Processing options</td>
<td>Determines how much information to log</td>
</tr>
</tbody>
</table>

Profile Option Hierarchy Levels

Profile options can be set at different levels, such as site level or user level. The application gives precedence to certain levels over others, when multiple levels are set. The levels that are allowed to be set are preconfigured with the application.

In the predefined profile option levels, the hierarchy levels and their precedence are:

1. User: This level affects only the current user. It has the highest precedence, over Site and Product.
2. Product: This level affects a product or product family. The application gives it priority over Site level. However, if the user level is set, the user level takes precedence.
3. Site: This level affects all applications for a given implementation. The application gives it the lowest precedence when other levels are set. If no other levels are set, however, it’s the highest level.

As a best practice, set site-level profile option values before specifying values at any other level (where available). The profile option values specified at the site-level work as the default until profile option values are specified at the other levels.

This table shows an example of the predefined profile option hierarchy levels and their priorities.

<table>
<thead>
<tr>
<th>Level</th>
<th>Priority</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site</td>
<td>Lowest</td>
<td>Currency for a site is set to Euros.</td>
</tr>
<tr>
<td>Product</td>
<td>Supersedes Site</td>
<td>Currency for the product or set of products is set to UK pound sterling.</td>
</tr>
<tr>
<td>User</td>
<td>Highest, supersedes Product</td>
<td>Currency for a user is set to US dollars.</td>
</tr>
</tbody>
</table>

You can find additional information about profile options in the related topics.

Related Topics

- Set Profile Option Values
- How can I access predefined profile options
• How Profile Options and Related General Preferences Work Together

Pay Frequency

How Pay Frequency Components 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>
</tbody>
</table>
Run Type Component | Description
--- | ---
After processing separate processes:
| Includes element run results with normal payroll run results in a single payment.
| Excludes element run results in regular tax calculation on the normal run, for example, to use supplemental tax rates.
Separate Payment | Creates a separate payment for each element entry marked to pay separately.

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, a payroll earnings calendar is generated based on the first period end date. The calendar assigns each payroll period a period name that includes the period number. In some countries, the statutory tax year doesn't coincide with the dates generated for the earnings calendar. These countries also use a statutory calendar with statutory period numbers. 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.

If your country uses a statutory calendar, you can view period numbers, start, and end dates on the Person Process Results page and statement of earnings.

**FAQ 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

Consolidation Groups: Explained

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.

Purposes of 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

Payroll Definitions
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.
Manage Payroll Definitions

When you create or modify payroll definitions, the application generates a calendar of payroll periods based on your selections. The choices you make for these 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. You must set the start date as 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.
Use this table to understand 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 is predefined for your country or territory and is typically based on either date earned or date paid that payroll calculation uses as the process 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 is the date used for tax purposes. For check payments, this is the date that the check is valid for cash or deposit. For electronic funds transfer (EFT) payments, it is the transfer date.</td>
</tr>
<tr>
<td>Planned Submission Date</td>
<td>Date to inform the payroll administrator or payroll manager on the planned date to submit the payroll run for each payroll period.</td>
</tr>
</tbody>
</table>

**Dynamic Offsets**

When creating a payroll definition, you can use dynamic offsets for payroll cycle events. You can use support dynamically generated dates for offsets for all the predefined payroll time periods. 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 here:

<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.

Create Payroll Definitions

This example demonstrates how to create two payroll definitions for different payment frequencies that are associated with one consolidation group and one legislative data group.

In this example, the InFusion UK company creates payroll definitions for a set of employees. The employees are typically paid on a monthly basis.

The definition is effective starting on 06-Apr-2016 and generate payroll time periods covering one year.

Prerequisites

1. Ensure that the legislative data group for your payrolls exists, such as InFusion UK LDG.
2. Ensure that organization payment methods exist for your payrolls, such as InFusion UK Employee Check and InFusion UK Employee EFT.
3. Create a consolidation group named InFusion UK Employee Group assigned to the InFusion UK LDG.

Creating the Payroll Definitions

Create payroll definition to pay employees on a monthly basis using electronic funds transfer (EFT). This payroll definition includes dynamically generated offset dates.

Perform the following steps using the monthly values.

1. In the Payroll Calculation work area, click Manage Payroll Definitions.
2. In the Search Results section of the Manage Payroll Definitions page, click the Create icon.
3. Select the InFusion UK LDG legislative data group from the list.
4. Enter 06-Apr-16 as the effective start date you want the payroll to be available for use, and then 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 this table, and then click Next.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>InFusion UK Employee Monthly</td>
</tr>
<tr>
<td>Reporting Name</td>
<td>InFusion UK Monthly</td>
</tr>
<tr>
<td>Consolidation Group</td>
<td>InFusion UK Employee Group</td>
</tr>
<tr>
<td>Period Type</td>
<td>Monthly</td>
</tr>
<tr>
<td>First Period End Date</td>
<td>05-May-16</td>
</tr>
<tr>
<td>Default Payment Method</td>
<td>InFusion UK Employee EFT</td>
</tr>
</tbody>
</table>
6. Click Next. On the Payroll Offsets page, in the **Number of Years** field, enter 1. The number of years indicates the number of years for which payroll calendars are created starting from the first period end date.

**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. The offset details is used to determine the key dates within the monthly payroll process.

7. 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>4</td>
<td>Calendar Days</td>
<td>Before</td>
<td>Period End Date</td>
</tr>
<tr>
<td>Payroll Run Date</td>
<td>3</td>
<td>Calendar Days</td>
<td>Before</td>
<td>Period End Date</td>
</tr>
<tr>
<td>Payslip Available Date</td>
<td>0</td>
<td>Calendar Days</td>
<td>Before</td>
<td>Period End Date</td>
</tr>
<tr>
<td>Date Earned</td>
<td>0</td>
<td>Calendar Days</td>
<td>Before</td>
<td>Period End Date</td>
</tr>
<tr>
<td>Date Paid</td>
<td>0</td>
<td>Calendar Days</td>
<td>Before</td>
<td>Period End Date</td>
</tr>
</tbody>
</table>

8. For the monthly payroll, you can use fixed dates to define offsets as shown in this table, and then click **Next**. The date paid is used in the EFT file.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cutoff Date</td>
<td>01-May-16</td>
</tr>
<tr>
<td>Date Earned</td>
<td>05-May-2016</td>
</tr>
<tr>
<td>Payroll Run Date</td>
<td>02-May-2016</td>
</tr>
<tr>
<td>Date Paid</td>
<td>05-May-2016</td>
</tr>
</tbody>
</table>

9. Click Next. On the Payroll Calendar page, review the calendars that are generated. If you want to modify one of the default dates, you must create and save the payroll definition and then update this.

10. Click **Next**.

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

### Time Card Required Option

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
• Create Elements for Time Card Entries
• Processing Time Entries in Payroll

Time Definitions

Use Time Definitions for Severance Pay

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.
Run Types

Run Types: Explained

Run types control the elements and payment types to process in a payroll run. You may specify default payment methods that override the default payment methods on the payroll definition.

Two predefined run types, Regular and Supplemental, group the other run types and determine their processing sequence.

- The Regular run type includes the following run types:
  - Regular Normal
  - Process Separately
  - Separate Payment

- The supplemental run type includes:
  - Supplemental Normal
  - Process Separately
  - Separate Payment

A Separate Payment run type creates a separate payment for each element entry marked to pay separately.

A Process Separately run type generates a separate payroll calculation for each element entry marked to process separately.

When the separate processes are completed, the element run results are included with the normal payroll run results in a single payment. You use a separate process to exclude element run results in regular tax calculation on the normal run, for example, to use supplemental tax rates. It therefore results in a lower rate for the normal run as well as for the supplemental earnings.

The run types are predefined and you will rarely create additional run types.

User Defined Tables

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.</td>
</tr>
<tr>
<td></td>
<td>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>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Component</th>
<th>In This Example</th>
</tr>
</thead>
<tbody>
<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>
Analysis
As this image shows, the user-defined table contains stock option allocations by job category and years of service.

<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>
User Table Validation Formula Type

The User Table Validation formula type validates entries in user-defined tables. Select the formula in the Formula field for user-defined columns when you create or edit user-defined tables.

For example, you can use this formula type to ensure that entries are:

- Between a specified range
- Not a negative amount

### Contexts

The EFFECTIVE_DATE (text) context is used for formulas of this type.

### Input Variables

There must be one input variable and it must be called ENTRY_VALUE. The data type is text.

### Return Values

The following return values are available to formulas of this type:

<table>
<thead>
<tr>
<th>Return Value</th>
<th>Data Type</th>
<th>Required</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>FORMULA_MESSAGE</td>
<td>Text</td>
<td>N</td>
<td>Returns a text message for either or both statuses. The message is displayed on the Create User-Defined Table: User-Defined Table Values page.</td>
</tr>
<tr>
<td>FORMULA_STATUS</td>
<td>Text</td>
<td>Y</td>
<td>Returns the value S (success) or E (error).</td>
</tr>
</tbody>
</table>

### Sample Formula

This formula checks that the deduction entered in the Union A column of the Union Dues table is between 10.00 and 20.00:

```sql
/* Formula Name: Union A Dues Validation */
/* Formula Type: User Table Validation */
INPUTS ARE entry_value (text)
IF TO_NUMBER(entry_value) < 10.00 OR
TO_NUMBER(entry_value) > 20.00
THEN
  (formula_status = 'e'
  formula_message = 'Error: Union A dues must be between $10.00 and $20.00.'
) ELSE
  (formula_status = 's'
  formula_message = ''
) RETURN formula_status, formula_message
```
8 Set Up Enterprises and Workforce Structures

Introduction

Before you can hire a worker or run any country-specific process, you must ensure that the organization structures required for the management of HR processes are set up. You can perform all setup tasks in the Setup and Maintenance work area.

Use the setup tasks to define legal entities, legal authorities, and legal addresses. To ensure that statutory reports are processed properly, consider the following key points as you design and create enterprise structures.

A typical enterprise structure setup includes the following:

- Define Legislative Data Group
- Define Legal Authorities
- Define Legal Jurisdictions
- Define Legal Entities
- Define Legal Entity Registrations
- Define Legal Reporting Units
- Designate Legal Reporting Units as Tax Reporting Units

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 an LDG. Set the Country to United Kingdom and the Currency to Pound Sterling. Select a Cost Allocation Structure appropriate for your implementation.

Legal Authorities

Legal authorities are the government entities with which an enterprise interacts, for example to send legal reports. There are no predefined legal authorities. You must create a legal authority for each government entity, such as a local tax office, that has a relationship with the enterprise. When you create legal entities, you associate them with legal authorities through legal entity registrations. Use the Manage Legal Authorities task in the Setup and Maintenance work area to create legal authorities, noting the following:

- Select the Tax Authority Type based on the type of interaction you have with this authority. Typically, this is set to Collecting and Reporting.
- Add one or more legal addresses. Legal addresses must have been previously defined.
- Add one or more legislative categories, such as the predefined HMRC category. The legislative category establishes a link between the legal authority and all jurisdictions associated with that legislative category.
Legal Jurisdictions

All legal entities must be registered against a jurisdiction that’s governed by a legal authority.

An identifying jurisdiction is the one that’s automatically associated with all legal entities created for the territory. It represents the jurisdiction that a company has to register with when first created, such as Chamber of Commerce or Companies House. Registration information for the identifying jurisdiction is mandatory when you create legal employers. A predefined jurisdiction called United Kingdom HMRC is provided for your use when registering legal entities. By default, it’s not set up as the identifying jurisdiction, so you must do one of the following during implementation:

- Edit the United Kingdom HMRC jurisdiction (Manage Legal Jurisdictions task), and set the Identifying option to **Yes**. This approach is recommended.

  🌐 Note: Don’t modify the values in the Registration Code Assignment section.

- Create a new identifying jurisdiction. If you take this approach, you will need to manually register tax reporting units with the United Kingdom HMRC.

Legal Entities

A legal entity is an entity unequivocally identified and given rights and responsibilities under Commercial Law, through registration with the territory’s appropriate authority. Legal entities consist of:

- **Payroll statutory unit (PSU)**. A legal entity that’s responsible for paying workers, including the payment of payroll tax and social insurance. PSUs provide a way to group legal employers so that certain statutory calculations, such as court orders and some taxes, can be performed at a higher level.

- **Legal employer**. A legal entity that employs workers. A legal employer can belong to only one PSU. If multiple legal employers need to be grouped together for tax reporting purposes, you can associate them all with a single PSU. If legal employers don’t report together, they must not share a PSU.

There are no predefined legal entities. Use the Manage Legal Entities task to create legal entities, noting the following:

- You can designate a legal entity as both a legal employer and a PSU. However, if your organization structure changes and you want to add a new legal employer under that legal entity, then the new legal employer becomes a child of both the parent PSU and the first legal employer. Therefore, it’s usually better to split PSUs from legal employers to avoid this situation.

- If a legal entity isn’t designated as a PSU, you can select an existing PSU to which it belongs.

- The type of registration information required is based on the Registration Code Assignment information defined for the identifying jurisdiction. For example, if you select the predefined United Kingdom HMRC jurisdiction, then you must provide the Legal Entity Registration Number and Employer PAYE Reference for the registration.

Legal Entity Registrations

Legal entities are connected to legal authorities through legal entity registrations. A registration is automatically created for the identifying jurisdiction you select when you create a legal entity. If the legal entity is registered with the United Kingdom HMRC jurisdiction, it can interact with income tax and social insurance legal authorities. If the legal entity will interact with other legal authorities, you must create additional registrations as appropriate.
Use the Manage Legal Entities Registration task from the Setup and Maintenance work area to create registrations, noting the following:

- When you select a jurisdiction, the Territory field is populated automatically.
- 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.

Legal Reporting Units and Tax Reporting Units

A legal reporting unit (LRU) is the lowest level component of a legal structure that requires registrations. It’s used to group 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. A LRU is created automatically when you create a PSU. If an LRU is used in Oracle Fusion Payroll for tax reporting purposes, then it must be designated as a tax reporting unit (TRU) using the Manage Legal Reporting Unit HCM Information task. Use the Manage Legal Reporting Units task from the Setup and Maintenance work area to create an additional LRU.

Note: TRUs are especially relevant for the because the TRU holds the Employer’s PAYE Reference number. The Employer’s PAYE Reference is mapped to the Employer Registration Number on the TRU registration. Similarly, the employer’s Statutory Name is mapped to the Registered Name on the same record. HMRC Office name and address are mapped to the name and primary address of the legal authority specified on the TRU registration.

Legal Entities

Define Legal Entities

When defining legal entities, you must consider the context in which the legal entity is used. There are no predefined legal entities.

Before You Start

Before you define a legal entity, you must have defined:

- Legislative data group
- Legal addresses for the legal entity you want to create
- Jurisdiction for the legal entity

Create Legal Entities

Here’s how you can define your legal entities.

1. Go to the following;
   - Offering: Workforce Deployment
   - Functional Area: Legal Structures
   - Task: Manage Legal Entity HCM Information

2. On the Select Scope page, select Manage Legal Entity.
3. Click Create New in legal entity.
4. Click Apply and Go to Task.
5. Click Create.
6. Select the country United Kingdom.
7. Enter the name and a unique identifier for the legal entity.
8. Select the check box Payroll statutory unit.
   If a legal entity is not designated as legal employer, you can select an existing payroll statutory unit (PSU) to which it
   belongs. Else, designate it as a payroll statutory unit.
9. Select the check box Legal employer.
10. In the Registration Information section, the identifying jurisdiction is predefined as United Kingdom HMRC. Select
    the legal address.
11. Enter the Legal Entity Registration Number and the PAYE Scheme that are required for registration with the
    predefined identifying jurisdiction.
12. Click Save and Close.

Define Legal Entity Registrations

When defining legal entities, you must consider the context in which the legal entity is used. There are no predefined legal
entities. The type of registration information required is based on the Registration Code Assignment information you defined
when you create the jurisdiction.

Before You Start
You must have defined an identifying jurisdiction United Kingdom HMRC and the legal address.

Legal Entity Registrations

To interact with the income tax and social insurance legal authorities, the legal entity must be registered with the United
Kingdom HMRC jurisdiction. If the legal entity interacts with other legal authorities, you must create additional registrations, as
required.

To create legal entity registrations:

1. Click Navigator -> Setup and Maintenance.
2. On the Setup page, select the Workforce Deployment offering.
3. Select the Legal Structures functional area and then Define Legal Entities for Human Capital Management.
4. On the scope selection window, click Select and Add. Search for and select the legal entity you created.
5. Click Save and Close.
6. Select Manage Legal Registrations task.
   The Manage Registrations page displays the registrations for the legal entity. A default registration was automatically
   created for the United Kingdom HMRC jurisdiction when the legal entity was created based on the registration
details.
7. Click Create to add a registration.
8. Enter the required information noting the following:
   a. Select the jurisdiction, for example, United Kingdom Income Tax. The territory field is automatically set to
      United Kingdom.
   b. Select the relevant registered address.
   c. Select the Issuing Legal Authority from the list of legal authorities available for the jurisdiction and the legal
      authority address.
   d. Enter the registered name.
   e. Enter the company name.
9. Click **Save and Close**.

### Legal Entity HCM Information

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

1. In the Setup and Maintenance work area, search for the Define Legal Entities for Human Capital Management task. Expand the entry 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 required Employment Model. The United Kingdom supports all delivered employment models.
6. If this entity is a payroll statutory unit, select the **Payroll Statutory Unit** tab.
7. Click **Payroll Statutory Unit Details**.
8. Enter the **Fiscal Year Start Date**, and select the **Associated Legislative Data Group**.

**Note:** The Fiscal Year Start Date must be set to 06-April of the year the enterprise setup is being implemented and going live You must associate the legislative data group at the PSU level.

9. Click **Submit**.

### Legal Reporting Units

#### Define Legal Reporting Units and Tax Reporting Units

A legal reporting unit (LRU) is the lowest level component of a legal structure that requires registrations. It groups 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. A LRU is automatically created when you create a PSU.

#### Create Legal Reporting Units

To use a legal reporting unit for tax reporting purposes, you must also designate it as a tax reporting unit (TRU). The TRU holds the Employer’s PAYE Reference number. It is mapped to the Employer Registration Number on the TRU registration.

To create a legal reporting unit:

1. Click **Navigator** -&gt; **Setup and Maintenance**.
2. On the Setup page, select the **Workforce Deployment** offering.
3. Select the **Legal Structures** functional area and then **Define Legal Entities for Human Capital Management**.
4. On the Select Scope page, select **Manage Legal Reporting Unit**.
5. In the Legal Reporting Unit field, select Create **New**.
6. Click Apply and Go to Task.

**Note:** 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.

7. To create another LRU for this legal entity, click **Create**.
8. Enter the required information on Create Legal Reporting Unit page.
9. In the registration information, select the jurisdiction United Kingdom HMRC. Enter the PAYE scheme.

**Note:** The PAYE scheme must be in the specified format with a forward slash to separate the two components of the PAYE scheme, for example CCC/12345.

10. Select the legal address.
11. Select No for Main Legal Reporting Unit.
12. Click Save and Close.

### Designate the Legal Reporting Unit as Tax Reporting Unit
You must configure additional information for legal reporting units to designate them as tax reporting units.

To configure the TRU:

1. Select the Manage Legal Reporting Unit HCM Information task.
2. On the Legal Reporting Unit HCM Classification page, select the check box Tax Reporting Unit to designate the LRU as a TRU.
3. Click Next.

On the Tax Reporting Unit Details page, complete the fields as shown below:

This table lists the field names and their descriptions on the Tax Reporting Unit Details page.

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECON</td>
<td>Identifier given by legal authorities to employers who contract out of the state pension scheme. This is only required for historical reporting purposes.</td>
</tr>
<tr>
<td>Sender ID</td>
<td>Unique identifier given by HMRC to the employer to identify the files sent by the employer.</td>
</tr>
<tr>
<td>Unique ID List</td>
<td>Identifier for the list of unique IDs for this tax reporting unit. When a personal calculation card is associated with the TRU, you can select a unique ID from the list.</td>
</tr>
<tr>
<td>Employer Accounts Office Reference Number</td>
<td>Unique ID issued by HMRC accounts office to the employer.</td>
</tr>
<tr>
<td>Service Company</td>
<td>Indicates a company that operates in the intermediaries’ legislation, also known as IR35.</td>
</tr>
<tr>
<td>Corporation Reference Tax</td>
<td>Unique ID issued by HMRC to employers who pay income tax.</td>
</tr>
<tr>
<td>Self Assessment Unique Identifier</td>
<td>Unique ID issued by HMRC to employers to submit self-assessment for taxation, for example sole proprietorships or partnerships.</td>
</tr>
<tr>
<td>Employment Allowance Indicator</td>
<td>Indicator to post in the Employer Payment Summary (EPS) file.</td>
</tr>
<tr>
<td>Account Holder Name</td>
<td>Used to post information in the EPS file.</td>
</tr>
<tr>
<td>Branch Sort Code</td>
<td>Used to post information in the EPS file.</td>
</tr>
<tr>
<td>Account Number</td>
<td>Used to post information in the EPS file.</td>
</tr>
</tbody>
</table>
### Field Description

<table>
<thead>
<tr>
<th>Building Society Reference</th>
<th>Used to post information in the EPS file.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Late PAYE Reporting Reason</td>
<td>Used to post information in the Full Payment Submission (FPS) file.</td>
</tr>
<tr>
<td>DEO Employer Reference</td>
<td>Used to report on the DEO (Court Order) Payment Schedule.</td>
</tr>
<tr>
<td>Exclude from Apprenticeship Levy</td>
<td>Indicator for the NI earnings of an employee in this TRU to be excluded from apprenticeship levy calculation.</td>
</tr>
<tr>
<td>Apprenticeship Levy Apportioned Allowance</td>
<td>Used to apportion the allowance for apprenticeship levy, in case of multiple TRUs.</td>
</tr>
<tr>
<td>Apprenticeship Levy Employers Pay Bill YTD</td>
<td>Used in case of data migration within a tax year. It holds the year-to-date value of the employee’s pay bill to include it for reporting purposes.</td>
</tr>
<tr>
<td>Apprenticeship Levy Employers Pay Bill Date</td>
<td>Used to identify the year of apprenticeship levy employees pay bill YTD. This will only be used in the tax year when data migration happens.</td>
</tr>
</tbody>
</table>

### 4. Click **Save and Close**.

## Jurisdictions and Legal Authorities

### Define Jurisdictions

You must register all legal entities with a legal jurisdiction that is governed by a legal authority. An identifying jurisdiction is the one that’s automatically associated with all legal entities created for the territory. It represents the jurisdiction that a company has to register with when first created, such as Chamber of Commerce or Companies House.

### Identifying Jurisdictions

Registration information for the identifying jurisdiction is mandatory when you create legal employers. It is recommended that you use the predefined jurisdiction United Kingdom HMRC to register the legal entities. By default, it is not set up as the identifying jurisdiction.

Here's how you can set up identifying jurisdictions:

1. In the Setup and Maintenance work area, select the **Manage Legal Jurisdictions** task.
2. Click **Go to Task**.
3. On the Manage Legal Jurisdictions page, select the territory **United Kingdom**.
4. Click **Search**.
5. In the search results, select United Kingdom HMRC. The values for this jurisdiction are predefined.
6. On the Edit Legal Jurisdictions page, select **Yes** for Identifying Jurisdiction.

> **Note:** Do not modify the values in the registration code assignment section.
Click \textit{Save and Close}.

You can create additional jurisdictions, if required. If you create a new identifying jurisdiction, you must manually register the tax reporting units with the United Kingdom HMRC.

**Define Legal Authorities**

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.

There are not predefined legal authorities. You must create a legal authority for each government entity, such as a local tax office, that has a relationship with the enterprise. And, you must register each legal entity you create with a legal authority.

Here's how you can define legal authorities:

1. Click \textit{Navigator} \rightarrow \textit{Setup and Maintenance}.
2. On the Setup page, select \textit{Workforce Deployment} offering.
3. Select the \textit{Legal Structures} functional area and then \textit{Manage Legal Authorities} task.
4. On the Manage Legal Authorities page, click \textit{Create}.
5. On the Create Legal Authority page:
   - Select the \textit{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 HMRC category. This establishes a link between the legal authority and all jurisdictions associated with the selected legislative category.
   - Click \textit{Save and Close}

**Set Up Unique ID Lists for Electronic Submissions**

A unique ID list is a lookup type containing a list of valid identifiers that a tax reporting unit (TRU) can use when making electronic submissions to HM Revenue & Customs (HMRC). Here's how you can set up and use unique ID lists:

- Create a lookup type of unique IDs
- Associate a unique ID list with a TRU
- Associate a unique ID list with an employee’s statutory deductions calculation card

**Create a Unique ID List Lookup**

1. Search for and select the \textit{Manage Common Lookups} task.
2. Enter a lookup type name that includes the characters "UNIQUE_ID", such as Monthly\_UNIQUE\_ID.
3. Create a lookup code for each unique ID you want included in the list.

**Associate a Unique ID List with a Tax Reporting Unit**

1. In the \textit{Setup and Maintenance} work area, go to the following:
   - Offering: Workforce Deployment
   - Functional Area: Legal Structures
Task: Manage Legal Reporting Unit HCM Information

2. Set the scope by selecting the parent legal entity and then the legal reporting unit.
3. On the Manage Legal Reporting Unit HCM Information page, Tax Reporting Unit tab, click the Tax Reporting Unit Details link.
4. In the Unique ID List field, select the list to use for this TRU. (You must have previously defined the list.)

Note: This task corresponds to the manual task, Associate UK Payroll Lookups with a Tax Reporting Unit, in the Setup and Maintenance work area.

Associate a Unique ID with a Statutory Deductions Calculation Card

1. In the Setup and Maintenance work area, go to the following:
   - Offering: Workforce Deployment
   - Functional Area: Legal Structures
   - Task: Manage Legal Entity Calculation Cards

2. Search for and open the employee’s Statutory Deductions calculation card.
3. On the Manage Person Details page, click Associations in the Calculation Card Overview pane.
4. In the Associations section, create a new association or edit the existing one.
5. On the Create Association, Edit Association, or Update Association page, select a TRU and then select an ID from the Unique ID field. This field displays a list of all unique IDs contained in the unique ID list associated with the selected TRU.
6. Save the association and create association details as appropriate (if not already defined).

Related Topics
- Create a Statutory Deductions Calculation Card Manually for the UK
- Define Associations for Statutory Deductions Calculation Card for the UK
9 Set Up Fast Formulas

How to Use Formulas

Using Formulas: Explained

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.

Next: 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:

```sql
/* 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

**Fast Formulas for Postponement Types in Pensions Automatic Enrolment**

You can create fast formulas, according to the specifications below, to determine default values for:
- Worker Postponement
- Eligible Jobholder Postponement
- Qualifying Pension Scheme

**Worker Postponement**

Use the following sample formula to create your own worker postponement formula:

*Formula Name:* `<%PENSIONS AUTOMATIC ENROLMENT POSTPONEMENT%>`
*Formula Type:* Calculation Utility
*Description:* *User specified formula to determine the postponement end date for a Worker postponement.*
*Formula Result:* `DEFERMENT_DATE (DATE)`
*Calling Formula:* `GB_PA_E_POSTPONE`

**Eligible Jobholder Postponement**

Use the following sample formula to create your own eligible jobholder worker postponement formula:

*Formula Name:* `<%PENSIONS AUTOMATIC ENROLMENT POSTPONEMENT%>`
*Formula Type:* Calculation Utility
Description: <User specified formula to determine the postponement end date for an Eligible Jobholder postponement.>
Formula Result: DEFERMENT_DATE (DATE)
Calling Formula: GB_PA paycheck postponement Qualifying Pension Schemes

Qualifying Pension Scheme
Use the following sample formula to create your own qualifying pension scheme formula:

Formula Name: PENSION SCHEME FOR AUTOMATIC ENROLMENT>
Formula Type: Calculation Utility
Description: <User specified formula to determine the qualifying pension scheme.>
Formula Result: QPS_ID (NUMBER)
Calling Formula: GB_PAE_ENROL

Formula Errors
Types of Formula Compilation Errors
Compilation errors are displayed in the Manage Fast Formulas page after you compile the formula. The compiler stops the compilation process when it encounters an error. Error messages display the line number and the type of error.

Common Compilation Errors
Here’s some of the common formula compilation errors.

<table>
<thead>
<tr>
<th>Formula Compilation Error</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Syntax Error</td>
<td>The formula text violates the grammatical rules for the formula language. For example, if you use IF1 instead of IF in 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>
<tr>
<td></td>
<td>• An ASSIGNMENT assigns a value to a database item.</td>
</tr>
<tr>
<td></td>
<td>• A context is assigned a value externally to a CHANGE_CONTEXTS statement.</td>
</tr>
<tr>
<td></td>
<td>• The formula assigns a value to a non-context variable within a CHANGE_CONTEXTS statement.</td>
</tr>
<tr>
<td></td>
<td>You can use CHANGE_CONTEXTS statements in a formula.</td>
</tr>
<tr>
<td>Misuse of ALIAS Statement</td>
<td>You can use an ALIAS statement only for a database item.</td>
</tr>
<tr>
<td>Missing DEFAULT Statement</td>
<td>A database item that specifies a default value must have a DEFAULT statement.</td>
</tr>
<tr>
<td>Misuse of DEFAULT Statement</td>
<td>You specify a DEFAULT statement for a variable other than as an input or a database item.</td>
</tr>
<tr>
<td>Uninitialized Variable</td>
<td>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.</td>
</tr>
</tbody>
</table>
Formula Compilation Error

<table>
<thead>
<tr>
<th>Description</th>
<th>For example, balance database items require the PAYROLL_REL_ACTION_ID PAYROLL_ASSIGNMENT_ID and CALC_BREAKDOWN_ID contexts. Typically, you use these statements in formulas of type Oracle Payroll.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Missing Function Call</td>
<td>The compiler doesn’t recognize a function call. The combination of return type, function name, and parameter types doesn’t match any available function.</td>
</tr>
<tr>
<td>Incorrect Operator Usage</td>
<td>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.</td>
</tr>
<tr>
<td>Inconsistent Data Type Usage</td>
<td>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.</td>
</tr>
<tr>
<td>EXIT Statement Not Within WHILE Loop</td>
<td>A condition that eventually becomes false or an EXIT call for exiting the loop doesn’t exist.</td>
</tr>
<tr>
<td>Misuse of Context</td>
<td>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.</td>
</tr>
</tbody>
</table>

Types of 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. 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. 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>Formula Error Type</td>
<td>Description</td>
</tr>
<tr>
<td>------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------</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. 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>
<tr>
<td>Called Formula Not Found</td>
<td>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.</td>
</tr>
<tr>
<td>Recursive Formula Call</td>
<td>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.</td>
</tr>
<tr>
<td>Input Data Has Different Types in Called and Calling Formulas</td>
<td>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.</td>
</tr>
<tr>
<td>Output Has Different Types In Called and Calling Formulas</td>
<td>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.</td>
</tr>
</tbody>
</table>
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 Balance Definitions, Balance Groups, and Balance Exceptions

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 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
- Unit of Measure
- Generated Balances and Database Items
- Base Balances
- Remuneration

Balance definitions also include balance dimensions and balance feeds. Balance groups are collections of balances that you associate with usages to determine the reports, pages, and processes that use the balances in the group.

Balance Categories

Each balance definition has a predefined balance category for quicker processing. Balance categories are specific to a country or territory. These are the available global balance categories:

- Absences
- Direct Payments
- Earnings
- Employer Charges
- Employer Taxes
- Hours
- Information
- Involuntary Deductions
- Miscellaneous
- Social Insurance Deductions (National Insurance)
- Supplemental Earnings
- Tax Deductions
• Total Deductions
• Total Employer Charges
• Total Direct Payments
• Total Employer Taxes
• Involuntary Deductions
• Total Involuntary Deductions
• Total Payments
• Total Pre-Statutory Deductions
• Total Social Insurance Deductions
• Total Supplemental Earnings
• Total Tax Deductions
• Voluntary Deductions
• Total Voluntary Deductions
• Total Earnings

When creating a new balance, you must associate it with one of the predefined categories. You cannot add or modify categories during implementation.

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 extension 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 Dimensions

Each payroll balance can have multiple dimensions, which define the specific value to retrieve. Balance dimensions are predefined and typically combine these components:

- Time span, such as run, period to date, or fiscal year to date
- Employment relationship level, either assignment or payroll relationship
- Context, required for some balances only, such as tax reporting unit, element, or payroll

For example, if you select the Core Assignment Tax Unit Year to Date dimension for the Gross Earnings balance, you create the defined balance GROSS_EARNINGS_ASG_TU_YTD. This defined balance accumulates gross earnings for an assignment in a specific tax reporting unit from the beginning of the calendar year to date.

Note: A set of predefined dimensions are available created by combining balance types and the enabled dimensions. You can select only those balances that are specifically enabled for the country. For more information on predefined balance types, balance dimensions, and other related information, see the UK payroll balances workbook on My Oracle Support.

Balance Dimensions

Here are the types of predefined balance dimensions:

- HMRC Payroll ID
- Tax Unit (for PAYE Reference)
- Aggregation (for RTI)
- NI Category (for NI)
- Pension Basis (for NI)
- Reference Code (for Court Orders)

National Insurance calculations and their related earnings are further classified by different NI categories. This is required to accurately calculate NI deductions during the payroll process.

Critical Choices for Balance Dimensions and Contexts

Balances are critical for calculations for an employee for salary payment and statutory deductions such as tax and national insurance as well as any of the statutory payments. They are used for payslips, RTI reporting to HMRC, payroll reporting. Balances apply to the employee’s entitlements and are used to determine eligibility into certain regulatory processes. For example, to check if an employee is eligible to be automatically enrolled for pensions, or for statutory payments for paternity or maternity pay.

Balance Dimensions During Balance Initialization

The Tax Year to Date global payroll dimensions are available with generic names that aren’t meaningful to the UK payroll users. When selecting dimensions for a balance, use only those prefaced with GB in the Dimensions column for the balance initialization process.
The Period to Date dimensions are predefined and you must use their localized names if you want to initialize them. For example, to calculate average earnings for statutory payments (such as ShPP and SMP), where the values are imported from a legacy application to the payroll application.

You can use the Inception to Date balance dimensions if you want to initialize the balance values from the beginning of a time period. When initializing Inception to Date balances, the payroll referenced must exist in the previous year and have payroll periods defined for that previous year. This is because the process attempts to create a balance initialization in the previous year.

**Contexts and Balance Dimensions During Initialization**

When a balance is initialized with certain context values, the initialization value is included in the balance only if fetched within those context values. For example, Taxable Pay balance requires these context values:

- Calculation Breakdown ID
- Assignment Number
- Payroll Relationship Number

Once the balance are initialized with these context values, the application includes predefined dimensions that require only the context values in the initialized balance value. If you add a new dimension to this balance in future that requires a new context value, for example Aggregation Information, the initialized value isn’t included in the balance. The dimension includes this initialized value. The dimension requires only one or more of the original contexts such as Relationship Tax Year to Date.

In the SMP NIC Compensation balance, only the Tax Unit Tax Year to Date dimension is currently attached. This requires the context values Payroll Relationship Number and Tax Reporting Unit. Eventually, you may want to attach the Relationship Tax Year to Date dimension which requires the Calculation Breakdown ID context. Even though Tax Unit Tax Year to Date dimension continues to include the initialized value, the new dimension Relationship Tax Year to Date value isn’t included. This is because the initialized value wasn’t stamped with Calculation Breakdown ID context value.

**Balance Feeds**

You can feed payroll balances by element input values and by run results from all the elements in a classification.

**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.

For example, if you specify that the element Basic Salary value feeds the Standard Earnings, an employee’s salary run result feeds all Standard Earnings defined balances provided the contexts associated with the run result match the contexts used by the defined balance.

**Balance Feeds by Classification**

Balance feeds defined by primary or secondary element classification or by a subclassification 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 or subclassifications. 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 both secondary classifications and subclassifications 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. For the UK, it’s recommended to initialize the minimum set of balances to calculate PAYE and NI deductions, year-to-date information for employees and employers on payslips, and RTI reporting. Depending on your requirements, consider initializing these balances:

- Court orders and student loans
- RTI
- Pensions
- Inception to date

For more information, see Oracle Fusion HRMS (UK): Balance Initialization (2000651.1) on My Oracle Support at https://support.oracle.com.

### Balances in Net-to-Gross Calculations
Determine which deduction balances the net-to-gross process uses to calculate the gross amount from the desired net amount for an earnings element. Use the Manage Balance Definitions task to set the default values and determine which of the enabled balances are included for a specific net-to-gross earnings element.

#### Enable Inclusion in Net-to-Gross Calculations
Use the Manage Balance Definitions task to view the dimensions that are enabled for inclusion in net-to-gross calculations. You can also view which of the enabled dimensions are included by default for each new net-to-gross earnings element.

#### Exclude 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**
- How Net-to-Gross Earnings are Calculated
- Create a Net-to-Gross Earnings Element

### Generating Run Balances: Explained
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>
</table>

| Dimension Name | Lists run dimensions when a single balance is selected. The list is filtered again when the balance name is selected. |

### 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 Groups and Usages

Balance groups represent a collection of balance definitions, which you can use to retrieve balance values for reports, archives, and balance views. You manage balance groups in the Payroll Calculation work area.

Important aspects of balance groups and usages include:

- Balance group level
- Balance definitions
- Restrictions
- Default inclusions
- Balance group usages
- Matrix and table formats
- Sorting

The payslip uses these predefined balance groups:

- GB_EOY_ARCH_BALANCE_GROUP
- GB_EOY_ARCH_DIR_CARD_BALANCE_GROUP
- GB_EOY_ARCH_NI_BALANCE_GROUP
- GB_P45_BALANCES
- GB_PAY_ARCH_NI_EMPLOYEE_BALANCE_GROUP
- GB_PAY_ARCH_NI_EMPLOYER_BALANCE_GROUP
- GB_PAY_ARCH_STATUTORY_BALANCE_GROUP
- GB_PAY_ARCH_SUMMARY_BALANCE_GROUP

Balance Group Level

The balance group level (employee or organization) determines the balance dimensions of the balance definitions that you can include in the group.

Balance Definitions

On the Balance Definitions page of a balance group you can see the balances associated with the balance group. The information includes the balance name, balance dimension, balance category, unit of measurement, and legislative data group. You can also use this page to search for and add balance definitions to your own balance groups and to certain predefined balance groups.
Restrictions

Restrictions control which balance definitions you can add to the balance group. Balance group restrictions are a list of balance categories, a list of balance dimensions, or a list of balance categories and dimensions that belong together. Restrictions limit the balances that you can add to the balance group based on a particular category or dimension or a combination of category and dimension. The Included balances restricted by category and the included balances restricted by dimension check boxes are automatically updated on the Balance Group Details page as you add restrictions on the Restrictions page. For example, the standard earnings category means that the balance group is restricted to all balances based on the standard earnings category. In addition to standard earnings, this balance group would be restricted to balances for bonus pay, hourly salary, and overtime.

Note: In some situations you can update a restriction if it’s not used by balance definitions and default inclusions. The Edit button on the Restriction page is enabled if the selected row can be updated.

Default Inclusions

Default inclusions are combinations of balance categories and dimensions. Any balance definitions you subsequently create, manually or through the element template, that meet those criteria are automatically included in the group.

Balance Group Usages

Balance group usages represent an instance of how a particular balance group is used. Balance group usages also store detailed information about how the balance data is formatted. A balance group should have at least one usage but can also have many balance group usages.

Matrix and Table Formats

A balance group usage can use a matrix or table format. For a matrix format, you select balance dimensions as columns in the matrix.

Only the balance dimensions that you select as columns for the matrix are displayed. If you don’t specify the balance dimensions as matrix items, they don’t display, regardless of what dimensions are contained in the defined balances in the balance group.

If you use the matrix format, you can also select a sorting option for the rows. If you don’t select a sorting option, the rows are returned in random order.

Sorting

Sorting determines the order in which balance types and dimensions display for the balance group usage.

You can select one of the sort methods listed here:

- Name - Sorts balance values by balance name.
- Value - Sorts balances by the actual balance value.
- Static Order - Sorts balance values according to the sequence that you specify in the Sort Items table.

If you select Table, all the balances in the balance group are returned one line at a time in the table format. If you select the Matrix format, you can add balance dimensions and decide their position in the matrix.
Examples of 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.

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, 2 and 3</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 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 and relationship levels</td>
</tr>
<tr>
<td>Global Statutory Deductions Report</td>
<td>All city, county, state, and school 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>City, county, and state 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>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.

<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**.

Balance Exceptions

Examples of Balance Exceptions

Balance exceptions define the criteria that you want to use to identify overpayments, underpayments, and trends. This information can help detect the balance adjustments needed to correct payments and identify people in your organization.
who are prominent in specific areas such as sales. The following examples illustrate two different types of balance exceptions that you may want to include in your balance exception reports.

You create reports using the Manage Balance Exceptions task in the Payroll Calculation work area.

Track Increases in Commissions

InFusion US plans to train incoming sales staff on productivity techniques. To identify exceptional sales staff in the organization, you can run a report that lists workers whose commissions increased by 25 percent compared to their averages for the previous 3 months. To find out who the sales leaders are, set up a balance exception using the values in the following table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance Exception Name</td>
<td>Commission Increases Over 25 Percent</td>
</tr>
<tr>
<td>Comparison Type</td>
<td>Average in Months</td>
</tr>
<tr>
<td>Comparison Value</td>
<td>3</td>
</tr>
<tr>
<td>Balance Name</td>
<td>Commissions</td>
</tr>
<tr>
<td>Dimension Name</td>
<td>Relationship Period to Date</td>
</tr>
<tr>
<td>Variance Type</td>
<td>Percent</td>
</tr>
<tr>
<td>Variance Operator</td>
<td>Greater than</td>
</tr>
<tr>
<td>Variance Value</td>
<td>25</td>
</tr>
<tr>
<td>Severity Level</td>
<td>3</td>
</tr>
</tbody>
</table>

Note: Enter a lower value for a high priority exception.

Track Gross Earnings

Before InFusion US certifies its current payroll run, the payroll manager wants to know if gross payments are in line with the previous payroll run. The previous run verified the established levels of earnings that the company wants to maintain for the remainder of the quarter. The table below provides an example of the values you enter to set up a balance exception to find out if gross earnings exceed the gross earnings of the previous period by more than 10 percent:

<table>
<thead>
<tr>
<th>Field</th>
<th>Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance Exception Name</td>
<td>Gross Earnings</td>
</tr>
<tr>
<td>Comparison Type</td>
<td>Previous period</td>
</tr>
<tr>
<td>Comparison Value</td>
<td>1</td>
</tr>
</tbody>
</table>
### Balance Exceptions

Use balance exception reports to identify potential overpayments or underpayments. Comparison types define the period that is used to determine whether an exception has occurred. Variance operators enable you to specify the precise range of variance that you want to report on.

#### Comparison Types

When you're creating balance exceptions, you must select a comparison type. For example, select Average in months as the comparison type and enter 3 in the Comparison Value field. In this scenario, the current month is compared to the average of the previous three months.

Some comparison values are preset and you can’t change them:

- Current month, Current period, Current quarter, and Current year always have a comparison value of 0.
- Previous period and Previous month have a comparison value of 1.

This table lists each comparison type that you can select and explains how it operates as a basis of comparison.

<table>
<thead>
<tr>
<th>Comparison Type</th>
<th>How it Operates as a Basis of Comparison</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average in months</td>
<td>Compares the current month to date with the average of previous months to date. Only available if you have the balance dimensions ASG_MONTH or _PER_MONTH.</td>
</tr>
<tr>
<td>Current month</td>
<td>Compares values to the total for the current month to date. Doesn’t use any previous month as a basis for comparison.</td>
</tr>
<tr>
<td>Current period</td>
<td>Compares values to the total for the current period to date. Doesn’t use any previous period as a basis for comparison.</td>
</tr>
</tbody>
</table>

---

<table>
<thead>
<tr>
<th>Field</th>
<th>Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance Name</td>
<td>Gross Earnings</td>
</tr>
<tr>
<td>Dimension Name</td>
<td>Relationship Period to Date</td>
</tr>
<tr>
<td>Variance Type</td>
<td>Percent</td>
</tr>
<tr>
<td>Variance Operator</td>
<td>Greater than</td>
</tr>
<tr>
<td>Variance Value</td>
<td>10</td>
</tr>
<tr>
<td>Severity Level</td>
<td>1</td>
</tr>
</tbody>
</table>

*Note:* Enter a lower value for a high priority exception.
Comparison Type                | How it Operates as a Basis of Comparison
--------------------------------|-----------------------------------------------------------------------------------
Current quarter                | Compares values to the total for the current quarter to date. Doesn't use any previous period as a basis for comparison.  
Current year                   | Compares values to the total for the current year to date. Doesn't use any previous period as a basis for comparison.  
Previous month                 | Uses the previous month as a basis of comparison.  
Previous period                | Uses the previous period as a basis of comparison.  

**Variance Operators**

The table describes the variance operators that you can use for your balance exception reports.

The Results column indicates the effect of selecting each variance operator assuming that these sample data is used:

- Comparison type is previous month
- Balance name is monthly car allowance
- Dimension name is relationship previous month to date
- Previous month amount is 500
- Variance value is 100

<table>
<thead>
<tr>
<th>Variance Operator</th>
<th>Balance Exception Report Output</th>
<th>Results (based on sample data)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variance, plus or minus</td>
<td>All relationships that either exceed or are less than the previous month amount by the amount or percentage stated in the variance value.</td>
<td>Returns all relationships with a value less than 400 and greater than 600.</td>
</tr>
</tbody>
</table>

*Note:* This operator applies only for comparison types of 'Previous', like Previous Months or Previous Period, as well as 'Average in Months'.

<table>
<thead>
<tr>
<th>Less than</th>
<th>All relationships that are less than the previous month amount by the amount or percentage stated in the variance value.</th>
<th>Returns all relationships with a value of less than 400.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than or equal</td>
<td>All relationships with a current value either equal to or less than the previous month amount by the amount or percentage stated in the variance value.</td>
<td>Returns all relationships with a value of 400 or less.</td>
</tr>
<tr>
<td>Equal</td>
<td>All values that are exactly equal to the higher limit or the lower limit of the variance value.</td>
<td>Returns all relationships with a current value equal to 400 or 600.</td>
</tr>
<tr>
<td>Greater than</td>
<td>All relationships that are greater than the previous month amount by the amount or percentage stated in the variance value.</td>
<td>Returns all relationships with a value of more than 600.</td>
</tr>
<tr>
<td>Variance Operator</td>
<td>Balance Exception Report Output</td>
<td>Results (based on sample data)</td>
</tr>
<tr>
<td>---------------------------</td>
<td>---------------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Greater than or equal</td>
<td>All relationships with a current value either equal to or greater than the previous month amount by the amount or percentage stated in the variance value.</td>
<td>Returns all relationships with a value of 600 or more.</td>
</tr>
<tr>
<td>Does not equal</td>
<td>All relationships with a current value not equal to the previous month amount.</td>
<td>Returns all relationships with a value other than 500.</td>
</tr>
</tbody>
</table>

**Severity Level**

Severity Level controls the order in which the exceptions are displayed in the balance exception report. Balance exceptions with the higher severity are displayed first (1 being the highest).

**Using Formula Variance Type**

You can write a fast formula using the Balance Exception formula type to return a variance value that you can use for identifying exceptions for a balance. To use this feature, select the **Formula** variance type on the Create Balance Exception page and then select the formula that you created from the Formula ID field.

**Using Balance Variance Type**

To reference two balances in the balance exception equation, select the **Balance** variance type on the Create Balance Exception page and then select the Target Balance Name and Target Dimension Name. The context values for Target Dimension Name are inherited from the Dimension Name you select on the left-hand side of the Create Balance Exception page as the first Dimension. No additional contexts are set for Target Dimension Name.

**Balance Exception Report**

**Balance Exception Report**

Use the Balance Exception Report to identify potentially incorrect payments or amounts withheld. The report identifies values that vary for the same balance dimension. This variance could indicate overpayments or underpayments.

To run this report, use the Run Balance Exception Report task from the Payroll Calculation or Checklist work area. Before you run this report you must:

**Prerequisites**

Before you run this report you must:

- Use the Manage Balance Exceptions task from the Payroll Calculation work area to create a balance exception.
- Use the Manage Balance Exceptions and Reports task from the Payroll Calculation work area to create a balance exception report that groups together one or more balance exceptions.
A balance exception determines the criteria you use to identify values that vary for the same balance dimension. The variance could be in terms of incorrect payments or amounts withheld. When you create a balance exception you specify:

- A comparison type and comparison value to define the period that is used to determine the exception.
- A Balance Type and Balance Dimension that specifies the balance value that is evaluated for the exception. You can only select balance dimensions that are compatible with the Comparison Type you specified. For example, if the Comparison Type is Current Period, you will only be able to select balance dimensions of type ‘Period to Date’.
- The variance operator and the variance value to specify the precise range of variance that you want to report on.

For example, you want to determine the monthly car allowance paid to employees in excess of 600 more than the previous month. You can create a balance exception, specifying the attributes as given in the table below.

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comparison Type</td>
<td>Previous Month</td>
</tr>
<tr>
<td>Comparison Value</td>
<td>1</td>
</tr>
<tr>
<td>Variance Operator</td>
<td>Greater Than</td>
</tr>
<tr>
<td>Variance Value</td>
<td>600</td>
</tr>
<tr>
<td>Balance Type</td>
<td>Monthly Car Allowance</td>
</tr>
<tr>
<td>Balance Dimension</td>
<td>Month-to-Date</td>
</tr>
</tbody>
</table>

**Balance Exception Report Name**

You must create an Exception Report Name that you can use to run the Balance Exception Report. For instance, in the above example, you can create an Exception Report Name of Monthly Car Allowances Paid in Excess of the Previous Month.

**Report Parameters**

The parameter values determine which records to include in the report. For example, you can run this report for a specific consolidation group or payroll relationship group. You must predefined these groups before you can use them. Most parameters are self-explanatory, while the following have special meaning in the context of this report.

**Payroll Flow**

The name of the payroll flow you use to run this report. The selected flow uniquely identifies a specific instance of the report execution.

**Process Start Date**

Use this field to specify the first effective date of the payroll process to include in the report. All processes with an effective date same or greater than the Process Start Date are reported.

**Process End Date**
Use this field to specify the last effective date of the payroll process to include in the report. For Payroll Runs this is the ‘Payroll Run Date’. All processes with an effective date equal to or prior to the Process End Date are reported.

**Note:** For offset payrolls, the effective date of the payroll or QuickPay run could be after the end date of the payroll period. In such cases, you must ensure that your Process End Date must be on or after the effective date of the process you want to include in the report.

**Balance Exception Report**

The name of the Balance Exception Report you use to run this report.

**Payroll**

Select the required payroll name.

**Process Configuration Group**

Use this field to run the report for a specific process configuration group, instead of the default one. A process configuration group is used to set rules for payroll processes, such as passwords or number of threads. You can select a value only if you have a predefined process configuration group.

**Consolidation Group**

Use this field to run the report against a consolidation group. For example, you can use this field to run this report for a subset of payrolls. You can select a value only if you have a predefined consolidation group.

**Location**

Use this field to view the balance results for employees who have at least one assignment for the selected location. The balance values may not necessarily correspond to the location parameter only. It is also dependent on the dimensions and the other associated contexts.

**Payroll Relationship Group**

Use this field to run the report for persons belonging to a specific payroll relationship group. You can specify a value only if you have a predefined payroll relationship group.

**Note:** Use the Manage Object Groups task to define a payroll relationship group before you can use it here.

You can also provide values to run this report for a specific payroll statutory unit or tax reporting unit.

After you have entered the above details, click **Next**. On the Flow Interaction Page, select the payroll flow as the Current Flow and the Run Balance Exception Report as the task. This ensures that the report uses the payroll balances for the current payroll flow.

**Report Results**

The report provides details of payroll balance results for matching persons, filtered by the defined exception criteria, specified time frame and the selected parameters. The output report includes:

- Payroll Statutory Unit
- Tax Reporting Unit
- Person Number
- Person Name
- Payroll Relationship Number
- Employment Level
- Current Balance
- Variance Value

The report output additionally displays the Previous Balance, Difference, and Difference % columns when the Comparison Type is Previous Period or Previous Month.

**Related Topics**
- Balance Exception Formula Type

## Worked Example to Create a Balance Exception Report

This example demonstrates how to create and run a balance exception report. The report compares the total payments you made to your employee population for the current payroll period with the payments you made in the previous period.

Before you create your report, 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>Which balance holds the values to compare?</td>
<td>Net Payment</td>
</tr>
<tr>
<td>What period of time should the balances be compared to?</td>
<td>Previous period</td>
</tr>
<tr>
<td>How many periods do you want to compare the balances to?</td>
<td>1</td>
</tr>
</tbody>
</table>

Creating a balance exception report involves creating a balance exception, creating the report, and then running the report.

### Create a Balance Exception

To derive net pay amounts for the previous period:

1. Open the Payroll Calculation work area, and then click **Manage Balance Exceptions** task.
2. Click **Create**.
3. Select the InFusion legislative data group and 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>Balance Exception Name</td>
<td>Compare Net Payment Amounts to the Previous Period</td>
</tr>
<tr>
<td>Comparison Type</td>
<td>Previous period</td>
</tr>
<tr>
<td>Comparison Value</td>
<td>1</td>
</tr>
</tbody>
</table>
Implementing Payroll for the United Kingdom

Chapter 10
Set Up Balance Definitions, Balance Groups, and Balance Exceptions

---

Field | Value
---|---
For comparison types that begin with Previous, the application enters 1 as the default value and makes it read only.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance Name</td>
<td>Net Payment</td>
</tr>
<tr>
<td>Dimension Name</td>
<td>Relationship Period to Date</td>
</tr>
<tr>
<td>Variance Type</td>
<td>Percent</td>
</tr>
<tr>
<td>Variance Operator</td>
<td>Greater than</td>
</tr>
<tr>
<td>Variance Value</td>
<td>10</td>
</tr>
<tr>
<td>Severity Level</td>
<td>1</td>
</tr>
</tbody>
</table>

\[\textit{Note:}\] Enter a lower value for a high priority exception.

5. Click Submit.

Create a Balance Exception Report

1. In the Tasks pane, click **Manage Balance Exceptions and Reports**.
2. Click **Create**.
3. Select the InFusion legislative data group and 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>Exception Report Name</td>
<td>Compare Net Payment Amounts to the Previous Period</td>
</tr>
<tr>
<td>Consolidation Group</td>
<td>InFusion Weekly</td>
</tr>
<tr>
<td>Payroll</td>
<td>InFusion Weekly Payroll</td>
</tr>
</tbody>
</table>

5. Click Add.
6. Select the **Compare Net Payment Amounts to the Previous Period** balance exception name and then click **OK**.
7. Click Submit.

Run the Balance Exception Report

1. In the Tasks pane, click **Submit a Process or Report**.
2. Select the **InFusion** legislative data group.
3. Select the **Run Balance Exception Report** flow pattern and then click **Next**.
4. Complete the fields as shown in this table:
### 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>Balance Dimension Type</td>
<td>Balance Dimension</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>• Assignment Tax Unit Rolling 12 Month</td>
<td></td>
</tr>
<tr>
<td><strong>Resident City Balance Dimensions</strong></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><strong>Statutory Report Code Balance</strong></td>
<td>• Relationship Tax Unit Statutory Report Code Run</td>
</tr>
<tr>
<td>Dimensions</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>• 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>
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 earnings or deduction amount. For all types of elements, these rules and definitions include elements, formulas, and processing rules.

This topic explains the payroll calculation information rules and definitions generated for user-defined elements with one of the following categories:

- Absence
- Benefit
- Involuntary Deductions
- Time card

All predefined tax and social insurance elements also include payroll calculation information rules and definitions.

Note: Elements that use calculation information definitions do not capture the values required for the calculation on element input values.

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>
<tbody>
<tr>
<td>Payroll calculation information</td>
<td>The manage payroll calculation information task groups rates and rules used by the payroll run to calculate values for user-defined earnings, and deductions.</td>
<td>Use the Manage Payroll Calculation Information task.</td>
</tr>
<tr>
<td></td>
<td>Predefined elements such as tax and social insurance rules also use the payroll calculation feature to provide a group of rates and rules which vary by country or territory.</td>
<td></td>
</tr>
<tr>
<td>Payroll 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.</td>
<td>Use the Manage Payroll Calculation Information task to view payroll components and their associated rules.</td>
</tr>
<tr>
<td></td>
<td>When you create elements in certain classifications and categories, such as involuntary deductions, the element template creates a payroll component with the same name.</td>
<td></td>
</tr>
</tbody>
</table>
### Calculation Information

<table>
<thead>
<tr>
<th>Calculation Information</th>
<th>Description</th>
<th>Task</th>
</tr>
</thead>
<tbody>
<tr>
<td>You can manage payroll components using predefined component groups, which vary by country or territory but may include social insurance, taxes, retirement plans, involuntary deductions, and benefits.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Wage basis rules

- 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 a worker's place of residence.

- 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.

#### Calculation value definitions

- Calculation value definitions store calculation rates and rules, which may vary based on other criteria.
- For example, you can use calculation value definitions to calculate regional income tax rates for employees, which vary based on their income levels.
- The calculation value definition controls which calculation values are enterable on a calculation card.

- Use the Manage Calculation Value Definitions task to view predefined definitions and the definitions that element templates create.
- Note: You can edit definitions that element templates create, such as adding default calculation values.

#### Calculation factors

- Calculation factors indicate which calculation value definition to use when calculating the amount.
- For example, a calculation factor might identify which set of tax rates to use based on the tax code of the employee.
- If tax rates vary based on a factor such as a person's filing status, then filing status is defined as a calculation factor reference.
- Thus, an element may have multiple calculation factors, one for each unique set of rules and references values.

- Use the Manage Elements, Element Overview task to access calculation factors.
- Use the Manage Payroll Calculation Information task to create new calculation factors. Normally, you don't need to create new factors, but if you do, you must also edit the element's payroll formula to use the new calculation factors.

#### Calculation components

- When an element template creates a payroll component, it also creates calculation components that you can enter on personal calculation cards to enter specific details for the person.

- Use the Manage Calculation Cards task to enter calculation components for a person.

#### Calculation types

- A calculation type describes a way of calculating a value. For example, calculating a value as a Flat Amount or by applying a Rate to a value.

- Use the Manage Calculation Value Definitions task to view calculation types.
<table>
<thead>
<tr>
<th>Calculation Information</th>
<th>Description</th>
<th>Task</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculation steps</td>
<td>A Calculation Step is a name or label that denotes part of a payroll calculation.</td>
<td>Use the Manage Payroll Calculation Information task.</td>
</tr>
<tr>
<td></td>
<td>For example, a time calculation can consist of the following parts:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Calculate hours worked</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Calculate hourly rate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A regional tax calculation can consist of the following parts:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Calculate Exemptions</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Calculate Allowances</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Calculate Tax</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Each one of these is a calculation step in a fast formula.</td>
<td></td>
</tr>
<tr>
<td>Calculation methods</td>
<td>Predefined calculation methods are a way of performing a payroll calculation.</td>
<td>Use the Manage Payroll Calculation Information task.</td>
</tr>
<tr>
<td></td>
<td>For example, a tax could be calculated using a cumulative year-to-date payroll balance or a periodic payroll value.</td>
<td></td>
</tr>
<tr>
<td>Calculation factors</td>
<td>Calculation factors create an association between an element, calculation step, and a calculation value definition.</td>
<td>Use the Manage Elements, Element Overview task.</td>
</tr>
<tr>
<td></td>
<td>Calculation factors indicate which calculation value definition to use when calculating the amount.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Calculation factors can support complex calculations such as tax rates. For example, if a tax rate varies based on a factor such as a person’s filing status the filing status can be defined as a calculation factor reference thus, an element may have multiple calculation factors, one for each unique set of rules and references values.</td>
<td></td>
</tr>
</tbody>
</table>

Related Topics
- How You Add Involuntary Deductions to a Calculation Card
Examples of Payroll Calculation Information at the Legislative Level

To understand how the rules and definitions for calculating payroll components work together, let's examine two common examples: income tax deductions and social insurance deductions.

Each example provides sample values for the following rules and definitions:

- Component group
- References for wage basis rules
- References for calculation factors
- Wage basis rules
- Related elements
- Calculation factors for elements
- Associations for tax reporting

**Individual Income Tax Deduction**

A particular country or territory has a statutory deduction for an individual income tax. The exemption amount for the tax varies based on the person's residential status. The earnings classifications included in the wage basis for the tax vary by geographical region. Therefore, references are defined for both the wage basis rules and the calculation factors.

The calculation is a two-step process that calculates the exemption and then calculates the tax amount based on the reduced deductible amount.

- **Component group:** Taxes
- **Component name:** Individual Income Tax Deduction
- **References for wage basis rules:**

<table>
<thead>
<tr>
<th>Reference Name</th>
<th>Reference Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geographical Region</td>
<td>Mainland</td>
</tr>
<tr>
<td>Geographical Region</td>
<td>Territory</td>
</tr>
</tbody>
</table>

- **References for calculation factors:**

<table>
<thead>
<tr>
<th>Reference Name</th>
<th>Reference Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Status</td>
<td>Resident</td>
</tr>
<tr>
<td>Residential Status</td>
<td>Nonresident</td>
</tr>
</tbody>
</table>

- **Wage basis rules:**
<table>
<thead>
<tr>
<th>Geographical Region Reference Value</th>
<th>Primary Classification</th>
<th>Secondary Classification</th>
<th>Use in Wage Basis?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mainland</td>
<td>Standard Earnings</td>
<td>All secondary classifications</td>
<td>Y</td>
</tr>
<tr>
<td>Territory</td>
<td>Standard Earnings</td>
<td>All secondary classifications</td>
<td>Y</td>
</tr>
<tr>
<td>Mainland</td>
<td>Supplemental Earnings</td>
<td>Commission</td>
<td>Y</td>
</tr>
<tr>
<td>Territory</td>
<td>Supplemental Earnings</td>
<td>Commission</td>
<td>N</td>
</tr>
<tr>
<td>Mainland</td>
<td>Supplemental Earnings</td>
<td>Personal Use of Company Car</td>
<td>Y</td>
</tr>
<tr>
<td>Territory</td>
<td>Supplemental Earnings</td>
<td>Personal Use of Company Car</td>
<td>N</td>
</tr>
</tbody>
</table>

- **Related element**: Individual Income Tax Processor

  The processing rule (a fast formula) associated with this element drives the income tax calculation. It accesses the appropriate calculation factor, based on the resident status reference value and the current step in the calculation process.

- **Calculation factors for Individual Income Tax Processor element**:

<table>
<thead>
<tr>
<th>Resident Status Reference Value</th>
<th>Calculation Step</th>
<th>Calculation Method</th>
<th>Calculation Value Definition</th>
<th>Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonresident</td>
<td>Calculate exemption amount</td>
<td>None</td>
<td>Tax Exemption Amount for Nonresident</td>
<td>4800</td>
</tr>
<tr>
<td>Resident</td>
<td>Calculate exemption amount</td>
<td>None</td>
<td>Tax Exemption for Resident</td>
<td>2000</td>
</tr>
<tr>
<td>(None)</td>
<td>Calculate individual income tax</td>
<td>None</td>
<td>Individual Income Tax Rate</td>
<td>0-50000: 3% 50000-100000: 4% Over 10000: 5%</td>
</tr>
</tbody>
</table>

- **Tax reporting units**: All tax reporting units defined for this payroll statutory unit can report this calculation component. You associate calculation components with a specific tax reporting unit on the personal calculation card.

**Social Insurance Deduction**

The same country has a statutory deduction for a social insurance tax. Both the employer and the employee contribute to the social insurance tax, but their contribution rates are different. Calculation of the deduction includes several steps:

1. Calculate the base amount for the employee’s contribution.
2. Calculate the base amount for the employer’s contribution.
3. Calculate the employee's contribution amount.
4. Calculate the employer's contribution amount.

The following rules and definitions apply to this calculation at the legislative level:

- **Component group**: Social Insurance
- **Component name**: Medical Insurance Deduction
- **References for wage basis rules**: None
- **References for calculation factors**:

<table>
<thead>
<tr>
<th>Reference Name</th>
<th>Reference Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution Level</td>
<td>Employee</td>
</tr>
<tr>
<td></td>
<td>Employer</td>
</tr>
</tbody>
</table>

- **Wage basis rules**:

<table>
<thead>
<tr>
<th>Primary Classification</th>
<th>Secondary Classification</th>
<th>Use in Wage Basis?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Earnings</td>
<td>All secondary classifications selected</td>
<td>Y</td>
</tr>
<tr>
<td>Supplemental Earnings</td>
<td>All secondary classifications selected</td>
<td>Y</td>
</tr>
</tbody>
</table>

- **Related elements**: Medical Insurance Calculation element

The processing rule (fast formula) associated with this element drives the social insurance calculation. It accesses the appropriate calculation factor, based on the contribution level reference value and the current step in the calculation process.

- **Calculation factors for Medical Insurance Calculation element**:

<table>
<thead>
<tr>
<th>Contribution Level Reference Value</th>
<th>Calculation Step</th>
<th>Calculation Method</th>
<th>Calculation Value Definition</th>
<th>Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
<td>Calculate Employee Base Amount</td>
<td>None</td>
<td>Employee Contribution Upper Limit</td>
<td>8000</td>
</tr>
<tr>
<td>Employee</td>
<td>Calculate Employer Base Amount</td>
<td>None</td>
<td>Employer Contribution Upper Limit</td>
<td>5000</td>
</tr>
<tr>
<td>Employer</td>
<td>Calculate Employee Contribution Amount</td>
<td>None</td>
<td>Employee Contribution Amount</td>
<td>4%</td>
</tr>
<tr>
<td>Employer</td>
<td>Calculate Employer Contribution Amount</td>
<td>None</td>
<td>Employer Contribution Amount</td>
<td>3%</td>
</tr>
</tbody>
</table>

- **Tax reporting units**: All tax reporting units defined for this payroll statutory unit can report this calculation component. You associate calculation components with a specific tax reporting unit on the personal calculation card.
Calculation Cards

Create Calculation Cards for Deductions at Different Levels

You can create and manage calculation cards at several different levels, from an individual person to a payroll statutory unit. There are no predefined calculation cards at the payroll statutory unit or tax reporting unit levels. At the payroll relationship level, there is a predefined Statutory Deductions calculation card.

Use this examples to understand when you might define calculation cards at each level.

Tax Reporting Unit Calculation Card

An employee should not be enrolled or re-enrolled to a qualifying pension scheme if tax protection is applied. Select No in the Automatic Enrollment if Tax Protection Applied field in the Pensions Automatic Enrollment calculation card.

Task: Manage Legal Entity Calculation Cards in the Setup and Maintenance work area.

Payroll Statutory Unit Calculation Card

You do not want to generate pension notification letters for all employees in a payroll statutory unit (PSU). Select the check box Disable pension letters in the Pensions Automatic Enrollment calculation card. You can select this option only in a PSU-level calculation card.

Task: Manage Legal Entity Calculation Cards in the Setup and Maintenance work area.

Personal Calculation Card

Scenario: An employee contributes to more than one NI category. You can setup additional NI categories in the NI component in the Statutory Deductions calculation card.

Task: Manage Calculation Cards task in the Payroll Administration work area.

Calculation Value Definitions

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.

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.

To view and manage calculation cards use the Manage Calculation Cards task in the Payroll Administration or Payroll Calculation work area.
Types of Calculation Cards

The types of calculation cards you can create and the type of information captured on a card vary. These cards include:

- Statutory deductions
- Involuntary deductions
- Time card entries
- Absences
- Benefits and pensions

Additional cards may be available to capture information for reporting purposes.

The following 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>Pensions Automatic Enrolment</td>
<td>Includes:</td>
</tr>
<tr>
<td></td>
<td>• Pension deductions and contribution amounts</td>
</tr>
<tr>
<td></td>
<td>• Pension assessments</td>
</tr>
<tr>
<td></td>
<td>• Automatic enrolment and re-enrolment, and manual enrolment</td>
</tr>
<tr>
<td></td>
<td>• Opting in and opting out of pension schemes</td>
</tr>
<tr>
<td></td>
<td>• Additional contributions</td>
</tr>
<tr>
<td>Statutory Deductions</td>
<td>Identifies tax and NI payroll deductions, NI category, pay as you earn (PAYE) and other related earnings distributions.</td>
</tr>
<tr>
<td></td>
<td>One Statutory Deductions calculation card is created for each employee and for each TRU that the employee is assigned. For example, if an employee reports to two distinct TRUs, then two Statutory Deductions Calculation cards are required, one for each TRU.</td>
</tr>
<tr>
<td>Involuntary Deductions - Court Orders and Student Loans</td>
<td>Identifies involuntary deductions such as court orders and student loans.</td>
</tr>
<tr>
<td></td>
<td>Each card can support multiple deduction types and configurations. One card per payroll relationship.</td>
</tr>
<tr>
<td>Reporting Information</td>
<td>Stores record of employment information required for year-end reporting.</td>
</tr>
<tr>
<td>Time</td>
<td>Depending on how they’re configured, time cards capture:</td>
</tr>
<tr>
<td></td>
<td>• Hours and dates worked</td>
</tr>
<tr>
<td></td>
<td>• Categories of time, such as regular time, overtime, absence, vacation, and holiday</td>
</tr>
</tbody>
</table>
Card Creation

The application automatically creates one or more statutory deduction calculation card and the pensions card when you hire a new employee.

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.

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.

For example, National Insurance and Taxes are the component groups in the Statutory Deductions calculation card. Aggregation Information, NI, and PAYE are the calculation components.

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 may vary depending on the type of calculation card:

- 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 assignments, you may be able to associate specific assignments with calculation components.
Automatic Calculation Card Creation

If the value of your country setting in the Manage Features by Countries or Territories page is either Payroll or Payroll Interface, then the New Hire process automatically creates a Statutory Deductions calculation card and a Pensions Automatic Enrolment calculation card for each new employee. Use the Manage Personal Calculations task in the Payroll Calculation work area to view and update the card as needed.

This topic explains the following aspects of automatic calculation card creation:

- Default values for calculation components and component details
- Default association and association details
- Automatically created element entries

> **Note:** Automatic calculation card creation occurs only when you hire an employee, not a pending worker or nonworker. Converting a pending worker to an employee creates the calculation cards at that time.

**Statutory Deductions Card Default Values**

The automatically created card contains the following components and component details:

- One Aggregation Information component with no component details
- One PAYE component and one Pay As You Earn component details record with the following default values:

<table>
<thead>
<tr>
<th>Component Detail</th>
<th>Default Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>HMRC Payroll ID</td>
<td>System-generated PAYE component ID</td>
</tr>
<tr>
<td>Tax Code</td>
<td>0T</td>
</tr>
<tr>
<td>Tax Basis</td>
<td>Non-Cumulative</td>
</tr>
<tr>
<td>Update Method</td>
<td>Defaulted</td>
</tr>
<tr>
<td>Entry Type</td>
<td>System</td>
</tr>
<tr>
<td>Authority</td>
<td>P46 or New Starter Default</td>
</tr>
</tbody>
</table>

- One NI component, with the following reference values:

<table>
<thead>
<tr>
<th>Component Detail</th>
<th>Default Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>NI Category</td>
<td>A</td>
</tr>
<tr>
<td>Pension Basis</td>
<td>Not contracted out</td>
</tr>
</tbody>
</table>

You can modify the default values as needed on the employee’s card.
Note: You can specify the default values to use for a specific tax reporting unit (TRU) or payroll statutory unit (PSU). Use the Manage Legal Entity Calculation Cards task to set PSU-level default values. Use the Manage Legal Reporting Unit Calculation Cards task to set TRU-level default values.

Pensions Automatic Enrolment Calculation Card Default Values
The automatically created pensions calculation card contains one component, the Pensions Automatic Enrolment component. This component contains a Pensions Automatic Enrolment component details record. Only one field contains a predefined default value:

<table>
<thead>
<tr>
<th>Field</th>
<th>Default Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Classification for Pensions</td>
<td>Not Yet Assessed</td>
</tr>
</tbody>
</table>

Statutory Deductions Card Default Associations
If you specify a TRU in the Payroll Details section on the Hire an Employee: Employment Information page, the new hire process creates:

- An association to that TRU on the Statutory Deductions calculation card automatically.
- Association details, linking the PAYE and NI components to the new hire’s assignment.

If you don’t specify a TRU during the new hire process:

- You must add a TRU association to the Statutory Deductions card manually and create association details for the PAYE and NI components.
- You can’t calculate or process payroll deductions for the employee until you provide this information.

Pensions Automatic Enrolment Card Default Associations
If you specify a TRU in the Payroll Details section on the Hire an Employee: Employment Information page, the new hire process:

- Does not create association details linking specific assignments to the pensions automatic enrolment component. By default, all earnings for all assignments for the payroll relationship are considered during the pensions automatic enrolment assessment.
- You can create association details manually later. You can also create additional pensions automatic enrolment components on the card, and associate specific earnings groups to your pension components, as needed.

Note: If you add the pension components to an existing pensions calculation card, you must associate the component with a tax reporting unit. You must also create association details for both the new and the original pension components, linking each with the appropriate assignments.

If you don’t specify a TRU during the new hire process, note the following:

- If your organization has only one TRU, you don’t need to create a TRU association on the Pensions Automatic Enrolment card manually; the pensions automatic enrolment assessment process obtains the necessary default values from the PSU-level pensions automatic enrolment card or, if it exists, the TRU-level card.
- If your organization has multiple TRUs, you must associate a TRU to the pension component manually.
Automatically Created Element Entries

The new hire process creates the following element entries automatically for the following elements, provided that you have defined element eligibility and the employee meets the eligibility criteria:

- Tax and NI element
- Pensions Automatic Enrolment element

Statutory Deduction Components and Component Groups

There are two predefined statutory deduction component groups for the UK: National Insurance and Taxes.

- The National Insurance group contains a single component: NI.
- The Taxes group also contains only one component: PAYE.

You can’t modify predefined statutory deduction components, but it's useful to understand the role they play in payroll deduction calculations. You can view details of these components using the Manage Payroll Calculation Information task in the Payroll Calculation work area.

NI Component

Here are some key aspects of the NI component:

- This component defines a set of calculation factors used to derive the correct employee and employer national insurance contribution (NIC) amounts. Since NI rates vary based on the employee’s NI category, NI category is defined as a reference value for these calculation factors. Each calculation factor identifies the calculation value definition that holds the rates for a particular category.
- The Statutory Deduction calculation card captures the NI category and pension basis to use as inputs when calculating the NI contribution.
- This component relates to the Tax and NI payroll element, which actually drives the calculation of the NI contribution. During a payroll run, the element’s processing rule retrieves input values from the calculation card and rates stored in calculation value definitions. The Tax and NI element generates autoindirect elements, each with its own processing rule, to calculate various components of the NI deduction, such as the employer and employee contribution amounts and any arrears.

PAYE Component

Here are some key aspects of the PAYE component:

- This component defines a set of calculation factors used to derive the correct income tax deduction amount. Since Pay As You Earn (PAYE) rates vary based on the employee’s tax code, tax code is defined as a reference value for these calculation factors. Each calculation factor identifies a calculation value definition that holds the rates for a particular tax code value.
- Statutory Deduction calculation cards capture employee-specific information, including the HMRC payroll ID, tax code, tax basis, and other information required by HMRC.
- This component relates to the PAYE payroll element, which actually drives the calculation of PAYE. During a payroll run, the element’s processing rule retrieves input values from the calculation card and rates stored in calculation value definitions.
How the Statutory Deductions Calculation Card Components Work Together

A Statutory Deductions calculation card comprises calculation components, component details, and associations. Together, these components define how to calculate, process, and report taxes and national insurance deductions. Use the Manage Personal Calculations task in the Payroll Calculation work area to view the components on the card and update the card as needed.

The number of components and the types of component details may vary by employee. For example:

- If an employee has multiple assignments and uses different national insurance (NI) categories for each term, you can create multiple NI components, one for each term.
- If an employee has multiple assignments with different tax codes, you can create a PAYE component for each one.

This figure illustrates the calculation card components for an employee with two assignments and multiple NI and PAYE components:
Aggregation Information Component

The Aggregation Information component belongs to the National Insurance component group. The automatic calculation card creation process creates this component along with the card. The Aggregation Information component is the parent component for all NI components on the card. A calculation card can have only one Aggregation Information component.

The application also automatically creates an Aggregation Information component detail record. Use it to enter NI processing information for special circumstances. For example:

- If an employee is a Director who receives annual payments in addition to regular salary, you define how to handle those payments here.
- If you’re making multiple or irregular payments for an employee, you can define how to calculate NI on the special payments.

Aggregation Information details apply to all NI components and all assignments defined for the calculation card.

NI Component

The NI component also belongs to the National Insurance component group. The automatic calculation card creation process creates this component along with the card. However, you may have edit the component to modify the default NI category and pension basis. The NI categories and pension bases you can select are restricted by statutory rules.

The NI component has no component details.

PAYE Component

The PAYE component belongs to the Taxes component group. One PAYE component and a PAYE component details record are automatically created when the card is created.

Use it to enter tax calculation values, such as tax code and tax basis. Each PAYE component can have only one Pay As You Earn component detail record.

You can create additional component details as required to provide previous employment details, new starter declarations, and pensioner notifications.

Tax Reporting Unit Association and Association Details

A Statutory Deductions calculation card must be associated with a tax reporting unit (TRU). 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 assignments. Each PAYE and NI component must be associated with one or more assignments.

Create a Statutory Deductions Calculation Card Manually

Typically, calculation cards are created automatically as part of the new hire process. However, you may need to create a card from scratch if, for example, an employee takes on an additional assignment with a different tax reporting unit (TRU) or an employee transfers from one TRU or Pay As You Earn (PAYE) scheme to another. This example demonstrates how to create a Statutory Deductions calculation card for a new employee.

Here's a summary of key decisions for this scenario:
### Decisions to Consider

<table>
<thead>
<tr>
<th>Decision</th>
<th>In This Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does the employee have multiple assignments?</td>
<td>Yes. The employee has two assignments.</td>
</tr>
<tr>
<td>Do both assignments have the same national insurance (NI) and PAYE components?</td>
<td>The NI categories for the terms are different, but both terms are associated with the same PAYE component.</td>
</tr>
<tr>
<td>What TRU reporting for this card?</td>
<td>InFusion TRU1.</td>
</tr>
</tbody>
</table>

### Before You Start

Complete these tasks before you create a statutory deductions card manually.

1. Complete the new hire process for the employee.
2. Ensure that the employee has a payroll relationship with two employment terms and each is assigned to a payroll.

### Create 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 fields, as shown in this table:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Jones, Donna</td>
</tr>
<tr>
<td>Legislative Data Group</td>
<td>UK LDG</td>
</tr>
<tr>
<td>Process Date</td>
<td>Current date</td>
</tr>
</tbody>
</table>
3. Click **Search** to display a list of matching payroll relationships.
4. Click the row for Donna Jones.

> **Note:** A person can have multiple payroll relationships. In this example, only one payroll relationship exists for the person.

5. Click **Create**.
6. On the Create Calculation Card window, select **Statutory Deductions** in the **Name** field and click **Continue**.

### Create National Insurance Components

1. In the Calculation Card Overview section, select **National Insurance**.

> **Note:** One NI component and one Aggregation Information component were created automatically when you created the card. This employee requires no special processing, so you must not enter any information for the Aggregation Information component. However, you must assign a NI category and pension basis to the NI component.

2. In the Calculation Components section, select the **NI** component.
3. Select Edit and Correct.
4. Complete the fields on the Correct Calculation Component window as shown here.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>NI Category</td>
<td>D</td>
</tr>
<tr>
<td>Pension Basis</td>
<td>Contracted Out</td>
</tr>
</tbody>
</table>

5. Click OK.
6. In the Calculation Component section, click Create to create the second NI component.
7. In the Calculation Component field, select NI.
8. Complete the fields on the Create Calculation Component window as shown here.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field</td>
<td>Value</td>
</tr>
<tr>
<td>Parent Calculation Component</td>
<td>Aggregation Information</td>
</tr>
<tr>
<td>NI Category</td>
<td>A</td>
</tr>
<tr>
<td>Pension Basis</td>
<td>Not Contracted Out</td>
</tr>
</tbody>
</table>

9. Click OK.

Create PAYE Components
A PAYE component was created automatically when you created the card, but you must provide the component details.

1. In the Calculation Card Overview section, select Taxes.
2. In the Calculation Components section, select the PAYE component.
3. On the Calculation Component Details tab, expand the Pay As You Earn section and complete the fields as shown here.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Code</td>
<td>474L</td>
</tr>
<tr>
<td>Tax Basis</td>
<td>Cumulative</td>
</tr>
<tr>
<td>Entry Type</td>
<td>Manual</td>
</tr>
</tbody>
</table>

4. Complete other optional fields as appropriate for the employee.

Create New Starter Details
To add starter notification details, you must create a new component detail record for the PAYE component.

1. On the PAYE Calculation Component Details tab, click Create.
2. Select New Starter Declaration in the Calculation Component Details field, and click OK.
3. On the Calculation Component Details tab, expand the New Starter Declaration section, and complete the fields as shown here.
Create a Tax Reporting Unit Association

You must associate the card with a TRU.

1. In the Calculation Card Overview section, click Associations.
2. Click Create in the Associations section.
3. On the Create Association window, select InFusion TRU1 in the Tax Reporting Unit field.

   Note: The Unique ID field is used only used by the Employer Alignment Submission process.

4. Click OK.
5. Click Save.

   Note: You must save the association before you can create association details.

Create Associations Details

You must associate calculation components with assignments. In this example, both assignments are associated with a single PAYE component, but each is associated with a different NI component.

1. In the Association Details section, click Create.
2. On the Create Association Details window, complete the fields as shown here.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assignment Number</td>
<td>A1200988</td>
</tr>
<tr>
<td>Calculation Component</td>
<td>Select the first PAYE component.</td>
</tr>
</tbody>
</table>

3. In the Association Details section, click Create.
4. On the Create Association Details window, complete the fields as shown here.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assignment Number</td>
<td>A1400456</td>
</tr>
</tbody>
</table>
Field | Value
---|---
Calculation Component | Select the second PAYE component.

5. Click **OK**.
6. In the Association Details section, click **Create**.
7. On the Create Association Details window, complete the fields as shown here.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assignment Number</td>
<td>A1200988</td>
</tr>
</tbody>
</table>

Calculation Component: NI - D; Contracted Out

8. In the Association Details section, click **Create**.
9. On the Create Association Details window, complete the fields as shown here.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assignment</td>
<td>A1400456</td>
</tr>
</tbody>
</table>

Calculation Component: NI - A; Not Contracted Out

10. Click **OK**.
11. Click **Save and Close**.

Examples of Creating Statutory Deductions Calculation Cards Manually

If your country extension is set to either Payroll or Payroll Interface, then the new hire process automatically creates a Statutory Deductions calculation card for new employees. However, you may need to create calculation cards manually in the following scenarios:

- An employee takes on an additional assignment with a different tax reporting unit (TRU) than the one associated with their main assignment.
- A company upgrades their product usage from HR only to Payroll, and existing employees don’t have Statutory Deductions calculation cards.
- A company transfers some or all of its employees from one TRU or Pay As You Earn (PAYE) scheme to another TRU or PAYE scheme.

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 takes on an additional assignment that reports to a different TRU, you must create a new calculation card. On the new card, add NI and PAYE components and component details, as appropriate for the employee. Associate the Aggregation Information component with the new TRU and associate
the PAYE and NI components with the new assignment. Note that the employee will receive two different payslips, one for each assignment.

Upgrade to Payroll
In this scenario, you would need to create a new calculation card for each employee or load the data using a batch upload process.

Transfer of Employees to New TRU
If your company is transferring all or some employees to a new TRU and PAYE scheme, follow these general steps:

1. Create the new TRU and provide the new PAYE Reference for the TRU registration.
2. On the existing calculation cards, set the end date for all association details and then do the same for the TRU association.
3. For each transferring employee, create a new calculation card. Add NI and PAYE components and component details, as appropriate for the employee. Define an association to the new TRU and association details for the PAYE and NI components.

Note: Only one HMRC registration can be active at any given time. If you need to change the PAYE Reference on an existing TRU registration, you can do this at the start of a new tax year by ending the old registration at the end of the previous year and creating a new registration for the new tax year. You can’t do this in the middle of a tax year.

Define Associations for Statutory Deductions Calculation Card
This topic explains the following key points you must consider when defining association information on a Statutory Deductions calculation card:

- Rules for defining tax reporting unit (TRU) associations
- Rules for defining association details

Use the Manage Calculation Cards from the Payroll Administration or Payroll Calculation work area to define association information.

Rules for Defining TRU Associations
Associating a TRU with a Statutory Deductions calculation card enables the payroll process to apply rules and rates defined for the TRU when calculating deductions. It can also control the aggregation of deductions for tax reporting. If a TRU is specified during the new hire process, an association to that TRU is added to the card automatically. Otherwise, you must create a TRU association manually. The following rules apply to TRU associations:

- You can associate only one TRU with a Statutory Deductions calculation card.
- The TRU must be registered with HMRC.
- You can’t change the TRU for a Statutory Deductions calculation card once it has been used with a balance adjustment, advance pay, payroll run, or QuickPay payroll action.

Rules for Defining Association Details
Each PAYE and NI component must be associated with a specific assignment record. These are called association details. If a TRU is selected during the new hire process, association details for the PAYE and NI components are created automatically. Otherwise, you must create association details for these components.
The following rules apply when creating association details for Statutory Deductions calculation cards:

- You can create association details for PAYE and NI components only.
- You can associate a PAYE or NI component with more than one assignment.
- An assignment record can be associated with only one PAYE and one NI component on any date.
- You can’t associate the same assignment record with PAYE and NI components on different calculation cards.
- You can’t create association details for a PAYE component once a P45 has been issued against the PAYE component.

The following rules apply when editing and deleting association details for Statutory Deductions calculation cards:

- You can’t edit or delete an association details record if any balance adjustment, advance pay, payroll run, or quick pay payroll actions have been performed against it during its effective period.
- You can’t update an association details record; you can only correct it.
- You can’t set the end date for an associations detail record to be earlier than the last date the assignment was processed.

Create PAYE Component Details

The PAYE component details capture information used to calculate deductions and report PAYE-related information to HM Revenue and Customs (HMRC). You create PAYE component details on the Manage Person Details page (Manage Calculation Cards task). The following sections identify the types of PAYE component details you can create and describe when you should create each type.

Pay As You Earn Component Details

This detail record is created automatically when the Statutory Deductions calculation card is created. It captures information used to calculate deductions and report on payments. Most fields are self-explanatory. The following table provides help for some key fields:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>P45 Action</td>
<td>Indicates when to issue a P45. See Related Topics for more information.</td>
</tr>
<tr>
<td>Number of Periods Covered</td>
<td>Defaults to 1, indicating the employee is paid at regular intervals, such as weekly or multiples of weeks. If employee is paid in advance or arrears for multiple periods, enter the number of periods.</td>
</tr>
<tr>
<td></td>
<td>If you set this to any value other than 1, the Full Payment Submission (FPS) process resets it back to 1 when it updates the employee record (after prepayments have been run).</td>
</tr>
<tr>
<td>Number of Hours Worked</td>
<td>Select the number of hours the employee normally works in a week. For occupational pensioners, select Other.</td>
</tr>
<tr>
<td>Report NI YTD values</td>
<td>Indicates whether aggregated NI year-to-date values for all PAYE components on the card should be reported against this PAYE component in the FPS. This option must be selected on one and only one PAYE component at any time. Otherwise, the payroll run and the FPS process will fail.</td>
</tr>
<tr>
<td>Irregular Employment Payment</td>
<td>Select if the employee isn’t paid on a regular basis, is on maternity or extended sick leave, or won’t be paid for 3 months or more.</td>
</tr>
</tbody>
</table>
Implementing Payroll for the United Kingdom

Chapter 11
Set Up Pay Calculation Components

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>One-Off Payment</td>
<td>Select for one-off payments to employees whose date of leaving was included in a previous Full Payment Summary submission.</td>
</tr>
<tr>
<td>Payment to a Non-Individual</td>
<td>Select for payments to a body such as a Personal Representative, Trustee or Body Corporate.</td>
</tr>
<tr>
<td>Unpaid Absence</td>
<td>Select if the employee’s pay in this pay period has been reduced due to an unpaid absence.</td>
</tr>
<tr>
<td>On Strike</td>
<td>Select if the employee’s pay in this pay period has been reduced due to being on strike.</td>
</tr>
<tr>
<td>Previous HMRC Payroll ID</td>
<td>Indicates whether the change in the ID has been reported to HMRC.</td>
</tr>
<tr>
<td>Employment filed with HMRC</td>
<td>Indicates whether the FPS process has reported the start of this employment to HMRC.</td>
</tr>
</tbody>
</table>

The following rules apply when creating PAYE component details:

**RTI New Starter Declaration Component Details**

If you have selected the option Enable automatic PAYE tax code updates in the organization Statutory Deductions calculation card, the tax code is updated according to the tax year legislative rules. This is triggered when the employee submits the New starter Declaration form

The updates performed also depend on additional data:

- If no P45 is provided, update to tax code and tax basis is performed.
- If a P45 is provided, no update to tax code is performed, and tax basis is done as the P45 takes precedence.

Create this component detail record to capture new starter information. The following table describes some key fields:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statement</td>
<td>Select the new starter declaration statement.</td>
</tr>
<tr>
<td>Do you have a student loan</td>
<td>Select the appropriate response.</td>
</tr>
<tr>
<td>Repaying student loan direct</td>
<td>Select the appropriate response if paying the student loan by direct debit.</td>
</tr>
<tr>
<td>Plan Type</td>
<td>Indicate the appropriate plan type, that is, SL1 or SL2.</td>
</tr>
<tr>
<td>Finished studies before the last 06 April</td>
<td>Indicate Yes or No</td>
</tr>
<tr>
<td>P45 student loan deductions to continue</td>
<td>Select this option if:</td>
</tr>
<tr>
<td></td>
<td>• A new employee gives you a P45 with a ‘Y’ marked in Student Loan deductions to continue’.</td>
</tr>
<tr>
<td></td>
<td>• A new employee tells you that they have an income-contingent student loan to repay, as part of the new starter questions</td>
</tr>
<tr>
<td>P45 not paid before tax year end</td>
<td>Select if this employee won’t be paid from the start of their employment until the next 5 April.</td>
</tr>
</tbody>
</table>
Field | Value
--- | ---
Filed with HMRC | Indicates that the new starter information was filed with HMRC. This is updated automatically by the Full Payment Submission (FPS) process.

Employee declared | Indicate whether the employee completed the new starter declaration

**RTI Pensioner Notification Component Details**
Create this component detail record when the employee becomes a pensioner. Record the annual pension and the date the pension started. The FPS process updates the Filed with HMRC field automatically.

**RTI Expatriate Notification Component Details**
Create this component detail record when a new starter or existing worker who has expatriate status. The following table describes some key fields:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>EEA Citizen</td>
<td>Select if the employee is a citizen of the European Economic Area.</td>
</tr>
<tr>
<td>EPM6 Scheme</td>
<td>Select if the employer operates a modified scheme as defined in the Employment Procedures Manual Appendix 6.</td>
</tr>
<tr>
<td>Filed with HMRC</td>
<td>Indicates that the expatriate status was filed with HMRC. This is updated automatically by the Full Payment Submission (FPS) process.</td>
</tr>
</tbody>
</table>

**Rules for Creating Component Details**
The following rules apply when creating PAYE component details:

- **Creation Sequence.** The order in which you can create these component details is restricted to the following:
  a. Pay As You Earn
  b. RTI New Starter Declaration
  c. RTI Expatriate Notification
  d. RTI Pensioner Notification

- **Precedence.** You can’t create or edit a PAYE component detail if a component detail of a higher precedence already exists.

- **Hierarchy.** All component detail records are children of the parent PAYE component. Only one instance of each component detail is allowed per PAYE component. The effective start date of each component detail is the effective start date of the parent PAYE component. You can’t make date-effective updates to a new starter record; you can only make corrections.
Process Type for the Aggregation Information Component

The Process Type indicates how to calculate the national insurance (NI) contribution for special situations, such as director’s fees, irregular payments, and multiple payments in the same period. Oracle Fusion Payroll automatically performs the correct NI calculation for the process type you select.

The Process Type field appears on the Aggregation Information Component Details section of the Statutory Deductions calculation card and supports the values described here.

Irregular Periods
Select **Irregular Periods** if the employee isn’t paid on a regular weekly or monthly basis, and you want to calculate NI on a daily basis. In the **Number of Periods** field, enter the number of days that comprise the processing period (the number of paid days since the last payment).

*Note:* You can’t select Irregular Periods if the calculation card is associated with multiple assignments.

Multiple Periods
Select **Multiple Periods** if you’re making more than one normal payment in a single processing period, and you want to calculate NI on each normal payment separately. Enter the number of payments in the **Number of Periods** field.

The following table illustrates an example of how and when to use this setting:

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Process Type Values to Use</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>A new employee misses the payroll deadline for their first pay period, and you want them to receive pay for both periods in the second pay period.</td>
<td>Select Multiple Periods and set the Number of Periods to 2.</td>
<td>The application divides the total pay by 2 and calculates NI on both amounts separately, checking NI thresholds each time.</td>
</tr>
</tbody>
</table>

*Note:* Be sure to set the effective dates for the record so that only the targeted payroll runs use this process type.

Director Annual
Select **Director Annual** if the employee is a director, and you want the application to calculate NI on an annual basis, irrespective of the frequency of the payroll the director is assigned to. If the person became a director part way through the tax year, complete the Date Became Director field; the application prorates the annual calculation based on that date. If the person became a director at the start of the tax year, you can leave the Date Became Director field blank.

Director Periodic
Select **Director Periodic** to treat the director as a normal employee for NI purposes until the last pay period in a year, when the NI is recalculated as a director annual period.

*Note:* If you ran a payroll when the Process Type was Director Annual or Director Periodic, you can’t change the Process Type until the start of the next tax year.
Edit a Statutory Deductions Calculation Card

Typically, the new hire process creates Statutory Deductions calculation cards automatically. Use the Manage Calculation Cards from the Payroll Administration or Payroll Calculation work area to make modifications to the cards as needed. For example, you can do these activities:

- Edit the default values and provide employee-specific values on the calculation card for National Insurance (NI) or Pay As You Earn (PAYE)
- Add new starter details
- Associate a tax reporting unit (TRU) with the calculation card, if you didn’t specify a TRU during the new hire process
- Edit an existing association details record

Before You Start

1. Complete the new hire process for the employee.
2. Ensure that the employee has a payroll relationship with one or more assignments, each of which is assigned to a payroll.

Open the Calculation Card

1. Select Manage Calculation Cards from the Payroll Administration or Payroll Calculation work area.
2. On the Person Search page, search for and select the payroll relationship for the employee.
3. On the Manage Person Details page, click the Statutory Deductions calculation card in the Search Results.

Edit Components and Component Details

To modify a component’s reference values, follow these steps:

1. In the Calculation Card Overview section, select either National Insurance (to edit NI or Aggregation Information components) or Taxes (to edit PAYE components).
2. Select the component in the Calculation Components section.
3. Select Edit > Correct or Edit > Update in the Calculation Components section toolbar.
4. Complete the fields on the Correct Calculation Component or Update Calculation Component window, and click OK.

You can modify PAYE component details, including the new starter declaration, pensioner notification, or expatriate notification, for an existing component. You can also modify Aggregation Information component details, which define how to calculate the NI contribution in special situations. Here’s how you can modify component details:

1. Select the component in the Calculation Components section.
2. Select Edit > Correct or Edit > Update in the Calculation Component Details section toolbar.
3. Enter your changes to the component details, and click Save.

Here’s how you can create PAYE and NI components and component details:

1. Select the appropriate component group from the Calculation Card Overview pane.
2. Click Add in the Calculation Components section toolbar, and select the component type.
3. Complete the fields as appropriate, and click OK.
4. To add component details, click Add in the Calculation Component Details section toolbar and then select the component detail type.
5. Complete the fields, and click Save.

Create and Edit Associations and Association Details

You must associate the card with a TRU, if none was specified during the new hire process. Here’s how you can do this:

1. In the Calculation Card Overview section, click Associations.
2. In the Associations section, click Create.
3. On the Create Association window, select a tax reporting unit.
4. Click OK.
5. Click Save.

You must associate all PAYE and NI components with the assignment. To create association details:

1. In the Associations section, select a tax reporting unit.
2. In the Association Details section, click Create.
3. On the Create Association Details window, select the assignment and then select the appropriate PAYE component.
4. Click OK.
5. Repeat steps 1-4 as required to associate each NI and PAYE component with assignment.
6. On the Create Association Details window, select the assignment and then select the appropriate NI component.
7. Click Save and Close.

FAQs for Statutory Deductions Card

Can I associate a Statutory Deductions calculation card with more than one TRU

No. If an employee with an existing assignment and associated Statutory Deductions calculation card takes on an additional assignment that reports to a different tax reporting unit (TRU), you must create a new calculation card. On the new card, associate the Aggregation Information component with the new TRU and associate the NI and PAYE components with the new assignment.

How can I create an expatriate notification?

Use the Manage Calculation Cards task in the Payroll Calculation work area. Create an Expatriate Notification component details record for the PAYE component on the employee’s Statutory Deductions calculation card. Provide details of the new pension, including the annual pension amount and pension start date.

Can I create a new Statutory Deductions and Reporting calculation card if an employee is rehired?

Yes, you can create a new calculation card. Or, you could reopen the existing calculation card for the employee. Netherlands follows the payroll relationship rule L, which is the Lifetime Rule. The payroll relationship for the terminated employee is still active even though there are no employment terms or assignments attached to it. Hence, the existing payroll relationship can be used and the existing calculation card may be reopened for the employee.
How do I process NI deductions for directors' fees, irregular payments, and multiple payments in a period?

Use the Manage Calculation Cards task to open the employee's Statutory Deductions calculation card and edit the Aggregation Information component detail record. Select a process type based on how you pay the employee, and enter the number of periods as applicable. If you're processing multiple periods, be sure to set the effective date for the record so that only the targeted payroll runs use this process type. Update the record, rather than correct it, so that once the effective period for the selected process type expires, default processing resumes automatically.

Why can't I create an NI component with the category or pension basis I want to use?

You can create NI components only for certain combinations of NI category and pension basis, based on statutory rules. For example, if the NI category is D, then you can’t select a pension basis of Not Contracted Out.

How do I create a notification of pension starting?

Use the Manage Calculation Cards task in the Payroll Calculation work area. Create a Pension Notification component details record for the PAYE component on the employee’s Statutory Deductions calculation card. Provide details of the new pension, including the annual pension amount and pension start date.

Calculation Value Definitions

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.

For example, a graduated tax varies depending on the employee's earnings balance. The calculation value definition for this tax might contain two rows where you define the tax rate for:

- Earnings under 50,000
- Earnings above 50,000

Calculation Value Definitions Provided

Each localization provides a set of predefined calculation value definitions used to calculate statutory and involuntary deductions. You cannot edit the predefined calculation value definitions.
In addition, when you create the following element types, the element template creates calculation value definitions based on your selections:

- Pensions
- Involuntary deductions
- Absences
- Time cards

Create or Edit Calculation Value Definitions

The element template creates calculation value definitions when you create elements with a certain category such as benefits, absences, and time card elements.

You can also create or edit calculation value definitions using the Manage Calculation Value Definitions task in the Payroll Calculation area. For example, you can create value definitions to capture additional attributes that are required for your company’s absence or time calculations.

You can also create value definitions to calculate a rate derived from a rate definition or values defined by criteria.

Value Definition Groups

When you create a calculation value definition, either select an existing group or create a new one. The group categorizes related calculation value definitions. The predefined set of standard groups is available to all countries or territories.

Examples of predefined value definition groups include Time and Absences. You should select these when creating value definitions for elements with the corresponding element category.

Calculation Factors

Some elements, such as statutory deductions, require a large number of calculation value definitions. They use calculation factors to determine when and how to apply each calculation value definition, based on a reference value.

For example, a calculation factor may direct the payroll process to:

- Use a calculation value definition only if the person lives in Region B.
- Annualize the calculated result to produce the final amount

Use the Manage Payroll Calculation Information task in the Payroll Calculation work area to view and manage calculation factors.

Related Topics

- Payroll Calculation Information

Examples to Create Calculation Value Definitions

In these 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.

<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>

**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>.1</td>
<td>Flat Amount</td>
<td>300</td>
</tr>
<tr>
<td>.1</td>
<td>.2</td>
<td></td>
<td>10 (percent)</td>
</tr>
<tr>
<td>.2</td>
<td>.9</td>
<td></td>
<td>30 (percent)</td>
</tr>
<tr>
<td>.9</td>
<td>1</td>
<td>Flat Amount</td>
<td>0</td>
</tr>
</tbody>
</table>

The first row defines a flat amount of 300 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 between 90 and 100 percent.

**Calculation Value Definitions for Statutory Deductions**

The payroll process provides two predefined calculation value definition groups: NI and PAYE. Each group contains a set of predefined **calculation value definitions**. This topic helps you to understand the role these values play in statutory deduction calculations.

You can’t edit predefined calculation value definitions. Oracle provides updated rate information for statutory deductions as it becomes available. Use the Manage Calculation Definitions task in the Payroll Calculation work area to view predefined values.
NI Calculation Value Definitions

Calculation value definitions in the NI range group define rates or amounts for the following:

- Rates for NI contribution categories. Separate employer and employee value definitions exist for each category.
- Contracted-out rates for employees who have left the additional State Pension and joined a contracted-out pension. Separate value definitions exist for employee rates and Contracted-Out Salary Related (COSR) rates. A set of employee and employer Not-Contracted Out value definitions also exists.
- Employee rebate rates and employer rebate rates for COSR
- Employee reduced rates
- Employee upper limit rates
- Weekly, monthly, and yearly thresholds for the following:
  - Primary Thresholds (PT)
  - Secondary Thresholds (ST)
  - Lower Earnings Limit (LEL)
  - Upper Accrual Point (UAP)
  - Upper Earnings Limit (UEL)
- No contribution rate (contribution amount of zero)

PAYE Calculation Value Definitions

Calculation value definitions in the PAYE range group define rates or amounts for the following:

- Regular income tax rates that vary based on the deductible amount. The value definition name “Band” refers to the bands or ranges of values to which different rates apply.
- Default Tax Basis and Default Tax Code used by the New Hire process when creating a Statutory Deductions calculation card for a new employee
- Emergency tax codes for employees whose tax code is unknown
- K limit rates for employees with a tax code prefix of K
- Rate 2 through Rate 4, which represent the basic, higher, and additional tax rates
- A tax amount of zero, which represents the no tax rate for NT, NI, and FT tax codes

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>
### Chapter 11

#### Set Up Pay Calculation Components

<table>
<thead>
<tr>
<th>Order</th>
<th>Type of Values</th>
<th>Task</th>
<th>Offering/Functional Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Values for a tax reporting unit for certain deductions, which vary by country or territory</td>
<td>Manage Legal Reporting Unit Calculation Cards</td>
<td>Offering: Workforce Deployment Functional Area: Payroll Task: Manage Legal Reporting Unit Calculation Cards</td>
</tr>
<tr>
<td>3</td>
<td>Values for a payroll statutory unit for certain deductions, which vary by country or territory</td>
<td>Manage Legal Entity Calculation Cards</td>
<td>Offering: Workforce Deployment Functional Area: Payroll Task: Manage Legal Reporting Unit Calculation Cards</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>

### 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**

Predefined calculation types are available for each type of calculation. These work in conjunction with the predefined payroll formulas that contain specific rules for each calculation type, such as the CALL_CALC_VALUE formula.

This table lists and describes predefined calculation types, and indicates whether a calculation type is available for selection when you create a new value definition.

<table>
<thead>
<tr>
<th>Calculation Type</th>
<th>Description</th>
<th>UOM</th>
<th>Available in Create Flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat Amount</td>
<td>Uses the specified flat amount as the total amount.</td>
<td>Money</td>
<td>Yes</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>
<td>Money</td>
<td>Yes</td>
</tr>
<tr>
<td>Rate Definition</td>
<td>Retrieves a value by calling a rate definition.</td>
<td>Money</td>
<td>Yes</td>
</tr>
<tr>
<td>Number</td>
<td>Uses the number entered on the value definition as the calculated value.</td>
<td>Number</td>
<td>Yes</td>
</tr>
<tr>
<td>Flat Rate</td>
<td>Applies the specified percentage rate to the balance.</td>
<td>Number</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>For example, to apply a rate of 10 percent, enter 10.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incremental Rate</td>
<td>Applies a different percentage rate to portions of the balance.</td>
<td>Number</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>For example, assuming that the balance is 80,000, 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>
<td></td>
<td></td>
</tr>
<tr>
<td>Flat Rate by Derived Base</td>
<td>Applies the percentage rate to a value. This value type derives the value from another value definition.</td>
<td>Number</td>
<td>Yes</td>
</tr>
<tr>
<td>Identifier</td>
<td>A new calculation type is required to support identifiers. For example, the value definition could capture a job ID and the value set feature would enable</td>
<td>Number</td>
<td>Yes</td>
</tr>
<tr>
<td>Calculation Type</td>
<td>Description</td>
<td>UOM</td>
<td>Available in Create Flow</td>
</tr>
<tr>
<td>------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>----------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Text</td>
<td>Uses the specified character string as the calculated value.</td>
<td>Text</td>
<td>Yes</td>
</tr>
<tr>
<td>Date</td>
<td>Uses the date entered as the calculated value.</td>
<td>Text (YY-MM-DATE, HOURS MINS SECS)</td>
<td>Yes</td>
</tr>
<tr>
<td>Conditional Flat Amount</td>
<td>Uses the specified flat amount if the condition defined in the Calculation section is met.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>For example, if a person's filing status is married or head of household, that person qualifies for an exemption. In such a scenario, you specify a flat amount value in the value definition and the condition database item returns the person's filing status.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>This calculation type supports predefined calculations, such as tax and social insurance.</td>
<td>Money</td>
<td>No</td>
</tr>
<tr>
<td>Flat Calculation Total</td>
<td>Supports retrieving value definitions for different range value criteria, including predefined calculations, such as tax and social insurance.</td>
<td>Money or Number</td>
<td>No</td>
</tr>
<tr>
<td>Incremental Calculation (Graded)</td>
<td>Supports retrieving value definitions for different range value criteria, including predefined calculations, such as tax and social insurance.</td>
<td>Money or Number</td>
<td>No</td>
</tr>
<tr>
<td>Standard Formula 1</td>
<td>Calculates the total amount based on the following formula:</td>
<td>Money or Number</td>
<td>No</td>
</tr>
</tbody>
</table>

\[ y = Ax - Bz \]

Where:

- \( y \) is the deducted amount.
- \( x \) is the calculated amount.
- \( A \) and \( B \) are specified values.
**Calculation Type** | **Description** | **UOM** | **Available in Create Flow**
--- | --- | --- | ---
Standard Formula 2 | Calculates the value based on the following formula: $y = (x - A) \times B + Cz$ | Money or Number | No

Where:

- $y$ is the deducted amount.
- $x$ is the calculated amount.
- $A$, $B$, and $C$ are specified values.
- $z$ is a factor from a predefined formula. The value defaults to 1.

### Specify 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

#### Wage Basis Rules

Wage basis rules determine the earnings that are subject to a deduction. For exemptions, wage basis rules determine the elements that reduce the amount subject to deduction. Each wage basis rule is associated with a primary or secondary **element classification**. When you define a wage basis rule, you can associate it with up to six references that define the context for the rule.

#### Element Classifications

When you create a new wage basis rule, keep the following in mind regarding element classifications:

- For deduction elements, the classifications identify which types of earnings are subject to the deduction.
For exemption elements, the classifications identify which types of earnings reduce the amount subject to calculation. For example tax exemptions as per tax laws.

References for Wage Basis Rules

A wage basis rule may be associated with up to six 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. For example, if a wage basis rule for a regional tax deduction has references for both county and city, then the county reference should have a higher number than the city so that it gets evaluated first.

The wage basis rules and related references for statutory and involuntary deductions are predefined for each country.

Note: You can’t edit predefined rules or references.

Creating Wage Basis Rules

You can create new wage basis rules for existing payroll components using the Manage Component Group Rules task in the Payroll Calculation work area. The process is summarized below:

1. On the Manage Component Group Rules page, select the group to which the new rule applies.
2. In the Calculation Component Group Overview section, click the group name and then click Wage Basis Rules. If wage basis rule references have been defined, click the reference.
3. In the Wage Basis Rules section, click Create.
4. Select the payroll component to which the rule applies.
5. Select the primary classifications to be used in the wage basis.
6. Provide the reference value for the rule, if applicable.

Using the Use in Wage Basis Check Box

Here are some rules on using the Use in Wage Basis check box that you should know about:

• If you are setting up rules for a non-US legislative data group, select the Use in Wage Basis check box for each primary classification you add as a wage basis rule.
• If you are setting up rules for a US legislative data group, there is an extra validation that prevents the insertion of a wage basis rule with no secondary classification. You can’t select the Use in Wage Basis check box.

Related Topics

• Example of Wage Basis Rules

Component Group Rules

Cost Components, Cost Elements, and Cost Component Groups

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>Miscellaneous Material</td>
<td>Material</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Country 1</td>
<td>Miscellaneous 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>Miscellaneous 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 doesn’t have a matching destination cost element. The default cost component mapping is helpful when:

- The detailed mapping of a cost component to cost element isn’t 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></td>
<td>PO Tax</td>
<td></td>
</tr>
<tr>
<td></td>
<td>NR Tax</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Invoice Price Variance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Exchange Rate Variance</td>
<td></td>
</tr>
<tr>
<td></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’re 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**

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
Calculation Factors

Overview of Calculation Factors

Calculation factors define data-driven rules for calculating complex payroll elements, such as statutory deductions. Some elements may have a large number of calculation factors, one for each unique set of rules, ranges, and references values. Calculation factors create an association between an element, a calculation step, and a calculation value definition.

The payroll run determines which calculation factor to use based on the reference values and calculation rules of the element being processed.

For example, a calculation factor for a tax deduction element might define:

- A context reference, such as a city or state
- The calculation value definition, such as a 4 percent tax rate on balances under 50,000
- Optionally a calculation method and calculation step

Navigate to the Manage Element task and select an element to view and manage calculation factors.

Note: Calculation factors are predefined for statutory and involuntary deductions, and should not need to be changed.

To view and manage calculation factors, follow these steps:

1. Select the Manage Payroll Calculation Information task in the Payroll Calculation work area.
2. Select the calculation component.
3. In the Calculation Overview section, expand the Related Elements node.
4. Expand the Calculation Factors node to display a list of all calculation factors associated with the element.
5. Create new calculation factors and edit existing ones that have an update status of Unlocked.

Note: You can’t edit predefined calculation factors or their reference values. If you create a new calculation factor, you must edit the element’s formula to use the new factor.
Aspects of a calculation factor are shown in the following figure:

Reference Values
A calculation factor may be associated with up to six references that define its context. For example, the calculation of a social insurance deduction might vary based on a person’s age and employment status.

Each reference has a reference number that determines the order in which it’s evaluated for processing relative to other references.

Navigate to the Manage Payroll Calculation Information task and search for a payroll component to view and manage calculation factor reference information.

Calculation Value Definition
Calculation factors create an association between an element, calculation step and a calculation value definition. The calculation value definition defines the calculation type, such as flat amount or flat rate. The calculation rates and rules may vary based on the amount subject to calculation. Predefined calculation value definitions are provided for statutory and involuntary deductions.

Navigate to the Manage Payroll Calculation Value Definition task to view and manage value definitions.

Calculation Step
A calculation step is a name or a label assigned to a calculation factor to identify its role in a complex payroll calculation.

For example, a time calculation can consist of several parts, such as:

- Calculate hourly worked
- Calculate hourly rate

And when calculating an income tax deduction, the payroll run can do the following:

- Calculate allowance
- Calculate exemptions
- Calculate tax

This tax deduction might be defined as a single element with multiple calculation steps, each defined in a separate calculation factor. You can assign the same calculation step to more than one calculation factor. Calculation steps are optional.
Navigate to the Manage Payroll Calculation Information task to view and manage calculation steps.

Range Values

Range values capture values required for the calculation. The type of information captured is controlled by the calculation type of the value definition such as flat amount, rate (percentage) or date.

Navigate to the Manage Payroll Calculation Value Definition task to view and manage range values.

Calculation Methods

A calculation method references a single fast formula. It’s an optional component of a calculation factor. Calculation methods operate at a higher level than the calculation types defined in the calculation value definition. They provide a wrapper around the calculation of a deduction by retrieving values from a calculation value definition, applying a formula, and returning the final deduction amount for the current run.

For example, if the calculation method is set to Cumulative, which references the Core Cumulative fast formula, then the calculation process returns the total deduction amount as a cumulative year-to-date amount. Accrual calculations for payroll balance calculations typically restart at the beginning of each calendar year. This is another type of calculation method. In this case the plan rule for the accrual term start date is January 1.

Navigate to the Manage Payroll Calculation Information task to view and manage calculation methods.

Related Topics

- Payroll Calculation Information

Examples of Calculation Factors for Payroll Deductions

To illustrate how the payroll run uses calculation factors to calculate different types of deductions, let’s look at a social insurance deduction and a national income tax deduction using calculation steps.

Social Insurance Deduction

Employers in many countries or territories deduct social insurance payments from employees and also make contributions. Employee and employer rates are typically different. Such deductions often have wage limits.

The social insurance deduction processor element for this type of calculation might have the following calculation factors:

<table>
<thead>
<tr>
<th>Employer or Employee Code (Reference Value)</th>
<th>Calculation Method</th>
<th>Calculation Step</th>
<th>Calculation Value Definition</th>
<th>Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
<td>None</td>
<td>Calculate Social Insurance Employee Rate</td>
<td>Social Insurance Employee Rate</td>
<td>4 percent flat rate</td>
</tr>
<tr>
<td>Employer</td>
<td>None</td>
<td>Calculate Social Insurance Employer Rate</td>
<td>Social Insurance Employer Rate</td>
<td>2 percent flat rate</td>
</tr>
<tr>
<td>Employee</td>
<td>None</td>
<td>Calculate Social Insurance Employee Wage Limit</td>
<td>Social Insurance Employee Wage Limit</td>
<td>100,000 flat amount</td>
</tr>
</tbody>
</table>
National Income Tax Deduction Using Calculation Steps

A national income tax calculation involves multiple steps. First, it calculates the allowance, then any exemption amount, and then it applies the tax rate.

The following table shows a subset of calculation factors that might be associated with a tax processor element.

### Rate Definitions

#### Overview of Rate Definitions

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>

Options to Configure Rate Definitions
To configure rate definitions to get your desired rates, you should know how to use the various rate definition options. For rates based on a single element entry value, you can also apply override and defaulting rules.

This table describes the fields that you can configure for the Derived Rate, Element, and Value by Criteria category types.

<table>
<thead>
<tr>
<th>Field</th>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Storage Type</td>
<td>Element</td>
<td>If you select the Element category to define a rate, you must select a storage type of Amount or Percentage. For example, you can configure 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.</td>
</tr>
<tr>
<td>Element Name</td>
<td>Element</td>
<td>For the Element category, the field is enabled only when you select the storage type.</td>
</tr>
<tr>
<td></td>
<td>Derived Rate</td>
<td>If you select the Element category to define a rate, you must select an element name. This is required if you are configuring a primary rate. This is a rate that retrieves a value from a single element, such as salary.</td>
</tr>
<tr>
<td>Field</td>
<td>Category</td>
<td>Description</td>
</tr>
<tr>
<td>------------------------------</td>
<td>--------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Employment Level</td>
<td>Derived Rate</td>
<td>For the Derived Rate category, the field is enabled when you access the page.</td>
</tr>
<tr>
<td></td>
<td>Value by Criteria</td>
<td>Select either <strong>Payroll Relationship</strong>, <strong>Term</strong>, or <strong>Assignment</strong>. 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.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>If the employee has multiple assignments, the rates process uses the assignment ID to identify the correct assignment record for the employee.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sometimes the contributor value is held at a different level to the employment level defined on the rate. In such cases, the rate process uses the employment ID to locate the correct record.</td>
</tr>
<tr>
<td>Status</td>
<td>Element</td>
<td>Set the status of a rate to active or inactive. You can't assign an inactive rate to an employee. Employees that are allocated a rate while it was active aren't impacted by a change in status to inactive.</td>
</tr>
<tr>
<td></td>
<td>Derived Rate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Value by Criteria</td>
<td></td>
</tr>
<tr>
<td>Base Rate</td>
<td>Element</td>
<td>Select this option if the rate represents a base rate that another rate uses in its calculation. For example, you might have day shift employees and night shift employees, with different base pay rates.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>If each set of employees receives an allowance that’s a percentage of the base rate, define one allowance rate. And that rate is calculated based on the two rates that have the <strong>Base Rate</strong> option selected.</td>
</tr>
<tr>
<td>Overall Salary</td>
<td>Element</td>
<td>If you’re defining rates for use on the Salary page, use the derived rate category and define an Overall Salary. To do this, you must associate a salary element to the rate. Define an Overall Salary Information element for this purpose.</td>
</tr>
<tr>
<td></td>
<td>Derived Rate</td>
<td></td>
</tr>
<tr>
<td>Reporting Required</td>
<td>Element</td>
<td>Select this option to indicate if the calculated rate value should be stored on the rate table for reporting purposes.</td>
</tr>
<tr>
<td></td>
<td>Derived Rate</td>
<td>If you’re defining rates for use on the Salary page, you must select this option.</td>
</tr>
<tr>
<td></td>
<td>Value by Criteria</td>
<td>Rate definitions with this option selected are included when the Generate HCM Rates batch process is run. Use this feature to report on primary rates and not derived rates.</td>
</tr>
</tbody>
</table>
### Returned Rate Details

You can 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 do one of these actions.

- Set up an action that enforces the rule, displays a warning
- Forces the user to fix the error

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. However, when you use the rate in a formula, you can 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 up, 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 these actions.

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 define 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, do these steps.

- 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.

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.

This 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>
<tr>
<td></td>
<td>Be careful that you don’t create a loop. For example, Rate A has minimum value that’s based on Rate B, which has a minimum value based on Rate A. This situation would result in a runtime error.</td>
</tr>
<tr>
<td>Value by Criteria</td>
<td>Minimum or maximum value based on a value by criteria definition.</td>
</tr>
</tbody>
</table>

**Override and Defaulting Rules**

You can set override and default rules only if you select Element as the category when you define rate definitions. 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. But you can select a formula to validate any rate that’s returned and also use formulas to create default values.

For example, you can use the HCM Rates Default Value formula type to define the number of workdays in a year for your organization.

```
workday = 250
periodicity = YEAR
return workday, periodicity, currency
```

In addition, you can use a value by criteria definition as the default type. Here, the process uses the value for the first record created and carries that value forward in subsequent records, unless it’s manually overridden. The rate engine reevaluates the rate that the value by criteria method creates for each subsequent record. So, this rate could 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
You can specify the periodicity for the contributor total. To process contributor totals as full-time equivalency amounts, select 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.

Information
In this section, enter text that explains the purpose of the rate, how the rate is calculated, or provides further details for the rate. This section is not available for rate definitions using the Value by Criteria categories.

Related Topics
- Configure Periodicity Conversion Rules

Rate Contributors for Derived Rates
You can add four different types of rate contributors to your rate definitions. These rate contributes 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.
| Rate Definition   | Other rate definitions that contribute to the rate definition you are creating.  | Rate Name                   |
### 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

---

<table>
<thead>
<tr>
<th>Type</th>
<th>What it Contains</th>
<th>Additional Fields</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>
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.

<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_TMPLT_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.

<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  
   Functional Area: Payroll  
   Task: Manage Rate Definitions
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 Allowance</td>
</tr>
</tbody>
</table>
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**.
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.
Create a Rate Definition for Basic Salary

In this example, you 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.

Before you begin, 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.

1. In the Payroll Administration work area, click the Manage Rate Definitions task.
2. Click Create.
3. Enter these values.

<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. Enter these values.

<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, select the Base Rate and 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>LDG Currency</td>
</tr>
</tbody>
</table>

7. Click Submit.
Create Rate Definitions for Overall Salary

In this example, you create a rate definition for overall salary that includes multiple rate contributors.

You do these actions.

- Create the overall salary rate definition
- Add the regular salary rate contributor
- Add the car allowance rate contributor

This table summarizes the key decisions for your 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. |

*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.

Create the Overall Salary Rate Definition

1. In the Payroll Administration work area, click the Manage Rate Definitions task.
2. 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>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. Enter these values.

<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>
</tbody>
</table>
Field | Value
---|---
Element Name | Salary

6. In the Returned Rate Details section, enter these values.

<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>LDG Currency</td>
</tr>
</tbody>
</table>

Add 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. 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>Employment Level</td>
<td>Payroll Assignment</td>
</tr>
<tr>
<td>Periodicity</td>
<td>Weekly</td>
</tr>
</tbody>
</table>

4. Click **Save and Continue**.

Add 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. 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>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>
<tr>
<td>REPORTING_RATE_ASG_NUMBERS</td>
<td>Assignment number associated to the rate values</td>
</tr>
<tr>
<td>REPORTING_RATE_WEEKLY</td>
<td>Weekly rate value</td>
</tr>
<tr>
<td>REPORTING_RATE_MONTHLY</td>
<td>Monthly rate value</td>
</tr>
<tr>
<td>REPORTING_RATE_QUARTERLY</td>
<td>Quarterly rate value.</td>
</tr>
<tr>
<td>REPORTING_RATE_YEARLY</td>
<td>Annual rate value</td>
</tr>
<tr>
<td>REPORTING_RATE_PT_WEEKLY</td>
<td>Part-time weekly rate value</td>
</tr>
<tr>
<td>REPORTING_RATE_PT_MONTHLY</td>
<td>Part-time monthly rate value</td>
</tr>
<tr>
<td>REPORTING_RATE_PT_QUARTERLY</td>
<td>Part-time quarterly rate value</td>
</tr>
<tr>
<td>REPORTING_RATE_PT_YEARLY</td>
<td>Part-time annual rate value</td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Mode</th>
<th>Description</th>
<th>Accuracy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fast</td>
<td>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.</td>
<td>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.</td>
</tr>
<tr>
<td>Full</td>
<td>Calculates the rate for every day between the start and end date.</td>
<td>Slowest but most accurate method.</td>
</tr>
<tr>
<td>Periodic</td>
<td>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.</td>
<td>The accuracy of this method is half-way between Fast and Full.</td>
</tr>
</tbody>
</table>

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.

How to Use 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**

- Define Payroll Elements to Process Absences

**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 of Values Defined by Criteria**

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>
<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
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.

Examples of Values Defined by Criteria
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 want 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 that the Generate HCM Rates process creates 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 location. 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 location, you could set up criteria as follows:
  - For employees working in London, pay a 15 percent bonus.
  - For employees working in Manchester, pay a 13 percent bonus.
  - For employees working in Southampton, 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 as follows:
  - 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 criteria as follows:

- 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.

Hourly Rates
In the United States, labor law mandates to pay a higher rate when a locality’s minimum wage is greater than the state or federal minimum wage. To fulfill this requirement, use the Manage Values Defined by Criteria task to set up pay rates that a worker’s state, county, and profession determines.

In this example, you could set up criteria for these scenarios:

- Pay carpenters working in City 1 in County 1 greater than or equal to the rate of 15 per hour.
- Pay carpenters working in City 1 in County 2 greater than or equal to the rate of 17 per hour.
- Pay carpenters working in City 1 in County 3 greater than or equal to the rate of 19 per hour.
- For all other workers, pay rate of 12 USD per hour, the prevailing state wage for laborers.
Worked Example to Use Values Defined by Criteria to Pay Bonuses Based on Age and Location

This example demonstrates how to create criteria to pay employee bonuses at different rates based on age and location. This 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 ages and rates should be used?</td>
<td>• Less than age 25, pay 10 percent</td>
</tr>
<tr>
<td></td>
<td>• Less than age 35, pay 14 percent to City 1 employees</td>
</tr>
<tr>
<td></td>
<td>• Less than age 35, pay 16 percent to City 2 employees</td>
</tr>
<tr>
<td></td>
<td>• All other locations and ages greater than 35, pay 5 percent</td>
</tr>
<tr>
<td>What locations should be used to determine bonus rates?</td>
<td>• City 1</td>
</tr>
<tr>
<td></td>
<td>• City 2</td>
</tr>
<tr>
<td>Are there any special conditions that should be added?</td>
<td>Yes. In City 2 the general manager wants to pay a flat amount of 15,000 for all employees under the age of 35 who make over 100,000 per year.</td>
</tr>
</tbody>
</table>

In this example, we would perform these actions:

- Create the bonus rate criteria definition
- Create age criteria
- Create location criteria for age group 2
- Create a calculation value definition for age group 1
- Create calculation value definitions for locations
- Create calculation value definitions for default criteria definitions
- Modify evaluation conditions

Before You Begin

In this example, HRX_US_REP_LOCATION is used as the value set for the entry of different locations. If you don’t have an equivalent value set, you may need to create one.

Create the Bonus Rate Criteria Definition

1. In the Payroll Administration work area, click the **Manage Values Defined by Criteria** task.
   
   In the Setup and Maintenance work area, go to these tasks:
   
   Offering: Workforce Deployment
   
   Functional Area: Payroll
   
   Task: Manage Values Defined by Criteria

2. Click **Create**.

3. Complete these fields as shown in this table.
4. Select the **Create new value definition group** radio button.
5. Enter **Bonus** in the **New Value Definition Group** field.
6. Enter **Flat Rate** in the **Default Calculation Type** field.
7. Click **OK**.

### Create Age Criteria

1. Select the row with the Bonus Rate criteria definition.
2. Click **New**.
3. Select **Criteria** and click **OK**.
4. For each criteria definition you create, complete the fields as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Age less than 25</th>
<th>Age less than 35</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculation Value Definition Name</td>
<td>Bonus Rate Age Group 1</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_AGE</td>
<td>PER_ PERSON_AGE</td>
</tr>
<tr>
<td>Operand</td>
<td>&lt;</td>
<td>&lt;</td>
</tr>
<tr>
<td>Literal Value</td>
<td>25</td>
<td>35</td>
</tr>
</tbody>
</table>

5. Click **OK** each time you create a criteria definition.
6. To create a default group for the age criteria, repeat steps 1 through 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 Age 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 click OK.

Create the Location Criteria for Age Group 2

1. Select the row with the Person Age < 35 criteria definition.
2. Click New.
3. Select Criteria and click OK.
4. For each criteria definition you create, complete the fields as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>City 1</th>
<th>City 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculation Value Definition Name</td>
<td>Bonus Range Age Group 2 Location 1</td>
<td>Bonus Range Age Group 2 Location 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_LOCATION_ID</td>
<td>PER_ASG_LOCATION_ID</td>
</tr>
<tr>
<td>Display Name</td>
<td>Location</td>
<td>Location</td>
</tr>
<tr>
<td>Operand</td>
<td>=</td>
<td>=</td>
</tr>
<tr>
<td>Value Set</td>
<td>HRX_US_REP_LOCATION</td>
<td>HRX_US_REP_LOCATION</td>
</tr>
<tr>
<td>Literal Value</td>
<td>City 1</td>
<td>City 2</td>
</tr>
</tbody>
</table>

5. Click OK each time you create a criteria definition.
6. To create a default group for the location criteria, repeat steps 1 through 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 Age Group 2 Location 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 click OK.

Create a Calculation Value Definition for Age Group 1

1. Select the row with the Person Age < 25 criteria definition.
2. Click **New**.
3. Select **Value** and 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 Age Group 1 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>.10</td>
</tr>
</tbody>
</table>

5. Click **OK**.

Create Calculation Value Definitions for Locations

1. Select the row with the Location = City 1 criteria definition.
2. Click **New**.
3. Select **Value** and 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 Age Group 2 Location 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>.14</td>
</tr>
</tbody>
</table>

5. Click **OK**.
6. Select the row with the Location = City 2 criteria definition.
7. Click **New**.
8. Select **Value** and 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 Age Group 2 Location Rate 2</td>
</tr>
<tr>
<td>Value Definition Group</td>
<td>Bonus</td>
</tr>
</tbody>
</table>
Create Value Definitions for the Default Criteria Definitions

1. Under the location criteria definition, select the row with the Default Criteria definition.
2. Click New.
3. Select Value and 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>Age Group Location 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 employees that don't meet any criteria, select the row with the last Default Criteria definition.
7. Repeat the steps described in this procedure except for the Calculation Value Definition Name field. Enter Bonus Default Rate instead.
8. Click OK.

Modify Evaluation Conditions

1. To modify the evaluation conditions for the City 2 location, click the Bonus Rate Age Group 2 Location 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 Submit.
Worked Examples to Use Values Defined by Criteria to Limit Pension Contributions

This example demonstrates how to create criteria to limit pension contributions based on annual salary amounts. 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 salaries and contribution limits should be used?      | • Salary less than or equal to 50,000, limit pension contribution to 5,000  
|                                                            | • Salary less than or equal to 100,000, limit pension contribution to 10,000  
|                                                            | • All other salary amounts, limit pension contribution to 17 percent of annual salary  |

This example:
1. Creates the pension limits criteria definition
2. Creates salary criteria
3. Creates the value definition for salary amount 1
4. Creates the value definition for salary amount 2
5. Creates the value definition for the default criteria definition

Creating the Pension Limits Criteria Definition

1. In the Payroll Administration work area, click the Manage Values Defined by Criteria task.

In the Setup and Maintenance work area, go to the following:

Offering: Workforce Deployment

Functional Area: Payroll

Task: Compensation work

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>Pension Limits</td>
</tr>
<tr>
<td>Effective Start Date</td>
<td>1/1/15</td>
</tr>
<tr>
<td>Legislative Data Group</td>
<td>Select your legislative data group.</td>
</tr>
</tbody>
</table>

4. Select the Use existing value definition group radio button.
5. Select Limit Rules in the Value Definition Group field.
6. Select Flat Amount in the Default Calculation Type field.
7. Click OK.
Creating Salary Criteria

1. Select the row with the Pension Limits 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>Salary less than or equal to 50,000</th>
<th>Salary less than or equal to 100,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculation Value Definition Name</td>
<td>Salary less than or equal to 50,000</td>
<td>Salary less than or equal to 100,000</td>
</tr>
<tr>
<td>Value Definition Group</td>
<td>Limit Rules</td>
<td>Limit Rules</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>CMP_ASSIGNMENT_SALARY_AMOUNT</td>
<td>CMP_ASSIGNMENT_SALARY_AMOUNT</td>
</tr>
<tr>
<td>Operand</td>
<td>&lt;=</td>
<td>&lt;=</td>
</tr>
<tr>
<td>Literal Value</td>
<td>50,000</td>
<td>100,000</td>
</tr>
</tbody>
</table>

5. Click OK each time you create a new criteria definition.
6. To create a default group for the salary 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>Salary Greater Than 100,000</td>
</tr>
<tr>
<td>Value Definition Group</td>
<td>Limit Rules</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 Value Definition for Salary Amount 1

1. Select the row with the Salary Amount <= 50,000 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>Contribution Limits 1</td>
</tr>
<tr>
<td>Value Definition Group</td>
<td>Limit Rules</td>
</tr>
</tbody>
</table>
Field | Value
--- | ---
Retrieval Date | Date Earned
Calculation Type | Flat Amount
Periodicity | Annually
Unit of Measure | Money
Currency | LDG Currency
Flat Amount | 5,000

5. Click **OK**.

Creating the Value Definition for Salary Amount 2

1. Select the row with the Salary Amount ≤ 100,000 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>Contribution Limits 2</td>
</tr>
<tr>
<td>Value Definition Group</td>
<td>Limit Rules</td>
</tr>
<tr>
<td>Retrieval Date</td>
<td>Date Earned</td>
</tr>
<tr>
<td>Calculation Type</td>
<td>Flat Amount</td>
</tr>
<tr>
<td>Periodicity</td>
<td>Annually</td>
</tr>
<tr>
<td>Unit of Measure</td>
<td>Money</td>
</tr>
<tr>
<td>Currency</td>
<td>LDG Currency</td>
</tr>
<tr>
<td>Flat Amount</td>
<td>10,000</td>
</tr>
</tbody>
</table>

5. Click **OK**.

Creating the Value Definitions for the Default Criteria Definition

1. 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>Salary Greater Than 100,000</td>
</tr>
<tr>
<td>Value Definition Group</td>
<td>Limit Rules</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>.17</td>
</tr>
</tbody>
</table>

5. Click OK.

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

Payroll Event Groups: Explained

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

Set up Element Proration

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)
   - IN_AMOUNT (number)
   - UNIT_TYPE (text)
   - PRORATION_UNIT (text)
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.

How Prorated Earnings and Deductions are 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.

<table>
<thead>
<tr>
<th>Proration Conversion Rule and Proration Units</th>
<th>Proration Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Rate Annualized rule</td>
<td>Calendar days in proration period multiplied by annual pay and divided by annual calendar days</td>
</tr>
<tr>
<td>Daily proration units</td>
<td></td>
</tr>
</tbody>
</table>

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.

\[
\frac{(9 \times 25000)}{365} + \frac{(22 \times 30000)}{365} = 616.44 + 1808.22 = 2424.66
\]

<table>
<thead>
<tr>
<th>Standard Rate Daily rule</th>
<th>Total pay divided by calendar days in the payroll period and multiplied by calendar days in the proration period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily proration units</td>
<td></td>
</tr>
</tbody>
</table>
Proration Conversion Rule and Proration Units | Proration Calculation
--- | ---
Proration Calculation | (500 / 7) * 3 = 214.29

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.

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.

<table>
<thead>
<tr>
<th>Proration Conversion Rule and Proration Units</th>
<th>Proration Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Periodic Work Schedule Rate Annualized rule</td>
<td>Work schedule days in proration period multiplied by annual pay and divided by 260 days, the default number of annual working days.</td>
</tr>
<tr>
<td>Workday proration units</td>
<td>A day in a work schedule is a 24 hour period.</td>
</tr>
</tbody>
</table>

Example:

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.

(6 * 25000) / 260 + (16 * 30000) / 260 = 576.92 + 1846.15 = 2423.07

Periodic Work Schedule Rate Annualized rule

Hourly proration units

Work schedule hours in proration period multiplied by the annual pay and divided by 2080, the default number of annual working hours.
Proration Conversion Rule and Proration Units | Proration Calculation
---|---
(10 * 25000) / 2080 + (30 * 30000) / 2080 = 120.19 + 432.69 = 552.88

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.

Periodicity

Periodicity Conversion

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>
</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>
<tr>
<td></td>
<td></td>
<td>For example, salary element entries that hold annual salary values have an annual periodicity.</td>
</tr>
<tr>
<td>Payrolls</td>
<td>Manage Payroll Definitions</td>
<td><strong>Period Type</strong> specifies the number of payroll periods.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>For example, the Monthly Lunar period type includes 13 payroll periods.</td>
</tr>
<tr>
<td>Rates</td>
<td>Manage Rate Definitions</td>
<td>Rate definition can specify the following periodicities:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Return periodicity of the rate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Periodicity of each rate contributor</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Periodicity of the calculated sum of the rate contributors</td>
</tr>
</tbody>
</table>
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:</td>
</tr>
<tr>
<td></td>
<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>1. Multiplies the weekly amount by 52.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Divides the result by 24.</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:</td>
</tr>
<tr>
<td></td>
<td>This rule uses a default value, such as 260 working days a year, to calculate the daily rate.</td>
<td>1. Divides the annual amount by 365.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Multiplies the result by the number of days in the payroll period.</td>
</tr>
<tr>
<td>Standard Working Hours Rate Annualized</td>
<td>Uses the employee's standard working hours to convert the monetary value and working hours to an annual value before calculating the rate.</td>
<td>The employee works 40 hours a week with a monthly salary of 1000:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>((1000 \times 12)/(40 \times 52) = 5.77) an hour</td>
</tr>
<tr>
<td>Assignment Working Hours Rate Annualized</td>
<td>Uses the employee's working hours to convert the monetary value and working hours to an annual value before calculating the rate.</td>
<td>The employee works 40 hours a week, with 37.5 standard working hours a week, and a monthly salary of 1000:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>((1000 \times 12)/(37.5 \times 52) = 6.15) an hour</td>
</tr>
<tr>
<td>Periodic Work Schedule Rate Annualized</td>
<td>Uses the employee's work schedule for the payroll period for daily and hourly conversions.</td>
<td>For an employee:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• With a monthly salary of 1000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Assigned a monthly payroll</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The formula checks the work schedule details for the month.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>For a daily conversion:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1000 a month/20 days in the month = 50</td>
</tr>
</tbody>
</table>

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.
The impact of 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:

<table>
<thead>
<tr>
<th>Work Units Selected</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hours</td>
<td>2080/24 = 86.67</td>
</tr>
<tr>
<td>Days</td>
<td>260/24 = 10.83</td>
</tr>
<tr>
<td>None</td>
<td>No input values are created</td>
</tr>
</tbody>
</table>

### 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.

**Related Topics**
- Configure Periodicity Conversion Rules
- Overview of Using Formulas

## Retroactive Pay

### How Retroactive Pay 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?
3. Select the predefined event group or a new group that you have created.

This figure illustrates retroactive setup.
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
This figure illustrates retroactive processing for a person getting a pay increase retroactively.

Adding a Retroactive Event Manually

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**.

Retroactive Notification Report

Retroactive pay is the recalculation of prior payroll results due to changes that occur after the original payroll calculation is run. Here are some examples of prior period adjustments:

- 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.

For example, after evaluating employee performances for the previous calendar year through a three-month review cycle, an employer may backdate the pay awards to 01, January. When such entries are made in April, it triggers retroactive events for employees receiving such pay awards. These employees have already been processed by payroll for the last three months.

A retroactive notification is generated when a retroactive payroll event is generated.

Run the Retroactive Notification Report to view retroactive notifications for events that are awaiting processing, deferred, or both. Run this report before you submit the Recalculate Payroll for Retroactive Changes process.

You can use the report to view the following:

- Unprocessed retroactive events for each employee, enabling you to identify who are included in Recalculate Payroll for Retroactive Changes process.
- Event dates that can be used to identify which payroll periods are recalculated by the retroactive process for each employee.
- Payroll relationships that are previously deferred so that you can make some or all of them available for the next retroactive payroll process.
The earliest date across all notifications for a payroll relationship determines the reprocess date. Reprocessing is done across all runs starting from the reprocess date, as payroll calculations are cumulative.

For example, suppose a monthly paid employee has unprocessed retroactive events for 15, June and 20, August. The retroactive process recalculates payroll results for the June, July and August payroll periods. You can use the report to detect payroll relationships that are previously deferred.

Submit the Run Retroactive Notification Report from the Payroll Checklist work area.

Parameters
The parameter values determine which records to include in the report. Many parameters are self-explanatory. Submit the same values as you would provide for the retroactive pay processing.

Here’s the list of parameters that have special meaning in the context of this report.

Process Date
The process date determines which records to process and is the same date as when the retroactive change process is run.

Payroll
Enter the same payroll flow name as the flow you use to run the retroactive process.

Retroactive Notification Status
Select a value to determine the type of events to include in the report. The table below lists the values you can select.

<table>
<thead>
<tr>
<th>Status</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred</td>
<td>Includes events for payroll relationships whose retroactive pay processing is deferred.</td>
</tr>
<tr>
<td>Unprocessed</td>
<td>Includes events that are either awaiting processing or processing.</td>
</tr>
<tr>
<td>Both Deferred and Unprocessed</td>
<td>Includes events that are either awaiting processing or processing, or deferred. This is the default value and is a combination of the other two options.</td>
</tr>
</tbody>
</table>

Person
Enter a value to limit your report to a specific employee.

Process Configuration Group
Select the process configuration group, if you have defined one. Use a process configuration group to provide sets of processing parameters, primarily related to logging and performance. If you don’t select a process configuration group; the parameters in the default group for the selected payroll is used.

Payroll Relationship Group
Select the payroll relationship group name, if you have defined one. Use a payroll relationship groups to limit the persons processed for payroll, data entry, and reporting.
Note: Use the Manage Object Groups task to define any of the groups mentioned above before you can select it here.

Report Results
The PDF output of the report has the following sections.

Parameters Section
The parameters section is at the beginning of the report and displays the report parameters and the sort criteria. The sort criteria is: Notification Status, Retroactive Process Date, Person Name, Payroll Relationship Number, Entity, Batch Name, Attribute, Update Type, Assignment Number, Element Name, Change Effective Date, Actual Change Date and Changed By.

Notification Status Summary
This section shows the total payroll relationships and total events by each type of retroactive notification status. Each payroll relationship may have multiple payroll retroactive events such as assignment updates, element entry updates, and so on. The counts reflect the number of such events that require payroll to be recalculated from a different process date.

Retroactive Process Date Summary
This section shows the different reprocessing dates for the employees and payroll relationships, and the total count of workers and events for each reprocess date. This section gives a quick snapshot of how far back the retroactive reprocessing begins and for how many workers. These totals are also broken down for each retroactive notification status.

Event Type Summary
This section shows the details of the type and number of events that cause recalculation of payroll for a particular reprocess date. You can view the number of payroll relationships and employees, and events by entity and attribute for a particular reprocess date.

Event Details by Retroactive Process Date
The detail section shows the different workers and their event details for the same type of event, reprocess date and notification status, as given below:

- If the entity is related to elements, the element name is shown as part of the event details. The batch used to make the change, if any, is displayed in the header.
- If the event is related to assignment, the assignment number is shown.
- The old value is shown for Update, Delete and Correction events while the new value is shown for Update, Insert and Correction events.

Event Details for a Person
This section sorts by each process date and worker. Each payroll relationship has one reprocess date based on the earliest event. This section lists all the events under each worker and its process date.

- The assignment number is shown only for those events that are specific to an assignment.
- The person number and payroll relationship number are shown along with the person name, in the header.
- Batch name, if available, and the element name is shown only when the event is related to an element. For all events based on attribute, both the old and new values are shown.
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 Payroll Elements

Payroll Elements

Elements

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, depending on your country extension, associated items required for payroll processing.

Note: 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.

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

Predefined Elements

The predefined elements are specific to your country or territory. 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 configuration selected for your country or territory 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. However, if you select an element classification, such as Standard Earnings, Supplemental Earnings, Direct Payments and Taxable Benefits, the basis template creates input values for Amount, Periodicity, and Full-Time Equivalent.
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. You must also create element eligibility records for the elements.

The following table explains the purpose of the items used in element creation.

<table>
<thead>
<tr>
<th>Items Used</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>

Maintain 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

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. The payroll application provides primary classifications and some balances, mainly
to reflect tax legislation. They are designed to meet the legislative requirements, so you can’t change or delete them. You can create additional balances to be fed by any of the primary classifications.

These are the primary classifications that are available:

- Information
- Balance Initialization
- Direct Payments
- Employer Charges
- Employer Taxes
- Involuntary Deductions
- Pre-Statutory Deductions
- National Insurance Deductions
- Regular Earnings
- Irregular Earnings
- Tax Deductions
- PAYE Deductions
- Voluntary Deductions
- Absences

Note: When processing Irregular Earnings for an employee who has been terminated, the payroll process calculates the NI employee calculations as a weekly earnings period.

Secondary Element Classifications

You can define secondary classifications to feed your own defined balances. 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.

Secondary Classifications

This table specifies the predefined subclassifications available for the primary classifications:

<table>
<thead>
<tr>
<th>Primary Classification</th>
<th>Secondary Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Involuntary Deductions</td>
<td>Earnings Arrestment</td>
</tr>
<tr>
<td>Involuntary Deductions</td>
<td>Attachment of Earnings Order Fines</td>
</tr>
<tr>
<td>Involuntary Deductions</td>
<td>Attachment of Earnings Order Nonpriority</td>
</tr>
<tr>
<td>Involuntary Deductions</td>
<td>Attachment of Earnings Order Priority</td>
</tr>
<tr>
<td>Involuntary Deductions</td>
<td>Council Tax Attachment of Earnings Order</td>
</tr>
<tr>
<td>Primary Classification</td>
<td>Secondary Classification</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>--------------------------------------------------------------</td>
</tr>
<tr>
<td>Involuntary Deductions</td>
<td>Current Maintenance Arrestment Order</td>
</tr>
<tr>
<td>Involuntary Deductions</td>
<td>Conjoined Arrestment Order</td>
</tr>
<tr>
<td>Involuntary Deductions</td>
<td>Deduction from Earnings Order</td>
</tr>
<tr>
<td>Involuntary Deductions</td>
<td>Direct Earnings Attachment</td>
</tr>
<tr>
<td>Involuntary Deductions</td>
<td>Student Loans</td>
</tr>
<tr>
<td>Involuntary Deductions</td>
<td>Child Maintenance Service Deduction from Earnings Order</td>
</tr>
<tr>
<td>Involuntary Deductions</td>
<td>Attachment of Earnings Order Priority Northern Ireland</td>
</tr>
<tr>
<td>Involuntary Deductions</td>
<td>Attachment of Earnings Order Nonpriority Northern Ireland</td>
</tr>
<tr>
<td>Direct Payments</td>
<td>Ntable Earnings 1B</td>
</tr>
<tr>
<td>Information</td>
<td>Ntable Earnings Regular</td>
</tr>
<tr>
<td>Information</td>
<td>Ntable Earnings Irregular</td>
</tr>
<tr>
<td>Information</td>
<td>Taxable Pay</td>
</tr>
<tr>
<td>Pre-Statutory Deductions</td>
<td>Pre-NI Deductions (predefined)</td>
</tr>
<tr>
<td>Pre-Statutory Deductions</td>
<td>Pre-PAYE Deductions (predefined)</td>
</tr>
<tr>
<td>Pre-Statutory Deductions</td>
<td>Pension Plan Pre-Statutory</td>
</tr>
<tr>
<td>Regular Earnings</td>
<td>Taxable Earnings Regular (predefined)</td>
</tr>
<tr>
<td>Regular Earnings</td>
<td>Ntable Earnings Regular (predefined)</td>
</tr>
<tr>
<td>Regular Earnings</td>
<td>Regular Share Related</td>
</tr>
<tr>
<td>Regular Earnings</td>
<td>Pensions Automatic Enrolment Assessable Earnings Regular</td>
</tr>
<tr>
<td>Irregular Earnings</td>
<td>Taxable Earnings Irregular (predefined)</td>
</tr>
<tr>
<td>Irregular Earnings</td>
<td>Ntable Earnings Irregular (predefined)</td>
</tr>
<tr>
<td>Irregular Earnings</td>
<td>Irregular Share Related</td>
</tr>
</tbody>
</table>
How Element Classification Components Work Together

When you create an element, you select a primary classification, such as Involuntary Deductions, and optionally a secondary classification, such as Child Support. The classifications, which vary by country or territory, control the element template questions you answer to define the element. An element may automatically inherit subclassifications from its primary classification. You can optionally select additional subclassifications for an element to control the balances it feeds.

**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. In some countries or territories, you can create your own secondary classifications.

**Subclassifications**

Subclassifications provide a way to feed balances. Elements can have only one primary and secondary classification, but multiple subclassifications. You can create subclassifications or use predefined ones. You can specify that a subclassification automatically applies to every element in the primary classification.

⚠️ **Tip:** Each subclassification belongs to one primary classification only. If you reuse a subclassification name under different primary classifications, it’s treated as a separate subclassification and you must create separate balance feeds for each subclassification.
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.

*Related Topics*

- Payroll Balance Definitions

How Element Processing Sequence is 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.

Override Default Processing Priority

Most classifications also have a priority range. To set the priority, 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 sub priority number for element entries.

Element Employment Level

Employment Level Options for Elements

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 Types

Create Earnings Elements for Payroll

This example shows how to use the element template to create a regular earnings element, such as salary. After you create the earnings element, you must create at least one eligibility record for it.

Creating an Earnings Element

1. In the Payroll Calculation work area, click 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>Your legislative data group</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. Enter a name and other basic details, then respond to the questions as shown in this table.

You can enter up to 50 characters for the element name. If you enter more than 50 characters, the task automatically shortens the name.
<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<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 Earnings Date</td>
</tr>
<tr>
<td>What is the latest entry date for this element?</td>
<td>Last Standard Earning Date</td>
</tr>
<tr>
<td></td>
<td><strong>Note:</strong> If you select this date, you must enable proration so 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 the 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>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 and pay with other earnings</td>
</tr>
</tbody>
</table>

6. Click **Next**.

7. On the Additional Details page, complete the fields, 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>Flat Amount</td>
</tr>
<tr>
<td>Is this element subject to proration?</td>
<td>Yes</td>
</tr>
<tr>
<td>Proration Group</td>
<td>Entry Changes for Proration</td>
</tr>
<tr>
<td>Is this element subject to retroactive changes?</td>
<td>Yes</td>
</tr>
<tr>
<td>Retro Group</td>
<td>Entry Change for Retro</td>
</tr>
<tr>
<td>Should this element be included in the earnings calculation of the FLSA overtime base rate? (USA only)</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Question | Answer
---|---
Should this element be included in the hours calculation of the FLSA overtime base rate? (USA only) | Yes

8. Click **Next**.
9. Verify that the information is correct.
10. Click **Submit**.

**Creating an Eligibility Record**

On the Element Summary page, update the newly created element details.

1. In the Element Overview section, select Actions, Create Element Eligibility.
2. On the Element Eligibility name field, enter REGULAR SALARY ELIG.
3. In the Eligibility Criteria section, select All payrolls eligible.
4. Click **Submit**.

**Related Topics**
- Create Payroll Elements

**Overview of Absence Elements for Compensatory and Leave Donation Plans**

You can make absence payments for compensatory absence plans based on the date that the compensatory time was accrued. The Absence application passes the accrued date to the Global Payroll application so that it uses the correct rate of pay for absence.

For example, an employee is hired on 1/1/17 and is paid at a rate of 10 per hour. On 8/1/17, the employee receives a pay rise and is now paid at a rate of 12 per hour. The employee takes 3 days of leave from 10/5/17 to 10/7/17.

The employee accrued this leave as time off in lieu (TOIL) in July 2017 when they were earning 10 per hour. The application pays the employee for the 3 days leave at a rate of 10 per hour.

**Compensatory Plans**

When creating a rate definition to use for compensatory absence plans, in the **Reference Date** field, select the **Absence Accrued Date** value. The rate calculator calculates the rate as of the absence accrued date that is passed from the Absence application.

In the Setup and Maintenance work area, use the following to create absence elements for compensatory absence plans:

- Offering: Workforce Deployment
- Functional Area: Payroll
- Task: Manage Elements

When creating such plans, in the type of absence information to transfer to payroll option, select **Accrual Balances and Absences**.
Leave Donation Plans

Workers can initiate requests to donate some or all of their accrual plan balances to coworkers who need additional time off. Administrators and managers can initiate this donation request on behalf of the worker. You can donate vacation only from Accrual and Compensatory plan types. Also, you can only donate in day or hours.

For example, Employee A is diagnosed with a long term illness and will be absent from work for a long time. You can enroll the employee into a leave donation plan. Employee B has a vacation accrual balance of 100 hours and wants to donate 10 hours to Employee A.

For example, Employee A is diagnosed with a long term illness and will be absent from work for a long time. You can enroll the employee into a leave donation plan. Employee B has a vacation accrual balance of 100 hours and wants to donate 10 hours to Employee A.

Now, instead of the stipulated 100 hours, Employee B will have an accrual balance of 90 hours. Employee A will have an accrual balance of 10 hours against the leave donation plan.

To use this balance, Employee A can do one of the following:

- Enter a leave in the Absence application. The Global Payroll application receives an entitlement record for the number of hours or days that they requested.
- Take the balance as a Cash out or Payout.

Note: If Employee B earns 20 per hour and Employee A earns 10 per hour, then the application pays Employee B at 10 per hour.

When creating absence elements for leave donation plans, in the type of absence information to transfer to payroll option, select Accrual Balances and Absences.

Absence Elements for Payments after Termination

For absence plans that support payments after termination, set the entitlement element to Final Close. When creating absence element template, select Yes in the enable entitlement payments after termination option. Then, set each of the entitlement elements to the Final Close value.

On the Manage Payroll Process Configuration page, set the Absence and Time Calculation Entries During Payroll parameter to one of the following values:

<table>
<thead>
<tr>
<th>Value</th>
<th>Description</th>
</tr>
</thead>
</table>
| Yes   | The application includes the absence and time calculation entries in the payroll run for those active employees that have the following assignment statuses:  
- Process When Earning  
- Process When One Time Entry  
  Further, the application includes the terminated employees in the payroll run only if they have an earning or an assignment level non-recurring element entry. |
| No    | The application does not include the absence and time calculation entries in the payroll run for those employees that have the following assignment statuses:  
- Process When Earning  
- Process When One Time Entry |
And the application includes the terminated workers in the payroll run only if they have an assignment level non-recurring element entry.

**Related Topics**
- How You Configure Compensatory Time
- Options to Define Compensatory Plans
- Options to Define Donation Plans

**Define Payroll Elements to Process Absences**

You define elements to calculate and process absence payments in Oracle. When you define an absence element, your responses to the element template questions determine which elements, balances, formulas, and calculation components the template generates.

Defining an absence element involves the following steps:

- Defining an absence element
- Completing absence detail questions
- Completing accrual liability and balance payment questions
- Completing absence payment questions
- Submitting the element
- Defining element eligibility records and cost distributions

**Defining an Absence Element**

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 work area.

**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>
</tr>
</thead>
<tbody>
<tr>
<td>Accrual</td>
<td>Accrual Balances</td>
</tr>
<tr>
<td>Accrual, Leave Donation, Compensatory</td>
<td>Accrual Balances and Absences</td>
</tr>
<tr>
<td>Qualification</td>
<td>Qualification Absences</td>
</tr>
</tbody>
</table>
Completing Accrual Liability and Balance Payment Questions

If you transfer accrual balances, complete the questions shown in the following table.

<table>
<thead>
<tr>
<th>Question</th>
<th>Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculate absence liability?</td>
<td>1. Select Yes, if you calculate liability.</td>
</tr>
<tr>
<td></td>
<td>2. Select a liability rate.</td>
</tr>
<tr>
<td></td>
<td>Usually the rate is the same as the absence payment rate.</td>
</tr>
<tr>
<td></td>
<td>You might select a different rate when estimating liability for billing purposes.</td>
</tr>
<tr>
<td>Does this plan enable balance payments when enrollment ends?</td>
<td>1. Select Yes to configure a final disbursement element and to maintain balances for the disbursement hours and payments.</td>
</tr>
<tr>
<td></td>
<td>2. Optionally, select a rate to use for the calculation.</td>
</tr>
<tr>
<td>Does this plan enable partial payment of balance?</td>
<td>1. Select Yes to configure a discretionary disbursement element and to maintain balances for disbursement hours and payments.</td>
</tr>
<tr>
<td></td>
<td>2. Optionally, select a rate to use for the calculation.</td>
</tr>
</tbody>
</table>

Completing Absence Payment Questions

Complete the following questions:

1. Select a method to reduce regular earnings if employees don’t complete a time card, or the time card entries aren’t used as a basis for calculating pay:
   - Reduce regular earnings by absence payment (entitlement payment balance)
   - Select rate to determine absence deduction amount (entitlement deduction balance)

   You might select one of the following:
   
   - The **Reduce regular earnings** option to reduce regular earnings by the absence payment. This means that the employee is paid the same net amount as if they weren’t absent.
   - The **Select rate to determine deduction amount** option when the employee is not due to be paid for the absence at the same rate as their regular earnings. In this case, the absence deduction rate that you select will be a rate that deducts 100% of the regular earnings. However, the absence payment rate would be a different rate, for example 50%.

2. Optionally, select a rate to calculate the absence payment.

   If you have standard earnings and absence elements in the same payroll run that reduce regular earnings, the payroll calculation reduces earnings in this sequence:
   
   a. Using absence element entries
   b. Using any standard earnings elements that reduce regular earnings

   The salary balance isn’t reduced beyond zero.
3. You can now ensure that absence entitlement payments are made to employees after terminations. Use the **Does this plan enable entitlement payments after termination?** question on the absence element template to set the entitlement element to **Final Close**.

Example: Amelia is due to be paid maternity payments after her termination. Select **Yes** in this newly-added question to set the latest entry date of the entitlement elements to final close. With this, the absence entitlement payments are made to Amelia after her termination.

In addition to this, you will need to do the following:

- When Amelia is terminated, change her employment assignment status to **Process When Earning**.
- Set the **TERM_INCLUDE_PR_LEVEL** action parameter to **Y**, so that payroll relationship level entries are considered for processing.

### 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 elements, depending on the options selected in the template to transfer absence information, as shown in the following table.

<table>
<thead>
<tr>
<th>Type of Absence Information to Transfer</th>
<th>Optional Balance Payments Selected</th>
<th>Additional Elements Configured</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrual Balances</td>
<td>• Discretionary Disbursements</td>
<td>• Accrual</td>
</tr>
<tr>
<td></td>
<td>• Final Disbursements</td>
<td>• Discretionary Disbursement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Final Disbursement</td>
</tr>
<tr>
<td>Accrual Balances and Absences</td>
<td>• Discretionary Disbursements</td>
<td>• Accrual</td>
</tr>
<tr>
<td></td>
<td>• Final Disbursements</td>
<td>• Entitlement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Discretionary Disbursement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Final Disbursement</td>
</tr>
<tr>
<td>Qualification Absences</td>
<td>none</td>
<td>Entitlement</td>
</tr>
<tr>
<td>No Entitlement Absences</td>
<td>none</td>
<td>Entitlement</td>
</tr>
</tbody>
</table>

### Defining Element Eligibility Records and Cost Distributions

Define element eligibility records for all the elements generated by the template, for example for your accrual, entitlement, discretionary and final disbursement elements.

If your enterprise calculates cost distributions, specify costing for all the element eligibility records. For example, for an accrual element, you do the following steps

1. Define element eligibility records for the accrual, accrual results, accrual retroactive, and accrual retroactive results elements.
2. Specify costing for the accrual results and retroactive results 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.

**Related Topics**

- Costing of Elements Options
Define Payroll Elements for an Absence Accrual Plan

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</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 calculate deductions for paid absences for employees not requiring a time card?</td>
<td>Reduce regular earnings by absence payment</td>
</tr>
<tr>
<td>- Reduce regular earnings by the amount of the absence payment so that the worker does not get paid twice?</td>
<td></td>
</tr>
<tr>
<td>- Select a rate to determine the absence deduction amount?</td>
<td></td>
</tr>
</tbody>
</table>
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.</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.

6. In the Currency Details section, Input Currency defaults from Legislative Data Group currency.
7. 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.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>What calculation units are used for reporting?</td>
<td>Days</td>
</tr>
<tr>
<td>Work Units Conversion Rule</td>
<td>Standard Rate Daily</td>
</tr>
<tr>
<td>What type of absence information do you want transferred to payroll?</td>
<td>Accrual Balances and Absences</td>
</tr>
</tbody>
</table>

8. Click Next.
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.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculate absence liability?</td>
<td>Yes.</td>
</tr>
</tbody>
</table>
### Oracle Human Resources Cloud
**Implementing Payroll for the United Kingdom**

#### Chapter 12
**Set Up Payroll Elements**

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Which rate should the liability balance calculation use?</td>
<td>Liability rate.</td>
</tr>
<tr>
<td>Does this plan enable balance payments when enrollment ends?</td>
<td>Yes</td>
</tr>
<tr>
<td>Which rate should the final balance payment calculation use?</td>
<td>Final disbursement rate.</td>
</tr>
<tr>
<td>How do you want Payout Amount to be taxed?</td>
<td>Supplemental</td>
</tr>
<tr>
<td>Does this plan enable partial payments of absences?</td>
<td>Yes</td>
</tr>
<tr>
<td>Which rate should the discretionary disbursement use?</td>
<td>Discretionary disbursement rate.</td>
</tr>
</tbody>
</table>

10. On the Create Elements: Additional Details page, in the Absence Payments section, complete the fields as shown in this table. Use default values for fields unless the steps specify other values. For the purposes of this worked example, all fields are being entered, however, only required fields must be entered and others may be blank.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<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>Which rate should the absence payment calculation use?</td>
<td>Absence payment.</td>
</tr>
</tbody>
</table>

11. Click **Next**.
12. On the Create Element: Review page, review the information that you entered so far.
13. 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.
Create Elements for Time Card Entries

You create nonrecurring elements to process pay based on time card entries, such as elements for regular, overtime, double-time, and shift pay. Creating a time card element generates all the related elements, balances, formulas, and calculation components. You then transfer the elements to your time provider.

This topic covers the following procedures:

- Creating earnings elements
- Creating calculation components for standard-category elements
- Converting elements for use in time cards
- Setting up area overrides
- Setting up costing overrides

Creating Earnings Elements

The steps for creating a time card element depend on whether the time card template is available for your country. If the template is available, follow the steps in this section. Otherwise, create an earnings element using the Standard category, and specify an hours multiplied by rate calculation rule.

Complete these steps to create an element using the time card template:

1. Create an earnings element on the Manage Elements page of the Payroll Calculation work area.
2. Select a primary classification of standard or supplemental earnings.
3. For Global Payroll, select the Time Card category.
4. Complete the information on the Basic Details page.
5. On the Additional Details page:
   a. Select the calculation units to use in reports.
      Typically, you select time units that match the time units entered on time cards for that element. If you select different units, the application uses 8 hours to convert days to hours.
   b. Optionally, select a default rate to calculate time.
      When calculating the run result for the element entry, the formula uses the default rate unless a rate is entered on the person’s time card.
6. Complete the element eligibility information for the new time element, and its associated retroactive and related elements, such as the result and calculation elements.

Note: If the straight time portion of overtime is reported separately from regular time, create two elements, such as overtime and overtime premium elements. If the regular and straight time portions of overtime are reported together, you might use straight time instead of regular time, and create a separate element for the overtime premium.

Creating Calculation Components for Standard-Category Elements

You can create calculation components for elements created with the Standard category rather than the Time Card category. Complete the following steps for each existing element:

1. Submit the Create Time Card Calculation Components process from the Payroll Checklist or Payroll Administration work area.
These elements must have a calculation rule of hours multiplied by rate.

2. Complete the element eligibility information for the element and its associated retroactive and its related elements, including the result element, and the element with a suffix of CIR.

3. After you run the process to convert your elements, submit the Compile Formula process in the Manage Payroll Calculations work area. Perform a bulk compile by entering wild cards in the Formula and Formula Type parameters.

Generate Time Card Fields for Your Elements

After creating elements, generate time card fields for them. Complete the processes in this table using the Time and Labor functional area in the Setup and Maintenance work area, Workforce Deployment offering:

<table>
<thead>
<tr>
<th>Process</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generate Data Dictionary Time Attributes</td>
<td>Creates dependent payroll attributes for all element input values, such as hours and rate. You must run the Generate Data Dictionary Time Attributes process after making any changes to time elements. Such changes include adding or deleting elements, editing input values, or editing element eligibility records.</td>
</tr>
<tr>
<td>Generate Time Card Fields</td>
<td>Creates time card fields using the data dictionary time attributions for the specified legislative data group. You can use the Manage Time Card Fields task to create time card fields for single and multiple attributes.</td>
</tr>
</tbody>
</table>

Caution: Failure to run the process might negatively impact the setup of time card fields, the validation of payroll time types, or the transfer of time to payroll.

If you are using a third-party time provider, create an HCM extract for the time card elements. The extract includes the element’s mapping ID that you specify in the XML file when you transfer the time entries to payroll.

Setting Up Area Overrides

Some countries or territories create time card elements with area input values for use as overrides. The overrides enable employers to tax employees based on where they work. For example, employees would specify the area information where they worked on temporary assignment while away from their normal work location. These area entries are then included in the time card records transferred to payroll by the Load Time Card Batches process.

Setting Up Costing Overrides

You can specify additional attributes in Time and Labor to enter costing segment values on time cards. The segments must match the segments that you can enter on element entries. Use the Manage Element Entries task in the Payroll Calculation and search for a person’s record. View the available segments on the Costing tab of the Manage Person Details page.

Costing is defined on the element eligibility record of the results element. When you transfer time entries, the transfer process displays the costing on the calculation element.

As an example, the structure of your cost allocation key flexfield might specify that the department segment is entered at the element entry level. You could specify this additional attribute on the time card. Your employees could then specify the department to charge for overtime hours worked while on loan to a different department. After you transfer the time entries, the payroll calculation uses the department specified for the overtime hours to derive the costing results.
To view the results of the costing overrides transferred to payroll, do the following:

1. On the Accounting Distribution work area, select **Search Person**.
2. On the Search Person page, search for a person.
3. Click the **Actions** down arrow and select **View Person Process Results** in the **Process Results** option.
4. Go into a person’s statement of earnings.
5. Select **Costing Results**.

**Related Topics**

- Processing Time Entries in Payroll
- Time Card Required Option

### Element Input Values

#### Element Input Values

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>
<tr>
<td>Displayed</td>
<td>Select to display the input value on the element entry.</td>
</tr>
<tr>
<td>Allow User Entry</td>
<td>Select to enter values on element entries.</td>
</tr>
<tr>
<td>Required</td>
<td>Select to make the input value a required entry value on the element entry. If you select <strong>Required</strong>, you must also select <strong>Displayed</strong> and <strong>Allow User Entry</strong>.</td>
</tr>
<tr>
<td>Create a Database Item</td>
<td>Select if you want to make the values available for formulas or HCM extract.</td>
</tr>
<tr>
<td>Field Value</td>
<td>Purpose</td>
</tr>
<tr>
<td>------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Rate Formula</td>
<td>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.</td>
</tr>
<tr>
<td>Default</td>
<td>Enter a value that appears as the default value for this entry value in element entries, if needed.</td>
</tr>
<tr>
<td>Apply default at runtime</td>
<td>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.</td>
</tr>
<tr>
<td>Minimum</td>
<td>Enter a minimum value, if needed.</td>
</tr>
<tr>
<td>Maximum</td>
<td>Enter a maximum value, if needed.</td>
</tr>
<tr>
<td>Validation Formula</td>
<td>Enter a formula that validates the entry value entered on element entries, if needed.</td>
</tr>
<tr>
<td>Validation Source</td>
<td>Use with the other input value options to select the valid validation method, such as lookups or formulas.</td>
</tr>
<tr>
<td>Lookup Type</td>
<td>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.</td>
</tr>
<tr>
<td>Warning or Error</td>
<td>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.</td>
</tr>
<tr>
<td>Reference</td>
<td>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.</td>
</tr>
<tr>
<td>Value Set</td>
<td>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.</td>
</tr>
</tbody>
</table>

⚠️ 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>
</tbody>
</table>
## Unit of Measure

<table>
<thead>
<tr>
<th>Unit of Measure</th>
<th>Sample Entry Value</th>
<th>Display in Application</th>
</tr>
</thead>
<tbody>
<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>12345.00</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>12345.0000</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</td>
<td>12345</td>
<td>12345:00</td>
</tr>
<tr>
<td>values</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hours, minutes, and seconds expressed as</td>
<td>12345</td>
<td>12345:00:00</td>
</tr>
<tr>
<td>numeric values</td>
<td></td>
<td></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.

### Related Topics

- How Element Setup Affects Entries and Their Entry Values
- Create and Edit Profile Options
Use a Value Set for an Element Input Value

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`
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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>PER_LEGISLATIVE_DATA_GROUPS_vl</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>
<tr>
<td>ID Column Type</td>
<td>NUMBER</td>
</tr>
<tr>
<td>ID Column Length</td>
<td>18</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>
<tr>
<td>WHERE Clause</td>
<td>LEGISLATIVE_DATA_GROUP_id= :{PARAMETER. LDGIP}</td>
</tr>
</tbody>
</table>

Tip: To avoid failure of the value set, use IDs instead of names in case the display name changes in the future.

4. Click Save.

Note: LDG_IP is the input value name.
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

Enable Automatic, Multiple, or Additional Element Entries

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.

The Tax and NI, Court Orders and Student Loans, and the Pensions Automatic Enrolment element are predefined to trigger the relevant calculations. You must create the element eligibility for these elements. This is a one-time activity.

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.

### Options to Determine an Element's Latest Entry Date

*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

- How Element Setup Affects Entries and Their Entry Values
- Element Duration Dates
Default Values for Element Entries

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 do these actions:

- 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 that an element eligibility record identifies.
- Override the default value for specific employees on their element entries.

Define 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, subsequent updates to the default value have no effect on existing element entries. Users can override or change the default value at any time.

Define 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, the manual entry overrides the default value and updates to the default value don’t affect that entry. If you want to restore the default value, clear the entry.

Use 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. Here’s the order of precedence:

- 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

- 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>Page Section</td>
<td>Field</td>
<td>Purpose</td>
<td>When the Formula Runs</td>
</tr>
<tr>
<td>------------------------------</td>
<td>-------------------------</td>
<td>-------------------------------------------------------------------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>Element Details, or Element</td>
<td>Calculation Formula</td>
<td>To provide values for one or more entry values using a calculation that</td>
<td>When you save the element entry.</td>
</tr>
<tr>
<td>Eligibility</td>
<td></td>
<td>takes input from these or other entry values.</td>
<td></td>
</tr>
<tr>
<td>Element Details, or Element</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>Eligibility</td>
<td></td>
<td></td>
<td></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</td>
</tr>
<tr>
<td></td>
<td></td>
<td>the appropriate type for the element input value.</td>
</tr>
<tr>
<td>Validation formula at element or element</td>
<td>Any element input</td>
<td>Replace spaces in the input value name with underscores in the input</td>
</tr>
<tr>
<td>eligibility level</td>
<td>value name that</td>
<td>variable name.</td>
</tr>
<tr>
<td></td>
<td>corresponds to an</td>
<td>It doesn’t matter whether you use uppercase or lowercase for the name.</td>
</tr>
<tr>
<td></td>
<td>entry value.</td>
<td></td>
</tr>
<tr>
<td>Defaulting formula</td>
<td>None</td>
<td>Use database items or other logic instead.</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:

```language=oracle
inputs are entry_value(date)
if(entry_value = '01-APR-2008' (date)) then
  (formulan_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:

```language=oracle
inputs are hours_worked, rate, earning_date(date), comment(text)
if(hours_worked > 80) then
```
Calculation formula at element or element eligibility level:

```python
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:

```python
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>
</tbody>
</table>
Results Rule | Purpose
--- | ---
Message | 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.

- Error - This causes the run to roll back all processing for the employment record.
- Warning - This does not affect payroll processing but warns you of a possible problem.
- Information - This does not affect payroll processing.

Order Indirect | Updates the subpriority of the element you select in the Target Element Name field.

Stop | 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.

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.

**Note:** 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.

Target Indirect | An entry to a nonrecurring element that has a lower processing priority, where 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.

---

**Element Eligibility**

**Element Eligibility**

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>
</tbody>
</table>
### Level

<table>
<thead>
<tr>
<th>Items</th>
<th>Available Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal Employer</td>
<td></td>
</tr>
<tr>
<td>Department in which the person works</td>
<td></td>
</tr>
<tr>
<td>Job, for example, associate professor or secretary</td>
<td></td>
</tr>
<tr>
<td>Grade</td>
<td></td>
</tr>
<tr>
<td>Employment Category</td>
<td></td>
</tr>
<tr>
<td>People Group</td>
<td></td>
</tr>
<tr>
<td>Legal Employer</td>
<td></td>
</tr>
<tr>
<td>Department, same as in Items</td>
<td></td>
</tr>
<tr>
<td>Job, same as in Items</td>
<td></td>
</tr>
<tr>
<td>Grade</td>
<td></td>
</tr>
<tr>
<td>Employment Category</td>
<td></td>
</tr>
<tr>
<td>People Group</td>
<td></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.

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Available Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location of person’s office</td>
<td></td>
</tr>
<tr>
<td>Position, which is a class of job performed in a particular organization, for example, associate professor of chemistry, or finance department secretary.</td>
<td></td>
</tr>
<tr>
<td>Payroll</td>
<td></td>
</tr>
<tr>
<td>All payrolls eligible</td>
<td></td>
</tr>
</tbody>
</table>

**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.

Maintain 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</td>
<td>These changes affect all new entries, and updates to existing entries.</td>
</tr>
<tr>
<td>and validation</td>
<td>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</td>
</tr>
<tr>
<td></td>
<td>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.

Add Eligibility Rules for Predefined Elements
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>Country or Territory</td>
<td>Predefined Element</td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>Australia, India, Singapore</td>
<td>Statutory Deductions</td>
</tr>
<tr>
<td>Kuwait, Saudi Arabia, United Arab</td>
<td>Social Insurance</td>
</tr>
<tr>
<td>Emirates</td>
<td>Gratuity</td>
</tr>
<tr>
<td>China</td>
<td>Aggregation Information</td>
</tr>
<tr>
<td>UK</td>
<td>Tax and NI</td>
</tr>
<tr>
<td></td>
<td>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.

**Voluntary 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 available voluntary deduction secondary classifications is Widows and Orphans.
How You Define Voluntary and Pre-statutory Deductions

Use the Manage Elements task to define voluntary and pre-statutory deductions, such as pensions. You manage pension deductions through calculation cards or element entries, depending on country-specific rules. You manage other voluntary deductions, such as gym membership, union membership, and charity donations, through element entries.

Use these steps to set up deductions:

1. Define the elements.
2. Define the third-party payees.
3. Define a third-party payment method for each third-party payee.
4. Enter the deduction details for each person. Do this in the following ways, depending on the deduction type and your setup:
   - Configure a Benefits and Pensions calculation card.
   - Define element entry.
   - Load benefit batches.

Defining Elements

When you define a pension plan deduction, if you select the Benefit category, or it’s selected for you, the element template defines a calculation component. You add this component to Benefits and Pensions calculation cards to assign it to your workers.

To define other voluntary deductions:

- Select the Standard category.
  This selection means you manage these deductions using the Manage Element Entries task.
- After defining the element, you must add a Payee input value and select Third-Party Payee as the special purpose for it.
  If appropriate, enter a default value on the element or element eligibility record to populate the third-party payee details.

Defining Third-Party Payees

To define third-party payees, use the Manage Third Parties page in the Payment Distribution work area.

For pensions, select the Organization payee type and select the Pension Provider party usage code.

Defining Third-Party Payment Methods

To define payment methods for all external payees, use the Manage Third-Party Payment Methods task in the Payment Distribution work area.

Entering Deduction Details for Each Person

For pensions using the Benefit category:

1. Configure a Benefits and Pensions calculation card for the worker.
2. Add your new pension calculation component to the card.
3. Enter the payee and other details.
If you load your pension information using the Load Benefit Batches process, the payroll application configures the calculation card automatically. Before running this process, you must generate an XML file that contains the data you want to transfer to payroll.

For other voluntary deductions, you must define element entries. If the payee is not defaulted from the element or eligibility record, enter the payee on the element entry.

**Related Topics**
- Creating Third-Party Payment Methods

### Create Elements for Pension Deductions

This example shows you how to create a pension deduction element using an element template. Follow these steps in the Payroll Calculation work area:

1. Create a pension deduction element
2. Create an eligibility record for the deduction

#### Creating a Pension Element

1. In the Payroll Calculation work area, click **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>Your Legislative Data Group</td>
</tr>
<tr>
<td>Primary Classification</td>
<td>Voluntary Deductions or Pre-statutory Deduction</td>
</tr>
<tr>
<td>Secondary Classification</td>
<td>Appropriate classification for your country or territory, such as Pension Plan After Tax</td>
</tr>
<tr>
<td>Category</td>
<td>Benefit</td>
</tr>
</tbody>
</table>

4. Click **Continue**.
5. Complete the Basic Information page. For the latest entry date:
   - Select **Last Standard Earning Date** if you enable proration for the element.
   - Otherwise, select **Last Standard Process Date**.
6. Click **Next**.
7. On the Additional Details page, enter the calculation rules and limits for the deduction. The following table summarizes your choices.

<table>
<thead>
<tr>
<th>Rules</th>
<th>What You Can Enter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculation rule</td>
<td>Fixed amount or percentage</td>
</tr>
<tr>
<td>Age limits</td>
<td>Minimum and maximum age</td>
</tr>
</tbody>
</table>
Rules | What You Can Enter
--- | ---
Maximum contribution amount | Any numeric value
Pensionable earnings limit | Minimum and maximum amount
Additional contributions allowed | Yes, or no. If yes, select calculation rule.
Employer contributions allowed | Yes, or no. If yes, select calculation rule, age limits, and amount limits
Overrides allowed | Yes, or no
Element subject to proration | Yes, or no

8. Click **Next**.
9. Verify the information is correct.
10. Click **Submit**.

The template creates a recurring element at the payroll relationship level. It also creates a calculation component with the same name as the element. You add this component to workers’ calculation cards.

Creating an Eligibility Record for the Deduction

On the Element Summary page, you can create as many eligibility records as you require:

1. In the Element Overview section, click the **Element Eligibility** link.
2. Select **Create Element Eligibility** from the Actions menu.
3. Enter a name for the eligibility record.
4. Select any criteria if you want to restrict who can pay this deduction.
5. Click **Submit**.
6. Click **Done**.

Considerations to Enter Calculation Values for Pensions

Create a Benefits and Pensions calculation card for each worker who pays a pension deduction. On the card, select the calculation component that was created automatically for your pension element, and enter the required contribution amounts and limits, as described in this topic. If you use the Load Benefit Batches process to transfer values from a benefits application, this process creates the calculation cards for you and enters the contribution amounts and limits.

**Default Contribution Amounts and Limits**

You enter some default contribution amounts and limits when you create the pension element. These default values are stored as calculation value definitions. You can edit the default values using the Manage Calculation Value Definitions page. You can also add a default payee or a separate payee for each employee by entering the payee ID in the Enterable Calculation Values area on the Calculation Cards tab.

**Enterable Calculation Values for Pensions**

To enter or override a calculation value for one worker, follow these steps:

1. Open the worker’s Benefits and Pension calculation card on the Manage Calculation Cards page.
2. Add the calculation component for the pension, if it isn’t already on the card.
3. With this calculation component selected, click the **Enterable Calculation Values on Calculation Cards** tab.
4. Click **Create**.
5. Select the value you want to enter. Typically, you will enter a payee, reference number, and any additional contributions. You can also override any default contribution amounts or limits.

The following table lists the calculation values you can enter.

> **Note**: If the calculation component was created by running the Load Benefit Batches process, you can only enter or override the following values: Payee, Reference Number, and Employee Additional Contribution.

<table>
<thead>
<tr>
<th>Field</th>
<th>Required</th>
<th>Default Provided at Element Setup</th>
<th>Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payee</td>
<td>Y</td>
<td>N</td>
<td>Enter the ID of an organization with the usage of Pension Provider.</td>
</tr>
<tr>
<td>Reference Number</td>
<td>Y or N</td>
<td>N</td>
<td>Free text</td>
</tr>
<tr>
<td>Employee Contributions</td>
<td>Y</td>
<td>Y</td>
<td>Percent or flat amount as per element setup. Enter percentages as decimal values.</td>
</tr>
<tr>
<td>Additional Employee Contributions</td>
<td>N</td>
<td>N</td>
<td>Percentage or flat amount as per element setup, if additional contributions are allowed.</td>
</tr>
<tr>
<td>Minimum Age</td>
<td>N</td>
<td>Y</td>
<td>Numeric age</td>
</tr>
<tr>
<td>Maximum Age</td>
<td>N</td>
<td>Y</td>
<td>Numeric age</td>
</tr>
<tr>
<td>Maximum Contribution Amount</td>
<td>N</td>
<td>Y</td>
<td>Numeric amount</td>
</tr>
<tr>
<td>Minimum Pensionable Earnings</td>
<td>N</td>
<td>Y</td>
<td>Numeric amount</td>
</tr>
<tr>
<td>Maximum Pensionable Earnings</td>
<td>N</td>
<td>Y</td>
<td>Numeric amount</td>
</tr>
<tr>
<td>Partial Deduction Allowed</td>
<td>Y</td>
<td>Y</td>
<td>Values = Y or N</td>
</tr>
</tbody>
</table>

If the element was set up to allow an employer contribution, you will also see these enterable values:

<table>
<thead>
<tr>
<th>Calculation Value</th>
<th>Required</th>
<th>Default Provided at Element Setup</th>
<th>Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer Contribution</td>
<td>Y</td>
<td>Y</td>
<td>Percentage or flat amount as per element setup</td>
</tr>
<tr>
<td>Calculation Value</td>
<td>Required</td>
<td>Default Provided at Element Setup</td>
<td>Values</td>
</tr>
<tr>
<td>--------------------------------------------------------</td>
<td>----------</td>
<td>-----------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Minimum Age Limit for Employer Contribution</td>
<td>N</td>
<td>Y</td>
<td>Numeric entry</td>
</tr>
<tr>
<td>Maximum Age Limit for Employer Contribution</td>
<td>N</td>
<td>Y</td>
<td>Numeric entry</td>
</tr>
<tr>
<td>Maximum Contribution Amount for Employer Contribution</td>
<td>N</td>
<td>Y</td>
<td>Numeric amount</td>
</tr>
<tr>
<td>Minimum Pensionable Earnings Limit for Employer Contribution</td>
<td>N</td>
<td>Y</td>
<td>Numeric amount</td>
</tr>
<tr>
<td>Maximum Pensionable Earnings Limit for Employer Contribution</td>
<td>N</td>
<td>Y</td>
<td>Numeric amount</td>
</tr>
</tbody>
</table>

**Set Up Pensions Automatic Enrolment**

The Pensions Automatic Enrolment Assessment process classifies workers to determine their eligibility for automatic enrolment in a qualifying pension scheme and automatically enrolls eligible workers. To facilitate assessment and enrolment, you must set up elements for the qualifying schemes and define organization-level default values used by the process.

Here are the key setup tasks:

- Set up elements for qualifying pension schemes
- Define eligibility for qualifying pension scheme and pensions automatic enrolment elements
- Select the level of pension element
- Identify assessable and pensionable earnings
- Define organization level default values
- Provide person information required by the process

**Set Up Elements for Qualifying Pension Schemes**

You must create an element for each qualifying pension scheme into which you plan to enrol workers. Follow these basic guidelines when creating the elements:

1. Use the Manage Elements task in the Payroll Calculation work area to create the elements.
2. On the Create Element window, select:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Classification</td>
<td>Pre-Statutory Deductions</td>
</tr>
<tr>
<td>Secondary Classification</td>
<td>Pension Plan Pre-Statutory</td>
</tr>
<tr>
<td>Category</td>
<td>Benefit</td>
</tr>
</tbody>
</table>
3. On the Manage Elements page, answer Yes to the question, Is this a Qualifying Pension Scheme?

4. After saving the element, define eligibility. This allows the Pensions Automatic Enrolment Assessment process to create a qualifying pension scheme component and associated element entries when it enrolls employees in the qualifying pension scheme.

Note: When entering the deduction percentage for either the employee or the employer contribution, you must enter the values as decimals; for example, enter 0.05 for 5 percent deduction percentage.

Define Eligibility for the Qualifying Pension Scheme and Pensions Automatic Enrolment Elements

A Pensions Automatic Enrolment element is predefined, but you must define eligibility for this element. This allows the New Hire process to:

- Create a Pensions Automatic Enrolment calculation card
- Create Pensions Automatic Enrolment component and component details in the calculation card
- Create associated element entries for all the new employees.

Note: As the employee and employer contribution elements are indirect elements, you do not need to define eligibility for these elements.

Select the Level for Pension Elements

The level you select in the element template (payroll relationship, employment terms or assignment) determines the level the pension component can be associated with. For example, the deducted pension amounts could be distributed as follows:

- At the payroll relationship level, the template distributes the deducted pension amount among all assignments.
- At the assignment level, if you associate the pension components with Assignment 1 and Assignment 2, the template distributes the pension amount only between two assignments, even though the employee may have more assignments.

Identify Assessable and Pensionable Earnings

By default, all new elements you create for both Regular and Irregular Earnings classifications have the following subclassifications:

- **Pensions Automatic Enrolment Assessable.** These earnings are taken into account when assessing eligibility for automatic enrolment.
- **Subject to Pension.** Referred to as pensionable earnings, the automatic enrolment process uses these earnings to calculate the pension contribution amount. Pensionable earnings may exclude certain earnings, such as overtime or bonuses that are considered assessable.

When you create a new earnings elements, verify that these subclassification rules apply to the specific type of earnings. You must ensure that the earnings elements are correctly classified.

Note: The calculation of pension contributions under certain schemes requires qualifying earnings. The Qualifying Earnings Lower Threshold and the Qualifying Earnings Automatic Enrolment Trigger are defined in legislation and used to assign employee classifications for Pensions Automatic Enrolment.
Define Organization-Level Default Values
You must set default values at the payroll statutory unit (PSU) level and, optionally, at the tax reporting unit (TRU) level. If defined, TRU values override PSU values. You can specify the default values for:

- Employer’s staging date
- Automatic re-enrolment date
- Postponement rules and formulas
- End of Defined Benefit (DB) or hybrid transitional period
- Qualifying pensions scheme name and formula
- Pension notification letters information
- Pensions automatic enrolment (enable or disable this feature)
- Disable automatic calculation card creation

Provide Person Information Required by the Assessment Process
To assess and automatically enrol a worker in a qualifying pension scheme, the process requires the following employee information:

- Date of birth (retrieved from Person Management record)
- Earnings amounts (retrieved from payroll earnings element entries for the payroll reference period (PRP))
- Pensions Automatic Enrolment calculation card (created automatically by the new hire process)

Verify that the values captured on the calculation card are correct for each employee. If a Pensions Automatic Enrolment component is associated with multiple assignments for different payrolls, you must specify the payroll to use when assessing earnings. Do so in the Payroll for Pay Reference Period field on the Pensions Automatic Enrolment card (Manage Calculation Cards task).

Define Default Values for Pensions Automatic Enrolment
You must define default values at the payroll statutory unit (PSU) level and, optionally, at the tax reporting unit (TRU) level. If defined, TRU values override PSU values. Use the Manage Legal Entity Calculation Tasks to set default values at the PSU level values. Use the Manage Legal Reporting Unit Calculation Cards to set default values at the TRU level.

Default Values for Pension Automatic Enrolment Calculation Card
You can specify the default values for the following fields in the Organization Pensions Automatic Enrolment calculation card as follows:

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer’s Staging Date</td>
<td>The date on which the employer must start providing pensions automatic enrolment.</td>
</tr>
<tr>
<td>Automatic Re-enrolment Date</td>
<td>This date must be within a 6-month period of the 3 months prior to the anniversary date (where the anniversary date for the first time is the Staging date and subsequently the previous re-enrolment date).</td>
</tr>
<tr>
<td>Worker Postponement Rule</td>
<td>Select a specific pay reference period, if required, else select None.</td>
</tr>
</tbody>
</table>
### Field Description

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worker Postponement Rule Formula</td>
<td>If you have defined your own fast formula, select it here. Use the Manage Fast Formulas task to create your own formula.</td>
</tr>
<tr>
<td>Eligible Jobholder Postponement Rule Formula</td>
<td>Select a specific pay reference period, if required, else select None.</td>
</tr>
<tr>
<td>Eligible Jobholder Postponement Rule Formula</td>
<td>If you have defined your own fast formula, select it here. Use the Manage Fast Formulas task to create your own formula.</td>
</tr>
<tr>
<td>End of Defined Benefit or Hybrid Transitional Period</td>
<td>Specify the end date for the transitional period.</td>
</tr>
<tr>
<td>Qualifying Pension Scheme Name and Formula</td>
<td>You can select an existing Qualifying Pension Scheme name. Or select the name of a previously-defined fast formula that returns the ID of the Qualifying Pension Scheme to use.</td>
</tr>
<tr>
<td></td>
<td>If you have defined your own formula to derive the Qualifying Pension Scheme, the return value of the formula must be named QPS_ID. The formula must return the PAY_ELEMENT_TYPES_F.ELEMENT_TYPE_ID of a previously defined Qualifying Pension Scheme element. Use the Manage Fast Formulas task to create your own formula.</td>
</tr>
<tr>
<td>Process Automatic Enrolment</td>
<td>Enables or disables the Pensions Automatic Enrolment functionality.</td>
</tr>
<tr>
<td></td>
<td>You can override the staging date, postponement rules, and the qualifying pension scheme name on the worker’s Pensions Automatic Enrolment calculation card.</td>
</tr>
<tr>
<td>Disable automatic card creation</td>
<td>By default, upon the completion of the new hire process, the payroll application creates a Pensions Automatic Enrolment card for the employee. Optionally, if a TRU was specified during the new hire process, the Pensions Automatic Enrolment card is linked to that TRU. Select the check box to disable this feature.</td>
</tr>
<tr>
<td>Disable pension letters</td>
<td>This is a PSU-only attribute. Select this check box if you do not want letters to be generated for the PSU.</td>
</tr>
<tr>
<td>Re-enrolment if Pension Scheme Member Left Within 12 Months</td>
<td>The employees are included for re-enrolment, by default. You must set this to Exclude, if you do not want the employees to be considered for assessment for re-enrolment.</td>
</tr>
<tr>
<td>Enrolment if Qualifying Pension Scheme Member Left Within 12 Months</td>
<td>If the criteria for Eligible Job Holder are met, the process checks this field first. If set to Exclude, then the person will not be enrolled or re-enrolled. By default, this field is blank. This means the employee will be enrolled or re-enrolled if found eligible.</td>
</tr>
<tr>
<td>Automatic Enrolment If Tax Protection Applied</td>
<td>If the criteria for Eligible Job Holder are met, the process checks this field first. If set to Exclude, then the person will not be enrolled or re-enrolled. By default, this field is blank. This means the employee will be enrolled or re-enrolled if found eligible.</td>
</tr>
<tr>
<td>Automatic Enrolment if Notice given</td>
<td>If the criteria for Eligible Job Holder are met, the process logic will check this field first. If set to Exclude, then the person will not be enrolled or re-enrolled. By default, this field is blank. This means the employee will be enrolled or re-enrolled if found eligible.</td>
</tr>
<tr>
<td>Enrolment If Winding-Up Lump Sum Received</td>
<td>If the criteria for Eligible Job Holder are met, the process checks this field first. If set to Exclude, then the person will not be enrolled or re-enrolled. By default, this field is blank. This means the employee will be enrolled or re-enrolled if found eligible.</td>
</tr>
</tbody>
</table>
You can override the staging date, postponement rules, and the qualifying pension scheme name on the employee’s Pensions Automatic Enrolment calculation card.

Pension Letters Notification information

The Pensions Automatic Enrolment process produces a set of notification letters for distribution to employees. The letters inform employees of their classification. Any action taken by the assessment process, and any action available to them, such as opting in or out are also included. You can define the required information pension notification letters at either the PSU level or TRU level.

In the Pensions Automatic Enrolment calculation card, create the Pension Notification Letter Information component and update the name, contact details of the pension provider, and the relevant schemes.

Postponements for Pensions Automatic Enrolment

Employers can opt to use a postponement period of up to 3 months before assessing a worker for automatic enrolment. Once you set up your postponement rules, the Pensions Automatic Enrolment Assessment process automatically determines if a postponement applies to each employee being assessed. It is useful to understand the types of postponements available and the rules for each.

Override Default Postponement Values

You can override the organization-level default values at the payroll relationship level using the Manage Calculation Cards task. Complete the following fields on the employee’s Pensions Automatic Enrolment card:

- **Overriding Worker Postponement Rule**
- **Overriding Eligible Jobholder Postponement Rule**

You can also enter values for the following fields to explicitly enforce a postponement:

- **Active Postponement Type**
- **Active Postponement Rule**
- **Active Postponement End Date**

If you provide values for these fields, the assessment process validates the postponement end date entered to ensure that it doesn’t exceed the later of:

- The staging date plus 3 calendar months
- The employment start date plus 3 calendar months for entitled worker postponements
- The eligibility date plus 3 calendar months for eligible jobholder postponements

For DB scheme postponements, you can enter a postponement end date up to 30 September, 2017.

> **Note:** For a DB Scheme Postponement, you must manually set the **Active Postponement Type, Active Postponement Rule, and Active Postponement End Date** before running the Pensions Automatic Enrolment process; the automatic enrolment process doesn’t automatically apply DB scheme postponements.

How Postponements Are Processed

For each employee, the automatic enrolment process does the following:

1. Checks to see if a postponement is currently in effect. If so, it stops the assessment process. If not, the process continues.
2. Uses the applicable postponement rules and formulas to determine if a worker or eligible jobholder postponement applies at this time.

3. If it applies, it updates the Active Postponement Type, Active Postponement Rule, and Active Postponement End Date fields on the worker’s calculation card accordingly. The assessment process stops.

4. If it doesn’t apply, then the assessment process continues.

Fast Formulas for Postponement Types in Pensions Automatic Enrolment

You can create fast formulas, according to the specifications below, to determine default values for:

- Worker Postponement
- Eligible Jobholder Postponement
- Qualifying Pension Scheme

Worker Postponement

Use the following sample formula to create your own worker postponement formula:

Formula Name: <%PENSIONS AUTOMATIC ENROLMENT POSTPONEMENT%>
Formula Type: Calculation Utility
Description: <User specified formula to determine the postponement end date for a Worker postponement.>
Formula Result: DEFERMENT_DATE (DATE)
Calling Formula: GB_PAPE_POSTPONE

Eligible Jobholder Postponement

Use the following sample formula to create your own eligible jobholder worker postponement formula:

Formula Name: <%PENSIONS AUTOMATIC ENROLMENT POSTPONEMENT%>
Formula Type: Calculation Utility
Description: <User specified formula to determine the postponement end date for an Eligible Jobholder postponement.>
Formula Result: DEFERMENT_DATE (DATE)
Calling Formula: GB_PAPE_POSTPONE Qualifying Pension Schemes

Qualifying Pension Scheme

Use the following sample formula to create your own qualifying pension scheme formula:

Formula Name: <%PENSION SCHEME FOR AUTOMATIC ENROLMENT%>
Formula Type: Calculation Utility
Description: <User specified formula to determine the qualifying pension scheme.>
Formula Result: QPS_ID (NUMBER)
Calling Formula: GB_PAPE_ENROL

Pensions Automatic Enrolment Calculation Card

If the value of your country extension setting in the Manage Features by Countries or Territories page is either Payroll or Payroll Interface, then the New Hire process, the New Hire process automatically creates a Pensions Automatic Enrolment calculation card for each new employee. Consider the following for the automatically created Pensions Automatic Enrolment calculation card:

- Default values for calculation components and component details
- Default association and association details
• Automatically created element entries

**Note:** The automatic calculation card creation occurs only when you create an employee, not a pending worker or nonworker. When you convert a pending worker to an employee, then this calculation card is automatically created at that time.

Use the Manage Calculation Cards task in the Payroll Calculation work area to modify the calculation card values as required.

**Default Values for Pensions Automatic Enrolment Card**

The automatically created Pensions Automatic Enrolment card contains these two components:

• The Pensions Automatic Enrolment component, which is the main component for Pensions Automatic Enrolment processing. This component has the following field:

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Classification for Pensions</td>
<td>The assessment process assesses employee age, earnings, and other criteria to determine eligibility for automatic enrolment in a qualifying pension scheme. It assigns a classification to each employee it assesses. The default value is Not yet assessed.</td>
</tr>
</tbody>
</table>

• The Pensions Automatic Enrolment Additional Information component, which supports re-enrolment and further statutory updates. This component has these fields:

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overriding Automatic Re-enrolment date</td>
<td>Enables employee-level overriding of the re-enrolment assessment date from the PSU or TRU default values.</td>
</tr>
<tr>
<td>Winding-Up Lump Sum Payment Date</td>
<td>A setting to determine if a person should be excluded from enrolment or not. The organization level settings for the Legal Entity and TRU determine if employees with this date setting on the payroll relationship card will be either included or excluded. If excluded, the enrolment process does not consider them if the assessment date is after the winding-up lump sum payment date.</td>
</tr>
<tr>
<td>Tax Protection Applied</td>
<td>A setting to determine if a person should be excluded from enrolment or not. The organization level settings for the Legal Entity and TRU determine if a person with the Tax Protection setting on the payroll relationship card will be either included or excluded.</td>
</tr>
<tr>
<td>Notice Given Date</td>
<td>Read-only field that is derived from the employee termination information during the assessment process.</td>
</tr>
<tr>
<td>Notice Withdrawn Date</td>
<td>Date on which the employee withdrew the termination request. Used as the overriding assessment date for enrolment.</td>
</tr>
</tbody>
</table>

**Pensions Automatic Enrolment Card Default Associations**

If you have specified a tax reporting unit (TRU) in the Payroll Details section on the Hire an Employee: Employment Information page, the new hire process creates an association between the Pensions Automatic Enrolment component and the specified TRU.
Note: The new hire process does not create association details linking specific terms or assignments to the Pensions Automatic Enrolment component. By default, all earnings for all terms or assignments for the payroll relationship are considered during the Pensions Automatic Enrolment assessment.

You can also create association details manually by creating additional Pensions Automatic Enrolment components and associate specific earnings groups.

Note: If you add Pensions Automatic Enrolment components to an existing Pensions Automatic Enrolment card, you must associate the component with a TRU. You must also create association details for both the new and the original Pensions Automatic Enrolment components, linking each with the appropriate terms or assignments.

If you do not specify a TRU during the new hire process, note the following:

- If your organization has only one TRU, you do not need to create a TRU association on the card manually. The Pensions Automatic Enrolment assessment process obtains the necessary default values from the PSU-level Pensions Automatic Enrolment card or, if it exists, the TRU-level card.
- If your organization has multiple TRUs, you must associate a TRU to the Pensions Automatic Enrolment component manually.

Employee Classifications for Pensions Automatic Enrolment

The Automatic Enrolment Assessment process for pensions assesses employee age, earnings, and other criteria to determine eligibility for automatic enrolment in a qualifying pension scheme. The process assigns a classification to each employee it assesses. It is useful to understand the criteria and eligibility determination for each classification.

<table>
<thead>
<tr>
<th>Employee Classification</th>
<th>Criteria for Classification</th>
<th>Eligibility for Pensions Automatic Enrolment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not yet assessed</td>
<td>Assigned automatically to all employees by new hire process.</td>
<td>None.</td>
</tr>
<tr>
<td>Age exempt (non-entitled worker)</td>
<td>Worker aged under 16 or over 75.</td>
<td>Not eligible for automatic enrolment and not entitled to join a qualifying pension scheme.</td>
</tr>
<tr>
<td>Entitled worker</td>
<td>• Worker aged 16-74 (not a pensioner).</td>
<td>Entitled to join a pension scheme, which does not have to be a qualifying scheme. The employer has no obligation to contribute.</td>
</tr>
<tr>
<td></td>
<td>• Works in UK.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Qualifying earnings in pay reference period (PRP) are below the lower earnings threshold for qualifying earnings.</td>
<td></td>
</tr>
<tr>
<td>Non-eligible jobholder</td>
<td>• Works in the UK.</td>
<td>Not eligible for automatic enrolment, but can opt in to a qualifying pension scheme. If so, the employer must contribute.</td>
</tr>
<tr>
<td></td>
<td>• Matches one of the following:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Worker aged 16-21 with qualifying earnings in the PRP above the earnings trigger for automatic enrolment.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Worker aged between state pension age (SPA) and 74, with qualifying earnings in the PRP</td>
<td></td>
</tr>
</tbody>
</table>
Employee Classification | Criteria for Classification | Eligibility for Pensions Automatic Enrolment
--- | --- | ---
above the earnings trigger for automatic enrolment.  ◦ Worker aged 16 to 74 with qualifying earnings in the PRP at or below the earnings trigger for automatic enrolment but above the lower earnings threshold.

Eligible Jobholder  
• Worker aged 22 to SPA.  
• Works in UK.  
• Qualifying earnings in the PRP are above the earnings trigger for automatic enrolment.  
Employer must enrol the employee automatically in a qualifying pension scheme, unless the employee opts out.

Exempt  
Assigned manually to an employee to prevent them from being assessed.  
Not assessed for eligibility.

Pensions Automatic Enrolment Assessment Process

The Pensions Automatic Enrolment Assessment Multiple Updates process classifies workers to determine eligibility for automatic enrolment or re-enrolment in a qualifying pension scheme. Use the Submit a Payroll Flow task in the Payroll Checklists work area to run this process.

The process enables you to:

• Run a payroll to process earnings and assess them for eligibility.

• Perform the appropriate enrolment action based on the employee classifications and the values defined on their Pensions Automatic Enrolment cards

• Produce employer audit report for both enrolments and re-enrolments, including a section for those employees not automatically enrolled

• Produce employee notification letters

• Roll back the assessment run.

The process first checks to see if the automatic re-enrolment date is applicable to each employee in the population, taking into account the overriding re-enrolment dates, and if so runs the re-enrolment process. Otherwise, the normal assessment process is run for each eligible employee.

The following table summarizes the enrolment actions taken by the assessment process:

<table>
<thead>
<tr>
<th>Action</th>
<th>Action Trigger</th>
<th>Action Description</th>
</tr>
</thead>
</table>
| Automatic enrolment or re-enrolment | Employee is classified as an eligible jobholder (no postponement and no opt out) | • Creates a Benefits and Pensions calculation card and Qualifying Pension Scheme component  
• Updates the employee’s Pensions Automatic Enrolment card |
<table>
<thead>
<tr>
<th>Action</th>
<th>Action Trigger</th>
<th>Action Description</th>
</tr>
</thead>
</table>
| Manual enrolment     | Qualifying Scheme Joining Method is Manually Enrolled | • Generates payroll run results for the assessed values and pension contribution amounts
• Updates the employee’s Pensions Automatic Enrolment card. (A Benefits and Pensions card with the Qualifying Pension Scheme component, must have been previously created.)
• Generates payroll run results for the assessed values and pension contribution amounts |
| Opting in            | Qualifying Scheme Joining Method is Opt in | • Creates a Benefits and Pensions calculation card and Qualifying Pension Scheme component (if it does not already exist)
• Updates the employee’s Pensions Automatic Enrolment card
• Generates payroll run results for the assessed values and pension contribution amounts |
| Opting out           | Qualifying Scheme Joining Method is Opt out | • Updates the employee’s Pensions Automatic Enrolment card
• If the employee is currently enrolled, sets the end date on their Benefits and Pensions calculation card to stop contributions |
| Leaving a scheme     | Qualifying Scheme Joining Method is Left Scheme | • Updates the employee’s Pensions Automatic Enrolment card
• Sets the end date on their calculation card to stop contributions |
| Postponing enrolment | Automatic or manual postponement      | • Determines if one of the following postponement types applies:
  ◦ Worker postponement
  ◦ Eligible jobholder postponement
  ◦ DB or hybrid scheme postponement
• Updates the employee’s Pensions Automatic Enrolment card |

When to Run this Process

- Payroll managers and administrators should run this process at the beginning of each pay period, which allows time to send employee notification letters and process opt-out actions before a pension contribution is deducted. This practice helps reduce the number of pension refunds you may need to process in subsequent payrolls.
- You can also run the process periodically throughout the payroll period as earnings build. You can run the process multiple times during a pay period. Identifying potential issues early in the cycle gives you time to resolve issues before the cycle end date.
- To complete the process, use the Submit a Process or Report task in the Payroll Checklist work area to run Generate Pensions Automatic Enrolment Reports. This produces the employee reports or letters, according to your delivery preferences.
In the actual payroll run, the pension deduction elements created (or updated) by the assessment are processed.

Prerequisites
You must ensure that:

- Each employee being processed has a Pensions Automatic Enrolment card. A Pensions Automatic Enrolment card with one Pensions Automatic Enrolment component is created automatically during the new hire process.
- For manual enrolments, the employee also has a Benefits and Pensions calculation card containing a Qualifying Pension Scheme component.

Process Parameters

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Flow</td>
<td>Identifier for the process being run. Enter a unique value each time you run the process.</td>
</tr>
<tr>
<td>Payroll</td>
<td>Name of the payroll to process.</td>
</tr>
<tr>
<td>Payroll Period</td>
<td>Pay period (as defined in the payroll calendar) to process. The process automatically determines the pay reference period based on the selected payroll period.</td>
</tr>
<tr>
<td>Effective Date</td>
<td>Effective date for actions, such as enrolments, taken by this process.</td>
</tr>
<tr>
<td>Date Earned</td>
<td>Determines which earnings entries to process in the payroll run.</td>
</tr>
<tr>
<td>Consolidation Group</td>
<td>Identifies payrolls to process. Optional.</td>
</tr>
<tr>
<td>Run Type</td>
<td>Payroll run type, either regular or supplemental.</td>
</tr>
<tr>
<td>Payroll Relationship Group</td>
<td>Identifies payroll relationships to process. Optional.</td>
</tr>
<tr>
<td>Element Group</td>
<td>Identifies elements to process. Optional.</td>
</tr>
<tr>
<td>Process Configuration Group</td>
<td>Determines the rules for processing, such as logging and number of threads.</td>
</tr>
<tr>
<td>Correspondence Date</td>
<td>Date to print on employee notification letters.</td>
</tr>
</tbody>
</table>

Process Results

This process produces the following outputs:

- Employer audit reports
- Employee notification letters
To view or print process output:

1. Click **Go to Task** on the process checklist for the Run Pensions Automatic Enrolment Reports task.
2. On the Statutory Reports page, select the Processes and Reports tab and then click the icon in the View Results column.
3. On the View Results window, click the audit report or notification letter you want to view or print. You can also save the report locally.

**Pensions Automatic Enrolment Audit Reports**

The Pensions Automatic Enrolment audit reports displays all the changes that occurred during the most recent Pensions Automatic Enrolment process. It includes a section for each type of action performed by the process. Each section lists all employees for whom the action was taken and provides details, such as the employee’s age, classification, scheme name, and date the action was taken.

The Run Pensions Automatic Enrolment task generates these audit reports:

- Enrolment Report
- Re-Enrolment Report

**How to View Audit Reports**

To view the employer report after the process has completed:

1. Click Go to Task on the process checklist for the Run Pensions Automatic Enrolment reports task.
2. On the Statutory Reports page, select the Processes and Reports tab and then click the icon in the View Results column.
3. The View results window displays the audit reports that are generated. Select the relevant audit report.

**Enrolment Report**

The Enrolment report is divided into nine sections along with the employee’s name and additional details. The report displays the type of enrolment as described in this table:

<table>
<thead>
<tr>
<th>Type of Enrolment</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automatically Enrolled</td>
<td>Employees who became Eligible Jobholders during the current assessment with no postponement activated.</td>
</tr>
<tr>
<td>Manually Enrolled</td>
<td>Employees who belong to a scheme which wasn’t done through the Pensions Automatic Enrolment process.</td>
</tr>
<tr>
<td>Opt-In</td>
<td>Employees who have decided to opt into a qualifying pension scheme.</td>
</tr>
<tr>
<td>Opt-Out</td>
<td>Employees who have decided to opt out of a qualifying pension scheme.</td>
</tr>
<tr>
<td>Left Scheme</td>
<td>Employees who leave a scheme and their date of leaving.</td>
</tr>
<tr>
<td>Worker Postponement</td>
<td>Employees who got worker postponement within current assessment, the postponement rule in place, and the end date for the postponement.</td>
</tr>
</tbody>
</table>
### Re-Enrolment Report

The Re-Enrolment report displays employees that were either automatically re-enrolled or weren’t eligible for re-enrolment. The report displays this information along with the employee names and additional details:

<table>
<thead>
<tr>
<th>Type of Enrolment</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automatically Re-Enrolled</td>
<td>Employees who were assessed and automatically re-enrolled into a qualifying pension scheme in this period.</td>
</tr>
<tr>
<td>Not Automatically Re-Enrolled</td>
<td>Employees who were assessed but weren’t eligible for re-enrolment in this period and the associated reason.</td>
</tr>
</tbody>
</table>

### Pensions Notification Letters

The employee notification letters inform employees of their classification, any action taken by the assessment process, and any action available to them, such as opting in or out.

The Run Pensions Automatic Enrolment Reports process produces the following types of employee notification letters for distribution to employees:

- Enrolled
- Postponement
- Not Enrolled

### View Notification Letters

To view or print the employee notification letters after the process has completed:

1. Click Go to Task on the process checklist for the Run Pensions Automatic Enrolment Reports task.
2. On the Statutory Reports page, select the Processes and Reports tab and then click the icon in the View Results column.
3. On the View Results window, click the notification letter report you want to view or print.

**Note:** If you have set the Online delivery preference, then the letter content is not visible within these files, but visible in the employee’s document records.
Modify Notification Letters

The Pensions Automatic Enrolment process outcome determines whether an employee must be sent a letter and the type of notification letter based on the assessment outcome. The notification letters are delivered as templates that are prescribed by the Pensions Regulator. You can modify the notification letters, as required. You can do this in the Business Intelligence Publisher.

Set Delivery Preferences for Notification Letters

To support delivery preferences, a document type `ORA_HRX_GB_PAE_LETTERS` is provided for the pension letter templates. You set these preferences using the Manage Document Types task. The default delivery preference is set to Paper. However, you can change this to Online to enable employees to view their notification letters using the Employee Self Service (ESS).

Earnings Assessment for Pensions Automatic Enrolment

To determine eligibility for automatic enrolment, the Pensions Automatic Enrolment Assessment process estimates the automatic enrolment pensionable earnings to be paid in the _pay reference period_ (PRP) and compares it to the earnings thresholds defined by HM Revenue and Customs (HMRC).

Automatic Pensions Enrolment Assessable Earnings

For each employment being assessed, the process identifies all element entries attached to the assignment (or multiple assignments if earnings are aggregated) for the given PRP that match the following criteria:

- A primary classification of Regular Earnings or Irregular Earnings
- A subclassification of Pensions Automatic Enrolment Assessable

> **Note:** If earnings from multiple assignments with different payrolls are being aggregated, the process uses the PRP of the payroll defined in the **Payroll for Pay Reference Period** field on the employee's Pensions Automatic Enrolment calculation card.

The process then calculates the net sum of the pay values for each element entry to derive the estimated Automatic Enrolment Pensionable Earnings for the pay reference period.
Classification for Automatic Enrolment

The following figure illustrates how earnings are assessed to determine worker classification for automatic enrolment:

<table>
<thead>
<tr>
<th>Employee Earnings per Annum</th>
<th>Age Under 16</th>
<th>Age 16 to 22</th>
<th>Age 22 to Pension Age</th>
<th>Pension Age to 75</th>
<th>Age Over 75</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings &lt; QLET</td>
<td>Non-Entitled Worker</td>
<td>Entitled Worker</td>
<td>Entitled Worker</td>
<td>Entitled Worker</td>
<td>Non-Entitled Worker</td>
</tr>
<tr>
<td>Earnings &gt; QLET &amp; &lt; QEAET</td>
<td>Non-Entitled Worker</td>
<td>Non-Eligible Jobholder</td>
<td>Non-Eligible Jobholder</td>
<td>Non-Eligible Jobholder</td>
<td>Non-Entitled Worker</td>
</tr>
<tr>
<td>Earnings &gt; QEAET</td>
<td>Non-Entitled Worker</td>
<td>Non-Eligible Jobholder</td>
<td>Eligible Jobholder</td>
<td>Non-Eligible Jobholder</td>
<td>Non-Entitled Worker</td>
</tr>
</tbody>
</table>

QELT: Qualifying Earnings Lower Threshold
QEAET: Qualifying Earnings Automatic Enrolment Trigger

Qualifying Earnings Thresholds

After calculating the automatic enrolment assessable earnings, the process derives the qualifying earnings by calculating the portion of the assessable amount that is between the lower and upper thresholds relevant for the pay frequency. For example, given the following:

- Automatic enrolment pensionable earnings: 4,000.00
- Qualifying earnings lower threshold (monthly pay frequency): 464.00
- Qualifying earnings upper threshold (monthly pay frequency): 3322.00

The qualifying earnings are 2858.00 (3322 less 464).

**Note:** Threshold values are stored in the calculation value definitions. HMRC periodically updates the thresholds. They may not change every year, and they may change on a date other than 6th April. Oracle provides updated calculation value definitions as the Department of Work and Pensions (DWP) makes the new thresholds available.

Manually Enrolling an Employee into a Qualifying Pension Scheme

You can manually enrol an employee in a qualifying pension scheme if that employee does not qualify for automatic enrolment, such as an exempt or entitled worker. You can also use manual enrolment if an employee is already enrolled in a qualifying pension scheme for one or more eligible terms or assignments and wants to enrol in another qualifying pension scheme for another employment for the same payroll relationship. Some employers use manual enrolment if they contractually enrol all employees in a pension scheme on their first day of employment.

Manual enrolment involves these tasks:

- Creating a Benefits and Pensions calculation card
- Updating the Pensions Automatic Enrolment calculation card
Before You Start

Before manually enrolling an employee, ensure that:

- An element exists for the qualifying pension scheme in which you are enrolling the employee and eligibility has been defined for the element.
- The employee has a Pensions Automatic Enrolment card. For most employees, the application creates this card automatically during the New Hire process.

Create a Benefits and Pensions Calculation Card

1. Select the Manage Calculation Cards task in the Payroll Calculation work area.
2. Search for and select the payroll relationship for the employee you want to enrol.
3. On the Manage Person Details page, click Create to add a new card.
4. In the Create Calculation Card window, select Benefits and Pensions and click Continue.
5. Click Add Row in the Calculation Components section.
6. In the Calculation Component field, select the scheme into which you want to enrol the employee. The name of the component matches the name of the pension scheme element previously created.
7. Save the card.

Update the Pensions Automatic Enrolment Card (Employee Not Previously Enrolled)

If you are manually enrolling an employee who was not automatically enrolled in a qualifying pension scheme, follow the steps below. Otherwise, skip to the next section.

1. Open the employee’s Pensions Automatic Enrolment card for editing (also using the Manage Calculation Cards task).

   ✍️ Note: The Pensions Automatic Enrolment card is created automatically when an employee is hired.

2. In the Component Details section, select Edit > and Update.
3. Complete the following fields:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qualifying Scheme Joining Method</td>
<td>Select Manually enrolled.</td>
</tr>
<tr>
<td>Qualifying Scheme Joining Date</td>
<td>Enter the enrolment date.</td>
</tr>
<tr>
<td>Active Qualifying Scheme Name</td>
<td>Select the name of the qualifying pension scheme for manual enrolment.</td>
</tr>
<tr>
<td>Qualifying Scheme Component</td>
<td>Select the name of the qualifying pension scheme you previously added to the employee’s Benefits and Pensions calculation card.</td>
</tr>
</tbody>
</table>

4. Save the calculation card.
5. Run the Pensions Automatic Enrolment Assessment process before running your full payroll cycle to verify successful enrolment and generate notification letters.
Create a Pensions Automatic Enrolment Component for Additional Qualifying Scheme (Employee Currently Enrolled)

If you are manually enrolling an employee who is currently enrolled in another qualifying pension scheme, follow the steps below.

1. Open the employee’s Pensions Automatic Enrolment card for editing (Manage Calculation Cards task).
2. Create an additional Pensions Automatic Enrolment component on the card.
3. Complete the following fields in the Calculation Component Details section:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Classification for Pensions</td>
<td>Select the employee’s current classification. If the employee is an eligible jobholder, you must enter the Eligible Jobholder Date, which is the date the employee was assessed as an eligible jobholder by the Pensions Automatic Enrolment Assessment process. (The process automatically set this date on the employee’s original Pensions Automatic Enrolment component.)</td>
</tr>
<tr>
<td>Qualifying Scheme Joining Method</td>
<td>Select Manually enrolled.</td>
</tr>
<tr>
<td>Qualifying Scheme Joining Date</td>
<td>Enter the enrolment date.</td>
</tr>
<tr>
<td>Qualifying Scheme Component</td>
<td>Select the qualifying pension scheme you previously added to the employee’s Benefits and Pensions calculation card.</td>
</tr>
</tbody>
</table>

4. Create an association to the appropriate tax reporting unit.
5. Create association details to link each Pensions Automatic Enrolment component (the new one and the original one) with the appropriate terms or assignments.

Note: By default, the original Pensions Automatic Enrolment component has no association details; earnings for all terms or assignments for the payroll relationship are considered during the initial pensions automatic enrolment assessment. If you add a Pensions Automatic Enrolment component, you must define association details for both components.

6. Save the calculation card.
7. Run the Pensions Automatic Enrolment Assessment process before running your full payroll cycle to verify successful enrolment and generate notification letters.

Opt In to a Qualifying Pension Scheme

A non-eligible jobholder can opt in to a qualifying pension scheme at any time. An eligible jobholder can opt in to a qualifying scheme after previously opting out or leaving the scheme.

Before You Start

Make sure that:

- An element exists for the qualifying scheme the employee is opting into, and eligibility has been defined.
- The employee has a Pensions Automatic Enrolment card. For most employees, this card is created automatically during the New Hire process.
Update the Pensions Automatic Enrolment Card for the Opt-In Action

Opting in involves updating the employee’s Pensions Automatic Enrolment calculation card as summarized here:

- Open the employee’s pensions calculation card for editing (Manage Calculation Cards task).
- Complete the following fields in the Calculation Component Details section:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Qualifying Scheme Name</td>
<td>Select the name of the scheme you’re enrolling the employee in.</td>
</tr>
<tr>
<td>Qualifying Scheme Joining Method</td>
<td>Select Opt in.</td>
</tr>
<tr>
<td>Qualifying Scheme Joining Date</td>
<td>Enter the opt-in enrolment date.</td>
</tr>
</tbody>
</table>

- Save the calculation card.
- Run the Pensions Automatic Enrolment Assessment process before running your full payroll cycle to verify successful enrolment and generate notification letters.

Opt Out of a Qualifying Pension Scheme

An eligible jobholder can opt out of a qualifying pension scheme into which they were automatically enrolled. A non-eligible jobholder can opt out of a qualifying scheme for which they previously opted in. Opting out must occur within the opt-out period. After that date, an employee must leave, rather than opt out, of a scheme.

\[\text{Note:}\] An employee who was manually enrolled in a qualifying scheme must leave, rather than opt out, of the qualifying scheme.

Before you Start

Make sure that:

- The employee is currently enrolled in a qualifying scheme (either by automatic enrolment or by opting in).
- The opt-out period end date hasn’t yet been reached.

Update the Pensions Automatic Enrolment Card for the Opt-Out Action

Opting out involves updating the employee's Pensions Automatic Enrolment calculation card as summarized here:

1. Use the Manage Calculation Cards task to open the employee’s pensions calculation card for editing.
2. Complete the following fields in the Calculation Component Details section:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reason for Leaving Qualifying Scheme</td>
<td>Select Opt out.</td>
</tr>
<tr>
<td>Qualifying Scheme Leaving Date</td>
<td>Enter the opt-out date.</td>
</tr>
</tbody>
</table>
3. Save the calculation card.
4. Run the Pensions Automatic Enrolment Assessment process.

The process end-dates the employee’s Benefits and Pensions card and removes the qualifying scheme details from the pensions card. The employee’s classification for pensions remains unchanged.

How Can an Employee Leave a Qualifying Pension Scheme

An employee can leave a qualifying pension scheme in which they are currently enrolled.

![Note: Leaving a scheme is different from opting out. Use this procedure only for employees who were manually enrolled in a qualifying scheme or who are leaving a scheme after the opt-out period ends. If an employee was automatically enrolled or has opted in to a qualifying scheme and wants to opt out before the opt-out period end date, use the Opt-Out action.]

Before You Start

Make sure that:

- The employee is currently enrolled in a qualifying scheme.
- If the joining method was automatic enrolment or opt-in, the opt-out period has ended.

Update the Pensions Automatic Enrolment Card

When an employee leaves a qualifying scheme, you must update their Pensions Automatic Enrolment calculation card, as summarized here:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reason for Leaving Qualifying Scheme</td>
<td>Select Left scheme.</td>
</tr>
<tr>
<td>Qualifying Scheme Leaving Date</td>
<td>Enter the leaving date.</td>
</tr>
</tbody>
</table>

3. Save the calculation card.
4. Run the Pensions Automatic Enrolment process.

The process end-dates the employee’s Benefits and Pensions card so that no more deductions are taken. The employee’s classification for pensions remains unchanged.

Override the Default Qualifying Scheme for an Employee

You can override the default qualifying pension scheme before an employee is automatically enrolled. When the Automatic Pensions Enrolment Assessment process runs, it automatically enrolls the employee in the overriding scheme if the employee is assessed as an eligible jobholder.
Note: Once an employee has been enrolled in a qualifying scheme, you must end their enrolment in the current scheme, either by opting out or by leaving the qualifying scheme. Then you can manually enrol them in the new scheme.

Before You Start

Make sure that:

- An element exists for the overriding qualifying scheme and eligibility has been defined.
- The employee has a Pensions Automatic Enrolment card. For most employees, this card is created automatically during the New Hire process.

Update the Pensions Automatic Enrolment Calculation Card

To override the default qualifying scheme, you must update the employee’s Pensions Automatic Enrolment calculation card before they are automatically enrolled.

1. Open the employee’s pensions calculation card for editing (Manage Calculation Cards task).
2. In the Component Details section, expand the Pensions Automatic Enrolment section.
3. In the Overriding Qualifying Scheme Name field, select the qualifying scheme for this enrolment.
4. Save the calculation card.
5. Run the Pensions Automatic Enrolment Assessment process.

Examples of Pay Reference Period for Pensions Automatic Enrolment

The pay reference period (PRP) is the period of time over which earnings are assessed for automatic enrolments. The PRP relates to the period for which payments are made (and considered payable), regardless of when they are earned. The PRP may be different than the standard payroll period defined in the payroll calendar, which defines the dates during which pay accrues. PRPs are typically aligned with tax periods. Thus, for a monthly payroll, the PRP runs from the 6th to the 5th of the following month.

For payrolls with a negative offset or no offset from the normal payment date, the PRP start and end dates are the same as the payroll earnings period start and end dates. For payrolls with a positive offset, the dates are different.

Weekly Payroll with No Offset

This is a simple example of how the pay reference period is calculated for a weekly payroll with no offset:

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay frequency</td>
<td>Weekly</td>
</tr>
<tr>
<td>Payroll period start date</td>
<td>03-Sep-2017</td>
</tr>
<tr>
<td>Payroll period end date</td>
<td>09-Sep-2017</td>
</tr>
<tr>
<td>Normal payment date</td>
<td>09-Sep-2017</td>
</tr>
<tr>
<td>Pay reference period</td>
<td>7-Sep to 13-Sep-2017</td>
</tr>
</tbody>
</table>
Weekly Payroll with Positive Offset

Here's a simple example of how the pay reference period is calculated for a weekly payroll with positive offset:

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay frequency</td>
<td>Monthly</td>
</tr>
<tr>
<td>Payroll period start date</td>
<td>01-Sep-2017</td>
</tr>
<tr>
<td>Payroll period end date</td>
<td>30-Sep-2017</td>
</tr>
<tr>
<td>Normal payment date</td>
<td>20-Sep-2017</td>
</tr>
<tr>
<td>Pay reference period</td>
<td>10-Sep to 16-Sep-2017</td>
</tr>
</tbody>
</table>

Monthly Payroll with Negative Offset

This is a simple example of how the pay reference period is calculated for a monthly payroll with negative offset:

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay frequency</td>
<td>Weekly</td>
</tr>
<tr>
<td>Payroll period start date</td>
<td>03-Sep-2017</td>
</tr>
<tr>
<td>Payroll period end date</td>
<td>09-Sep-2017</td>
</tr>
<tr>
<td>Normal payment date</td>
<td>09-Sep-2017</td>
</tr>
<tr>
<td>Pay reference period</td>
<td>06-Sep to 05-Oct-2017</td>
</tr>
</tbody>
</table>

FAQs for Pensions Automatic Enrolment

When should I run the Pensions Automatic Enrolment Assessment Process?

Run the process at the beginning of the pay period to assess employees and generate notification letters. Run it again at the end of the period, just before the full payroll cycle. This gives employees a chance to opt out before a pension contribution is deducted in a payroll run, avoiding the need to process refunds. Also, it ensures that the final assessment takes into account any special payments or last-minute changes that may affect earnings.
How do I manually exempt a worker from pensions automatic enrolment?

To exclude an employee from pensions automatic enrolment, select Exempt in the Employee Classification for Pensions field on the employee’s Pensions Automatic Enrolment calculation card. This prevents the Pensions Automatic Enrolment Assessment process from assessing the employee during the payroll run and prevents their automatic enrolment.

Can I set up multiple qualifying pension schemes?

Yes, but you must define one as the default scheme to be used for automatic enrolment purposes. Do this on the Pensions Automatic Enrolment calculation card at the payroll statutory or tax reporting unit level.

What happens if workers' incomes change after they have been automatically enrolled in a qualifying pension scheme?

Nothing. Once workers' are enrolled in a qualifying pension scheme, they aren't reassessed unless you manually change their Employee Classification for Pensions or the Qualifying Scheme Joining Method on their Pensions Automatic Enrolment card.

Can I apply an eligible jobholder postponement immediately after a worker postponement?

No. If an employee is assessed as an eligible jobholder at the end of a worker postponement period, automatic enrolment must take place.

However, if the employee is assessed as a non-eligible jobholder at the end of the worker postponement and is later assessed as an eligible jobholder, you can apply an eligible jobholder postponement at the later date. There must be a gap of at least one day between the end of the worker postponement and the date the person becomes an eligible jobholder.

Can I apply multiple eligible jobholder postponements?

Yes, as long as they are not contiguous. If at the end of an eligible jobholder postponement period the employee is assessed as a non-eligible jobholder, you may apply another eligible jobholder postponement that would apply if the employee is later assessed as an eligible jobholder.

Can I enrol an employee in more than one qualifying pension scheme?

Yes. If an employee is currently enrolled in a qualifying pension scheme for one or more eligible terms or assignments, you can manually enrol them in another qualifying pension scheme for a different earnings group. Create an additional Pensions
Automatic Enrolment component on the employee’s calculation card, and complete the fields as appropriate for manual enrolment.

What's the pay reference period if earnings are aggregated from multiple assignments with different payrolls?

It’s the pay reference period of the payroll selected in the Payroll for Pay Reference Period field on the employee’s Pensions Automatic Enrolment calculation card.

What's the pay reference period for weekly and monthly payrolls?

The pay reference period (PRP) is the period of time over which earnings are assessed for pensions automatic enrolment. PRPs are aligned with tax periods. Thus, for a monthly payroll, the PRP runs from the 6th of one month to the 5th of the following month. For weekly payrolls, the PRP is based on the tax week, which starts on the 6th of the month and lasts for 7 days. Multiples of the tax week apply for fortnightly and lunar (4-weekly) payrolls.

What's the opt-out period for qualifying pension schemes?

A period of one calendar month after enrolment during which an employee can opt out and get a full refund of any contributions. The opt-out period start date is either the enrolment date or the date the employee received notification of their enrolment, whichever is later. An employee can’t opt out before the opt-out period starts or after it ends. After it ends, they must leave the scheme, rather than opt out. At that time, refund of contributions depends on the pension scheme rules.

Involuntary Deductions

How You Add Involuntary Deductions to a Calculation Card

You use element templates to create the involuntary deduction elements supported for your legislation, such as bankruptcy orders, garnishments, child support payments, tax levies, and educational loans. 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:

**Prerequisites**
Before you can add an involuntary deduction to a personal calculation card, you must first:

- Create a third party to receive the payment.
- Create a third-party payment method.
- Create an involuntary deduction element.

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.

**Entering Values for the Deduction Amounts**

You enter the order amount, fee, or other amounts used in the calculation on the calculation card. The values you enter replace any default values defined in calculation value definitions. The default order amount for an involuntary deduction is typically zero.

To create overrides on the Enterable Calculation Values on the Calculation Cards tab, complete the fields as shown in the following table. The values you can enter may vary by country or territory, but typically include the items 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 20 in the Rate field.

<table>
<thead>
<tr>
<th>Calculation Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order Amount</td>
<td>Rate or amount paid to the Order Amount Payee based on the frequency you specified.</td>
</tr>
<tr>
<td></td>
<td>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.</td>
</tr>
<tr>
<td></td>
<td>If you leave the Frequency field blank, this amount is deducted at the payroll frequency defined at the assignment level.</td>
</tr>
<tr>
<td>Organization Fee</td>
<td>Rate or amount paid to the Organization Fee Payee each time the deduction is processed.</td>
</tr>
<tr>
<td>Person Fee</td>
<td>Rate or amount paid to the Person Fee Payee each time the deduction is processed.</td>
</tr>
<tr>
<td>Processing Fee</td>
<td>Rate or amount paid to the Processing Fee Payee each time the deduction is processed.</td>
</tr>
</tbody>
</table>
## Calculation Value

<table>
<thead>
<tr>
<th>Calculation Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Fee</td>
<td>Rate or amount paid to Processing Fee Payee the first time this deduction is processed.</td>
</tr>
<tr>
<td>Maximum Withholding Amount and Minimum Withholding Amount</td>
<td>Maximum and minimum rates or amounts that can be withheld in one payroll period for this deduction.</td>
</tr>
<tr>
<td>Maximum Withholding Duration</td>
<td>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.</td>
</tr>
<tr>
<td>Protected Pay Amount</td>
<td>Amount of the employee's pay that is exempt from this deduction. Only pay exceeding this amount is included in the deductible amount (available for the deduction).</td>
</tr>
<tr>
<td>Exemption Percentage</td>
<td>Percentage of the employee’s pay that is exempt from this deduction.</td>
</tr>
</tbody>
</table>

### Related Topics

- [Creating Third Parties Options](#)
- [Creating Third-Party Payment Methods](#)

## Fee and Proration Rules for Involuntary Deductions

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.

## Examples of Involuntary Deduction Processing

Processing rules may vary by the legislation or the legal authority issuing the order for an involuntary deduction. These examples illustrate the processing of fees, protected pay amounts, and when employees have multiple assignments and payrolls.
Payroll processing first calculates disposable income using the disposable income rules. Then it looks at the exemption rules to calculate the amount exempt from withholding. Using these amounts, it can calculate the amount available to deduct.

**Note:** The payroll process calculates disposable income once, based on the highest processing priority card component. The exception is regional tax levies, which have a separate disposable income calculation.

Use these examples to understand how involuntary deductions are processed in different scenarios:

- Involuntary deduction has initial fee and processing fee
- Deduction amount exceeds protected pay amount
- Employee has multiple assignments and payrolls
- Multiple orders exist with different protected pay amounts

### Involuntary Deduction Has Initial Fee and Processing Fee

Scenario: An employee in Country 1 is issued a court order for a monthly garnishment of 500. The order is subject to two fees. Both fees are paid to the agency responsible for administering the account. The agency then forwards the payments to the recipients:

- A one time initial fee of 10
- A monthly processing fee of 10

On the involuntary deduction calculation card:

1. Add a **calculation component** for a garnishment.
2. In the Calculation Component Details tab:
   - Select the **Order Amount Payee** and the **Processing Fee Payee**. The processing fee payee is also the initial fee payee.
   - Select **Monthly** in the Frequency field.
3. In the Enterable Calculation Values tab, enter the following values:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order Amount</td>
<td>500</td>
</tr>
<tr>
<td>Processing Fee</td>
<td>10</td>
</tr>
<tr>
<td>Initial Fee</td>
<td>10</td>
</tr>
</tbody>
</table>

Payroll Run Results:

- The amount of the employee’s pay subject to deduction is 1000.
- During the first monthly payroll after the court order is received, both the initial fee amount and the processing fee are deducted. The total deduction amount is 520.
- In subsequent payroll runs, the order amount and the processing fee are deducted. The total deduction amount is 510.
Deduction Amount Exceeds Protected Pay Amount

Scenario: An employee in Country 2 is issued a court order for the amount of 100 per month. However, protected pay rules defined for the deduction require that the employee take home at least 700, after all deductions.

On the involuntary deduction calculation card:

1. Add a calculation component for a court order.
2. In the Calculation Component Details tab:
   - Select the **Order Amount Payee** and the **Processing Fee Payee**.
   - Select Monthly in the Frequency field.
3. In the Enterable Calculation Values tab, enter the following values:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order Amount</td>
<td>100</td>
</tr>
<tr>
<td>Protected Pay</td>
<td>700</td>
</tr>
</tbody>
</table>

Payroll Run Results:

- The amount of the employee’s pay subject to the deduction is 750.
- A deduction amount of 100 would leave only 650 for the final pay amount. Therefore, only 50 is deducted for the month.
- The remaining balance of 50 isn’t placed in arrears, based on processing rules defined for this deduction.

Employee Has Multiple Assignments and Payrolls

Scenario: An employee has one payroll relationship with two assignments. They receive paychecks from two different payrolls. One payroll is run on a weekly basis. The other is run on a monthly basis.

The employer receives a court order to deduct 200 per month from the employee’s wages. The court order amount must be deducted from all available money, regardless of the payroll. If the total order amount can’t be deducted from the first payroll run, then the following occurs. The remaining balance must be deducted from one or more subsequent runs during the month, until the full amount is paid.

On the involuntary deduction calculation card:

1. Add a calculation component for a court order.
2. In the Calculation Component Details tab:
   - Select the **Order Amount Payee**.
   - Select Monthly in the Frequency field.
3. In the Enterable Calculation Values tab, enter the following value:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order Amount</td>
<td>200</td>
</tr>
</tbody>
</table>
Payroll Run Results:

- During the first weekly payroll run, only the amount of 50 can be deducted, leaving an amount owed of 150 for the month.
- When the next weekly payroll is run, the deduction can't be taken due to insufficient pay; the balance for the month remains 150.
- The monthly payroll runs before the next weekly payroll is run. The remaining amount of 150 owed for the deduction is taken during the monthly payroll run.
- No money is deducted during the subsequent weekly payroll runs for this month.

**Note:** If a person has two assignments for different payroll relationships, they would typically be issued two different court orders, one for each employment. In this case, you would add each court order to a different calculation card.

### Multiple Orders Exist with Different Protected Pay Amounts

**Scenario:** An employee in Country 2 has three court orders. Each court order has a different protected pay amount.

1. On the involuntary deduction calculation card add three calculation components for child support.
2. For each calculation component, select *Monthly* in the Frequency field.
3. Define the protected pay and order amount values for each deduction as shown in the following table:

<table>
<thead>
<tr>
<th>Involuntary Deduction</th>
<th>Protected Pay Amount</th>
<th>Order Amount</th>
<th>Date Received</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Support 1</td>
<td>500</td>
<td>1000</td>
<td>23 January 2012</td>
</tr>
<tr>
<td>Child Support 2</td>
<td>600</td>
<td>1100</td>
<td>2 February 2012</td>
</tr>
<tr>
<td>Child Support 3</td>
<td>1000</td>
<td>1200</td>
<td>2 February 2012</td>
</tr>
</tbody>
</table>

**Payroll Run Results:**

The net amount available for involuntary deductions in the payroll run is 2000 GBP. Based on the processing priority defined for child support payments, the payroll run processes the involuntary deductions in order by date received.

Here's the result:

- Child Support 1 is paid in full, leaving 1000 available for other deductions.
- Child Support 2 is paid an amount of 400 (1000 less protected pay of 600).
- Child Support 3 is not paid. The total amount is placed in arrears, based on processing rules defined for the deduction.

### Overview of Court Orders, Student Loans, and Postgraduate Loans

You can set up Attachment of Earnings and allocate them to make required deductions from your employees. This is part of involuntary deductions. The term court includes all issuing authorities. The attachment of earnings, also commonly referred to as court orders, includes all types of attachment orders.
You can use this feature to set up and allocate these:

- Different types of court orders
- Student loans
- Postgraduate loans

Set Up Court Order Elements

You must create the court order elements before you create a Court Orders and Student Loans calculation card. Here are the key tasks you must perform while setting up elements for court orders:

- Create court order elements
- Select element classifications
- Set up element eligibility

The application creates the required indirect elements and the predefined fast formulas.

Create Court Order Elements

You must only create one element for each order type. Here is what you need to do to create court order elements:

1. Select the Manage Elements task from the Payroll Calculations work area.
2. Select Create Element.
3. On the Create Element screen, select the relevant legislative data group.
4. Select the primary classification Involuntary Deductions.
5. Select the secondary classification from the list of values based on the appropriate court order type.

Note: The category is automatically set to Involuntary Deductions.

6. Click Continue.
7. Enter the required information, and answer the questions in the associate element template.
8. Click Next.
9. Review the information, and click Submit to create the element.
10. Select the Manage Elements task to view the court order element you created.

Select Element Classifications

When you add the deduction component for the element to an employee’s Court Orders and Student Loans calculation card, you can use the calculation values specific to that order. You can do this by selecting the appropriate secondary element classification.

<table>
<thead>
<tr>
<th>Secondary Classification</th>
<th>Order Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attachment of Earnings Order Fines</td>
<td>Used in England and Wales to recover fines.</td>
</tr>
<tr>
<td>Attachment of Earnings Order Non-Priority</td>
<td>Used in England and Wales to recover civil debts.</td>
</tr>
<tr>
<td>Attachment of Earnings Order Non-Priority Northern Ireland</td>
<td>Used in Northern Ireland to recover civil debts.</td>
</tr>
<tr>
<td>Secondary Classification</td>
<td>Order Description</td>
</tr>
<tr>
<td>------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Attachment of Earnings Order Priority</td>
<td>Used in England and Wales to recover maintenance and fines.</td>
</tr>
<tr>
<td>Attachment of Earnings Order Priority Northern Ireland</td>
<td>Used in Northern Ireland to recover maintenance and fines.</td>
</tr>
<tr>
<td>Child Maintenance Service Deduction from Earnings Order</td>
<td>Used in England, Wales, Northern Ireland, and Scotland to recover child support payments.</td>
</tr>
<tr>
<td>Conjoined Arrestment Order</td>
<td>Used in Scotland to combine two or more debts, such as Earnings Arrestment, Current Maintenance Arrestment, or both.</td>
</tr>
<tr>
<td>Council Tax Attachment of Earnings Order</td>
<td>Used in England and Wales to recover council tax.</td>
</tr>
<tr>
<td>Current Maintenance Arrestment</td>
<td>Used in Scotland to recover maintenance costs.</td>
</tr>
<tr>
<td>Deduction from Earnings Order (DEO)</td>
<td>Used in England, Wales, Northern Ireland, and Scotland to recover child support payments. Use this classification for DEOs prior to 2003 and after 2003, even though they have different calculation schemes. You specify which scheme to use when you add the order to the employee’s calculation card.</td>
</tr>
<tr>
<td>Earnings Arrestment</td>
<td>Used in Scotland to recover civil debt, fines, or arrears of community tax or council tax.</td>
</tr>
<tr>
<td>Direct Earnings Attachment</td>
<td>Used in England, Scotland, and Wales to deduct benefit overpayments an employee owes the Department for Work and Pensions from their pay.</td>
</tr>
</tbody>
</table>

**How Indirect Element Are Created**

When you save an involuntary deductions element, the task automatically creates the required indirect elements.

- **Initialize** and **Processor**: Internal elements that ensure the relevant links and results for the court orders are created
- **Fee Results**: Fees amount for court order administration, if any.
- **Deduction Results**: Deduction amount calculation by the payroll process.
- **Adjustment**: Adjustment or override value for that payroll period.

> **Note:** The element template creates the element only if it is relevant for a specific court order. For example, the adjustment, arrears results, and fee results elements are created only if required.

**How Fast Formulas Are Created**

When you create the court order element using the element template, it ensures the relevant fast formulas are attached to your elements during the creation process.

> **Note:** Don’t edit these fast formulas or the result values. The application updates them periodically to meet statutory and legislative requirements.
Set Up Payroll Elements

Chapter 12

Set Up Element Eligibility

To attach elements to employees, you must set the eligibility for the element. When you create the Court Orders and Student Loans card, the application automatically creates the court orders and student loans element. And, the element eligibility is created by default.

If there is an Adjustment element, you must create the element eligibility for it. Here’s how you can do this:

1. Select the Manage Elements task from the Payroll Calculations work area.
2. Search for and select the court order element you created.
3. Select the relevant Arrears element that was automatically created.
4. In the Element Overview pane, select the folder Element Eligibility.
5. Click Actions.
6. Select Create Element Eligibility.
7. Enter a unique name for the eligibility record.
8. Select the relevant payroll statutory unit.
9. Select the relationship type from the list of values.
10. Click Submit.

Note: Don’t enter any values in the Input Values tab. Use this only if you need to set up a separate element for a particular court order issued for an employee.

Set Up Deductions for Court Orders

You must create a Court Orders and Student Loans calculation card to create court order deductions for an employee. And then you can add one or more court order deduction components to the card.

Before You Start

Before you start creating court order deduction, make sure you complete these tasks.

<table>
<thead>
<tr>
<th>Task</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manage Elements</td>
<td>• Create the court order element.</td>
</tr>
<tr>
<td></td>
<td>• Define the element eligibility.</td>
</tr>
<tr>
<td></td>
<td>• Identify attachable earnings. By default, all new elements you create for both Regular and Irregular Earnings classifications have a subclassification of Attachable Earnings. They are subject to all court order involuntary deductions. If needed, modify the subclassifications for an Earnings element to exclude its earnings from the total attachable earnings amount. You can do this for all or specific deductions.</td>
</tr>
<tr>
<td>Manage Common Lookups</td>
<td>• Define court order issuing authorities in the lookup Issuing Authority for GB Court Orders.</td>
</tr>
<tr>
<td></td>
<td>• For each order you add to an employee’s calculation card, select a predefined issuing authority.</td>
</tr>
<tr>
<td>Manage Third-Parties</td>
<td>• Create the payee that should receive the court order payments.</td>
</tr>
<tr>
<td></td>
<td>• In the Party Usage Code field, select External Payee.</td>
</tr>
</tbody>
</table>

Create the Calculation Card

Now you’re ready to create the Court Orders and Student Loans calculation card.

1. In Payroll Calculation, search for and select the person for whom you want to create the calculation card.
2. Select the Manage Calculation Cards task.
3. Click Create.
4. On the Create Calculation Card screen, select the calculation card name Court Orders and Student Loans.
5. Click Continue.

Note: Creating the calculation card automatically creates a Court Order Information component.

Add the Court Order Components
To add court order calculation component and calculation component details, follow these steps:

1. In the Calculation Components section, click Add Row.
   You will find a list of all the elements created under primary classification Involuntary Deductions and secondary classification for the specific court order type.
2. In the Create Calculation Component window, select the calculation component with the same name as the previously-defined court order element.
3. In the Parent Calculation Component field, select Court Order Information.
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. Click OK

The calculation component displays the court order you created as a new record. The corresponding calculation component details is automatically created.

You can create one record for each court order type that's issued to the employee. For some court order types, you may need to enter additional information in the Calculation Components Details section. For example:

- Attachment of Earnings Orders and Deductions from Earnings Orders
  If the employee has multiple terms or assignments with different frequencies, identify the main earnings to be used for deductions calculation. Specify a weekly or monthly frequency for it.
- Deduction from Earnings Orders
  Because the deduction calculation varies depending on when the order was assessed, specify the calculation type.

Define Calculation Values for Court Order Deductions
The calculation value sets are based on the court order type that you added to the employee. Here's how you can define calculation values for processing court order deductions:

1. In the Court Orders and Student Loans calculation card, click the Enterable Calculation Values on Calculation Cards tab.
2. Click Create.
3. On the Edit Calculation Values window, select a calculation value in the Name field and enter the appropriate value.

The enterable calculation values for each order type are shown in the following table.

Note: You can save the deduction component without defining all required enterable values. But the payroll run can’t properly calculate the deduction amounts unless you provide these values.

<table>
<thead>
<tr>
<th>Order Type</th>
<th>Enterable Calculation Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attachment of Earnings Order Priority</td>
<td>*Normal Deduction Rate</td>
</tr>
</tbody>
</table>
4. Click OK.
5. Repeat these steps for each required calculation value set.

Define Association Details for Court Order Deductions

Once you have created the court orders components, you must create the associations. You can create the associations at two levels:

- Association between the parent components, such as Court Order Information and the tax reporting unit (TRU). Multiple associations can exist if the court order calculation components are used by more than one TRU.
- Association between the child component, such as the relevant calculation component details and assignments of the employee. If the court order deduction applies to all terms or assignments included in the payroll relationship, you don't need to create association details.

Here's how you can create associations for the court order deductions:

1. In the Court Orders and Student Loans calculation card, navigate to the Calculation Card Overview section and click Associations.
2. In the Associations section, click Create.
3. Select a TRU for this payroll relationship, and click OK.
4. In the Association Details section, click Create.
5. In the Assignment Number field, select the assignment that's subject to this deduction.
6. Repeat these steps for each assignment applicable to this deduction.
7. Save the card.
Repeat this entire process to create components for additional court orders as needed.

**Note:** An employee can only have one of each of the following court order types at any time:
- Earnings Arrestment
- Current Maintenance Order
- Conjoined Arrestment Order

### Manage Court Order Adjustments and Overrides

You can use the adjustment element to adjust or override the calculated values for court orders, if allowed for the court order type. The adjustment amount you enter is either added or subtracted from the calculated value of deduction. And the override amount you enter overrides the calculated value of deduction.

#### Before You Start

The Court Orders and Student Loans calculation component must already exist for the employee.

#### Define Adjustment or Override

Here are the steps to define the adjustment element:

1. Select the **Manage Element Entries** task from the Payroll Calculations work area.
2. Click **Add**.
3. Search for and select the relevant adjustment element.
4. Click **OK**.
5. On the Create Element Entry page, enter the required information.
6. Click **Continue**.
7. On the Manage Element Entries page, select the Adjustment Type. You can select the following values for adjustment type:
   - **Adjustment:** The amount you enter is either added or subtracted from the calculated value of deduction.
   - **Override:** The amount you enter overrides the calculated value of deduction.
8. In the **Entry Values** section, specify the amount.
9. Click **Submit**.

When you run the payroll process, it either overrides or adjusts the calculated value, as specified.
Set Up Issuing Authority for Court Orders

You must set up the values for the issuing authority that has issued the court order. You must do this to make it available for selection while creating court order deductions. Here’s how you can set up the issuing authority for court orders:

1. On the Manage Lookups page, search for the lookup type `ORA_HRX_GB_CO_ISSUE_AUTHORITY`.
2. Click Create.
3. Select the lookup code `ORA_HRX_GB_CO_ISSUE_AUTHORITY` to add the new issuing authority.
4. Enter the required values for the issuing authority.
5. Ensure that the **Enabled** check box is selected.
6. Click Save.

The issuing authority is available for selection in the Issuing Authority field when you create the Court Orders and Student Loans calculation card.

Define Third Parties for Court Orders and Student Loans

You must define set up third parties for all court orders and student loans. And also set up the recipients of the court-ordered deductions as third-party payees. You can use this for payments made:

- Through the court
- Directly to the individual
- Directly to the organization

Create Third Parties

The Manage Third Parties task creates a third-party payment record for court order payments that are directly sent to the third party. You can send the payments using the regular payment methods, for example, Bankers’ Automated Clearing Services (BACS).

Here’s how you can set up third parties:

1. Select the Manage Third Parties task from the Payment Distributions work area.
2. Click Create.
3. Select the Party Type.
4. Select the Party Usage Code as External Payee.
5. Click Continue.
6. Enter the name of the third party.
7. Click Add to create the address.
8. Enter the address details.
9. Click Add in contacts section to create a new contact.
10. Enter the contact details.
11. Click Submit.
12. Select the legislative data group for the third party.
13. Click Add in the banks section to add a bank details.
14. Enter the required information for the bank account for the third party payment.
15. Click Save and Close.

You can now select this third party from the list of values for the Payee for Order Amount field in the Court Orders and Student Loans calculation card component details.
How Multiple Court Orders Are Processed

When multiple court orders exist for an employee, the payroll process determines the order in which the deductions are calculated. An employee can only have one of these court order types at any time:

- Earnings Arrestment
- Current Maintenance Order
- Conjoined Arrestment Order

Settings That Affect The Processing Order

This processing hierarchy applies to all court orders used in England, Wales, and Northern Ireland. See Processing Rules for Scotland, later in this topic, for details on order types used in Scotland.

- **Element Priority**

  The payroll process calculates the involuntary deductions in the order determined by their element’s predefined processing priority as shown in this table:

<table>
<thead>
<tr>
<th>Secondary Classification</th>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attachment of Earnings Order Fines</td>
<td>7550</td>
</tr>
<tr>
<td>Attachment of Earnings Order Non-Priority</td>
<td>7800</td>
</tr>
<tr>
<td>Attachment of Earnings Order Non-Priority Northern Ireland</td>
<td>7800</td>
</tr>
<tr>
<td>Attachment of Earnings Order Priority</td>
<td>7550</td>
</tr>
<tr>
<td>Attachment of Earnings Order Priority Northern Ireland</td>
<td>7550</td>
</tr>
<tr>
<td>Child Maintenance Service Deduction from Earnings Order</td>
<td>7550</td>
</tr>
<tr>
<td>Conjoined Arrestment Order</td>
<td>7600</td>
</tr>
<tr>
<td>Council Tax Attachment of Earnings Order</td>
<td>7550</td>
</tr>
<tr>
<td>Current Maintenance Arrestment</td>
<td>7650</td>
</tr>
<tr>
<td>Deduction from Earnings Order</td>
<td>7550</td>
</tr>
<tr>
<td>Earnings Arrestment</td>
<td>7650</td>
</tr>
<tr>
<td>Direct Earnings Attachment</td>
<td>7850</td>
</tr>
</tbody>
</table>
Secondary Classification | Priority
--- | ---

⚠️ Caution: Don’t change the priority for any involuntary deduction element.

- **Date of Issue:** Where multiple orders with the same priority exist, the payroll process calculates them in order of their date of issue. The issuing authority supplies the date of issue in each order. When you add a court order to an employee’s Court Orders and Student Loans calculation card, you must enter this date.

- **Date of Receipt:** Where multiple orders with the same priority issued on the same date exist, the payroll process calculates them in order by date of receipt. Entering a receipt date is optional on the employee’s calculation card. If you don’t enter one, then 01 January 2001 is used as the receipt date. The payroll process first calculates the orders with no receipt date.

- **Element Entry ID:** If all receipt dates on the calculation card are blank or all have the same date, the payroll processes them in order by Element Entry ID. The lowest ID is processed first. When you create the element entry, this ID is automatically generated.

⚠️ Caution: Don’t change the formulas, processing rules, and priority levels associated with the elements as they are predefined based on legislative rules.

**How Protected Earnings Rate Affect Orders**

Based on the court order type, the payroll process calculates each court order in sequence or in isolation. For some orders, the deduction can’t reduce the pay amount below the protected earnings rate (PER). But different order types may have different PERs, and a deduction for one order may reduce the pay below the PER for an earlier order.

Here are three sample court orders with different PERs that illustrate the processing sequence:

<table>
<thead>
<tr>
<th>Sequence</th>
<th>Scenario</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Attachment of Earnings Priority order has a PER of GBP 1000.</td>
<td>Deduction is taken, leaving over GBP 1000 of pay.</td>
</tr>
<tr>
<td>2</td>
<td>Council Tax Arrestment of Earnings Order has its PER effectively built in to the calculation.</td>
<td>Full deduction is taken, even if pay is reduced below the PER from the earlier AEO.</td>
</tr>
<tr>
<td>3</td>
<td>Deduction from Earnings Order has a PER of GBP 800.</td>
<td>Deduction is taken even though it reduces pay below the PER from the earlier AEO.</td>
</tr>
</tbody>
</table>

The payroll process carries forward the highest PER, which in this case is GBP 1000, and uses this for any subsequent student loan calculation.

**Processing Rules for Scotland**

The payroll process calculates the Court orders in Scotland using this hierarchy:

1. As defined in the element priority, Deduction of Earnings Orders (DEOs) are processed first.
2. Earnings Arrestment (EA) and Current Maintenance Arrestment (CMA) orders are processed next, and have equal ranking. An employee can have only one EA and one CMA at any time.
If arrestable earnings are insufficient to deduct both the EA and CMA orders in full, the payroll process apportions the deduction between them.

3. A Conjoined Arrestment Order (CAO) combines two or more debts of the same or different types (EAs, CMAs, or both), and replaces them with a single court order. Where a CAO is in force, no further EA or CMA is calculated. Before entering a CAO, you must first end any existing EA or CMA.

If arrestable earnings are insufficient to cover all debts, the payroll process doesn’t apportion the total deducted amount. The payee does the apportioning upon receipt of payment.

Identifying Attachable Earnings for Court Orders and Student Loans: Explained

This topic identifies which earnings are subject to each type of involuntary deduction by default. It also describes how to change the default subclassification when necessary.

Note: In England and Wales, attachable earnings refers to the amount subject to Attachment of Earnings Orders (AEO). In Scotland, arrestable earnings refers to the amount subject to Earnings Arrestments (EAs) of different types. Deductible earnings refers to the amount subject to Deduction of Earnings Orders (DEOs). For simplicity, this help topic uses the term attachable earnings for attachable, deductible, and arrestable earnings.

Default Subclassifications

By default, Earnings elements you create for Regular Earnings and Irregular Earnings primary classifications have a subclassification of **Attachable Earnings Regular** or **Attachable Earnings Irregular**. This means that the earnings are subject to all types of court order deductions.

By default, Earnings elements you create for Regular Earnings and Irregular Earnings primary classifications also have a subclassification of **Student Loan** and are thus subject to student loan deductions.

By default, a deduction element with a Pre-Statutory Deductions primary classification has a subclassification of **Reduce Attachable Pre-Statutory Deductions**. This means the amount of the pre-statutory deduction reduces the attachable earnings amount.

Additional Subclassifications

Use the following subclassifications to exclude certain earnings from the total attachable earnings amount for specific order types.

<table>
<thead>
<tr>
<th>Subclassification</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CTAEO Not Attachable Pension Payment Regular</td>
<td>Assign one of these subclassifications to certain occupational pension earnings to exclude them from the total attachable earnings amount for Council Tax Attachment of Earnings Orders (CTAEO).</td>
</tr>
<tr>
<td>CTAEO Not Attachable Pension Payment Irregular</td>
<td>These subclassifications feed the CTAEO Not Attachable Pension Payment balance. When a payroll run calculates CTAEO, it subtracts the CTAEO Not Attachable Pension Payment balance from the Attachable Earnings balance to derive the final CTAEO Attachable Earnings amount.</td>
</tr>
<tr>
<td>AEO Not Attachable Northern Ireland Other Benefits Social Security Regular</td>
<td>Assign one of these subclassifications to the elements to exclude them from the total attachable earnings amount for Attachment of Earnings Orders (AEO).</td>
</tr>
</tbody>
</table>
### Attachable Earnings by Order Type

The following table indicates the types of earnings to include or exclude from attachable earnings for each court order type, based on current legislation:

<table>
<thead>
<tr>
<th>Subclassification</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Included Earnings</td>
<td></td>
</tr>
<tr>
<td>AEO, AEO Fines, DEO, CMSDEO</td>
<td></td>
</tr>
<tr>
<td>AEO Northern Ireland</td>
<td></td>
</tr>
<tr>
<td>CTAEO</td>
<td></td>
</tr>
<tr>
<td>EA, CMA, CAO</td>
<td></td>
</tr>
<tr>
<td>Wages or Salary (including bonus and irregular income)</td>
<td>Yes</td>
</tr>
<tr>
<td>Pension</td>
<td>Yes</td>
</tr>
<tr>
<td>Statutory Sick Pay</td>
<td>Yes</td>
</tr>
<tr>
<td>Redundancy Payments</td>
<td>No</td>
</tr>
</tbody>
</table>

| Excluded Earnings                                         |                                                                            |
| AEO, AEO Fines, DEO, CMSDEO                               |                                                                            |
| AEO Northern Ireland                                      |                                                                            |
| CTAEO                                                     |                                                                            |
| EA, CMA, CAO                                              |                                                                            |
| Tax Credit                                                | Yes                                                                         |
| Disability Pension                                        | Yes                                                                         |
| Statutory Maternity, Paternity, or Adoption Pay           | Yes                                                                         |
| Other benefits relating to social security                | n/a                                                                         |
| Armed forces pay                                          | Yes                                                                         |
| Wages payable to a person as a seaman                    | Yes                                                                         |
| Guaranteed Minimum Payment                                | Yes                                                                         |
| Sums payable by a public department of the Government of | Yes                                                                         |
| Northen Ireland or a territory outside UK                 | Yes                                                                         |

*Yes* indicates that the earnings are included in the attachable earnings for that court order type. *No* indicates that the earnings are excluded. *n/a* indicates that the earnings are not applicable.
<table>
<thead>
<tr>
<th>Excluded Earnings</th>
<th>AEO, AEO Fines, DEO, CMSDEO</th>
<th>AEO Northern Ireland</th>
<th>CTAEO</th>
<th>EA, CMA, CAO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income tax (PAYE)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Primary Class 1 NI contributions</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Pension contributions (pre-tax only)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

*For Earnings Arrestments, only pension contributions made as pre-tax deductions should be included; exclude contributions for occupational pensions made under an enactment exempting them from diligence.

**How to Change the Default Subclassifications**

When you create new earnings and deductions elements, verify that the default subclassification rules apply. On the Elements Summary page, open the Subclassification Rules page to view and edit the element’s default subclassifications. Add or remove subclassifications as appropriate for the type of earnings.

**Create Student Loan and Postgraduate Loan Elements**

Before you create a Court Orders and Student Loans calculation card, you must create the student loan or postgraduate loan elements. This topic describes the various tasks involved in creating:

- Student Loan or Postgraduate Loan Element
- Indirect Elements
- Fast Formulas
- Element Eligibility

**Create Student Loan or Postgraduate Loan Element**

Here’s how you can create a student loan or a postgraduate loan element:

1. Select the **Manage Elements** task from the Payroll Calculations work area.
2. Select **Create Element**.
3. On the create element screen, select the relevant legislative data group.
4. Select the primary classification **Involuntary Deductions**.
5. Select the secondary classification **Student Loan** or **Postgraduate Loan**, whichever applies.

✍️ **Note:** The category is automatically set to Involuntary Deductions.

6. Click **Continue**.
7. Enter the required information and answer all the questions in the associated element template.
8. Click **Next**.
9. Review the information, and click **Submit** to create the element.
10. Select the **Manage Elements** task to view the student loan or postgraduate loan element you created.
Indirect Elements
When you save an involuntary deductions element, the task creates the following indirect elements.

- **Initialize** and **Processor**: Internal elements that ensure the relevant links and results for the student loan or postgraduate loan are created
- **Deduction Results**: Deduction amount calculation by the payroll process
- **Arrears Results**: Arrears amounts that carry over unpaid amounts

Fast Formulas
When you create student loan or postgraduate loan element using the element template, it ensures the relevant fast formulas are attached to your elements during the creation process.

> **Note**: Don’t edit these fast formulas or the result values. They are updated periodically to meet statutory and legislative requirements.

Element Eligibility
You must create the element eligibility for the student loan or postgraduate loan elements create under Court Orders and Student Loans. To attach elements to employees, you must set the eligibility for them. When you use the Manage Calculation Card task to create the Court Orders and Student Loans card, it automatically creates the related elements.

> **Note**: When creating the eligibility record, you can use the Input Values tab to set the value for the tax reporting unit (TRU) for this element as default. You can override this value at the time of allocating the element to the employee, if required.

Here’s how you can create the element eligibility:

1. Select the **Manage Elements** task from the Payroll Calculations work area.
2. Search for and select the student loan or postgraduate loan element you created.
3. Select the relevant **Adjustment** element or Arrears element that was automatically created.
4. In the Element Overview pane, select the folder **Element Eligibility**.
5. Click **Actions**.
6. Select **Create Element Eligibility**.
7. Enter a unique name for the eligibility record.
8. Select the relevant payroll statutory unit.
9. Select the relationship type from the list of values.
10. Click **Submit**.

Create Student Loan or Postgraduate Loan Deductions
To create student loan or postgraduate loan deductions for an employee, you must create a Court Orders and Student Loans calculation card and add one or more deduction components to the card.

Before You Start
Before you can create a student loan or postgraduate loan deduction for an employee, you must do these:

1. Create the student loan or postgraduate loan element.
2. Define the element eligibility, if it’s not already done so.
3. Create the payee for the student loan or postgraduate loan.
Use the Manage Third-Parties task in the Payment Distribution work area to define the party that should receive the student loan or postgraduate loan payment. In the Party Usage Code field, select External Payee.

Create the Calculation Card
Here’s how you can create a Court Orders and Student Loans calculation card:

1. Select the Manage Calculation Cards task in the Payroll Calculation work area.
2. Search for and select the person for whom you want to create the calculation card.
3. Click Create.
4. On the Create Calculation Card screen, select the calculation card name Court Orders and Student Loans.
5. Click Continue.

Note: Creating the calculation card automatically creates a Court Order Information component. You must add the student loan or postgraduate loan component.

Add the Student Loan or Postgraduate Loan Component
To add court order calculation component and calculation component details, follow these steps:

1. In the Calculation Components section, click Add Row.

Note: All the elements created under primary classification Involuntary Deductions and secondary classification for the court orders and student loans are listed here.

2. In the Create Calculation Component window, complete the fields as follows:
   - Select the Calculation Component with the same name as the previously-defined student loan or postgraduate loan element.
   - Enter a Reference Code to uniquely identify this deduction, such as a student loan or postgraduate loan number, or other identifier.
3. Click OK.

The calculation component displays the student loan or postgraduate loan you created as a new record. The corresponding calculation component details is automatically created.

4. In the calculation component details, click Create.

Identify student loans entered after 05 April 2016 as either Plan1 or Plan2 or Both.
5. Enter the other relevant details such as start date, stop date, start notice date of issue, and stop notice date of issue for the relevant loan.
6. Click Save.

Defining Associations
You must associate the student loan or postgraduate loan component with the tax reporting unit (TRU).

If you have already allocated a court order component to the employee, you still need to add another association record for the loan component.

If no previous association exists, or if the employee has no court order allocated, create the association for the student loan or postgraduate loan.
Note: If you don’t create the association for the student loan component in the Associations tab, the payroll doesn’t process its calculations.

To create associations for the student loan component:

1. Select the **Manage Calculation Cards** task in the Payroll Calculation work area.
2. Select the Court Orders and Student Loans calculation card for the employee.
3. In the Associations section, click **Create**.
4. In the Update Associations page, select the TRU.
5. Select the appropriate loan component.

Note: You can’t associate more than one TRU with the student loan or postgraduate loan component.

6. Click **Save and Close**.

The student loan association is now created.

Postgraduate Loan Deductions

You can create and maintain postgraduate loan deductions for your employees using the Postgraduate Loan Start Notice (PGL1) or Postgraduate Loan Stop Notice (PGL2) notifications from HMRC. You can either manually enter the data, or run the HMRC Data Retrieval and Load HMRC XML File Processes to load PGL1 and PGL2. You can report the postgraduate loan information to HMRC using the Full Payment Submission process.

Net-to-Gross Earnings

How Net-to-Gross Earnings are Calculated

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:

- Guaranteed take-home pay (net) per payroll period
- Bonus of a specified net amount

To create an earnings element, use the **Manage Elements** task in the **Payroll Calculation** work area.

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 (Imputed Earnings)

**Settings That Affect Net-to-Gross Processing**

Define the deductions that are used to calculate the gross amount from the specified net amount.
You must create the element as a gross-up element by answering **Yes** to the **Use this element to calculate a gross amount from a specified net amount?** prompt in the element template.

In each element entry, specify the limits of the gross-up processing as follows:

- In the **Net** value, enter the value you want the employee to receive.
- In the **To Within** value, enter the allowed difference between the desired amount and the actual amount. This limit can’t be 0.

**Note:** If these values are the same across most entries, you can enter a default value on the element eligibility record.

**How Formulas Calculate the Gross Amount**

The formulas for net-to-gross processing perform these actions:

1. The predefined GLB_EARN_GROSSUP iterative formula takes as input the desired net amount (**Net** input value) and the amount by which net can differ from the desired amount (**To Within** input value).
2. In the first run, the formula performs these actions:
   - Sets the lower gross limit to the desired net amount, and the higher gross limit to twice the desired amount.
   - Runs a function to provide the first guess of the gross.
   - Returns three values to the element’s input values: low gross, high gross, and additional amount.
3. The element’s payroll formula runs. The formula adds the additional amount to the desired amount to create the gross amount and returns this value to the element’s pay value for the payroll run to process.
4. In the next iteration, the iterative formula compares the additional amount to the total value of the balances that are available for gross-up for this element entry. The additional amount must not differ from this balance total by more than the amount you specified in the **To Within** field.
   - If the additional amount equals the balance total, the iterative processing ends.
   - If the additional amount is higher or lower than the balance total by an acceptable margin, the processing ends. The formula returns the remainder (additional amount minus balance) to the element’s **Remainder** input value.
   - Otherwise, the formula runs the function to generate a better estimate for gross, using the remainder to determine by how much to change the guess. The formula checks the results in another iteration.

**Related Topics**

- Overview of Using Formula Components

**Creating a Net-to-Gross Earnings Element: Worked Example**

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 earning?</td>
<td>Supplemenal Earnings</td>
</tr>
</tbody>
</table>
Decisions to Consider | In This Example
--- | ---
Is the element recurring or nonrecurring? | Nonrecurring
Who is the bonus recipient? | Linda Swift
How much is the bonus? | 1000 GBP
What is the allowed difference between the specified bonus and the actual amount paid? | .05 GBP
What is the calculation rule? | Flat amount

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>UK 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>06-April-2017</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>Field or Question</td>
<td>Value</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>What is the latest entry date for the 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 the element recur each payroll period, or does it require explicit entry?</td>
<td>Nonrecurring</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 this element in a payroll period?</td>
<td>Yes</td>
</tr>
<tr>
<td>Process and pay element separately or with other earnings elements?</td>
<td>Process separately and pay separately</td>
</tr>
<tr>
<td>Tax this earning across multiple pay periods?</td>
<td>No</td>
</tr>
<tr>
<td>Prorate this earning across all periods during which it was earned, and consider it for FLSA calculations, such as for commissions, bonuses, incentives, and other nondiscretionary earnings?</td>
<td>No</td>
</tr>
</tbody>
</table>

5. Click **Next**.
6. On the Create Element: Additional Details page select the values shown in the table.

<table>
<thead>
<tr>
<th>Field or Question</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the calculation rule?</td>
<td>Flat Amount</td>
</tr>
<tr>
<td>Note: The default value is Flat Amount. Do not change this value. All gross-up earnings must have a calculation rule of Flat Amount.</td>
<td></td>
</tr>
<tr>
<td>What is the default periodicity of this element?</td>
<td>Periodically</td>
</tr>
<tr>
<td>Periodicity Conversion Rule</td>
<td>Periodic Work Schedule Rate Annualized</td>
</tr>
<tr>
<td>How do you want the work units to be reported?</td>
<td>None</td>
</tr>
<tr>
<td>Field or Question</td>
<td>Value</td>
</tr>
<tr>
<td>-----------------------------------------------------</td>
<td>---------</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>Yes</td>
</tr>
<tr>
<td>Should this element be included in the earnings calculation of the FLSA overtime base rate?</td>
<td>No</td>
</tr>
<tr>
<td>Should this element be included in the hours calculation of the FLSA overtime base rate?</td>
<td>No</td>
</tr>
</tbody>
</table>

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>
<tr>
<td>Remainder</td>
<td>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.</td>
</tr>
<tr>
<td>To Within</td>
<td>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.</td>
</tr>
<tr>
<td>Additional Amount</td>
<td>The amount to add to the desired net to calculate gross pay. This amount is returned by the iterative formula.</td>
</tr>
</tbody>
</table>

**Note:** Not all input values are visible by default.
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's 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 **UK LDG**.
4. In the Effective As-of Date field, enter **06-April-2017**.
5. Click **Search**.
6. In the Search Results, select **Linda Swift**.
7. Click **Create**.
8. In the Effective Date field, enter **06-April-2017**.
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.

Import File Formatting

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.

```xml
<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_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 ASSIGNMENT_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>
<tr>
<td>ABSENCE_UOM</td>
<td>Unit of measure being used for the absence (for example, days, hours or weeks).</td>
</tr>
<tr>
<td>ADJUSTMENT_UNIT</td>
<td>Unit of time in which an adjustment is being made to the absence.</td>
</tr>
<tr>
<td>FACTOR</td>
<td>Factor that is used in the calculation of the absence.</td>
</tr>
<tr>
<td>XML Tag</td>
<td>Description</td>
</tr>
<tr>
<td>----------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>CALCULATION DATE</td>
<td>Date used for payroll calculations, such as the payment calculation for maternity leave based on the baby’s due date.</td>
</tr>
<tr>
<td>PERIODICITY</td>
<td>Used with the amount or rate, the periodicity is the frequency that determines the absence rate.</td>
</tr>
<tr>
<td>ABSENCEStartDate</td>
<td>Date the absence started.</td>
</tr>
<tr>
<td>ABSENCEEndDate</td>
<td>Date the absence ended.</td>
</tr>
<tr>
<td>ABSENCE_DATE_LIST</td>
<td>List of dates in which the absence occurred.</td>
</tr>
<tr>
<td>ABSENCE_DATE</td>
<td>Date the absence is being reported.</td>
</tr>
<tr>
<td>LEAVE_DATE</td>
<td>Date on which the leave of absence occurred.</td>
</tr>
<tr>
<td>ACCRUED_DATE</td>
<td>Date on which the absence was accrued.</td>
</tr>
<tr>
<td>OVERRIDING_FACTOR</td>
<td>Factor that is being used to override the calculation of the absence.</td>
</tr>
<tr>
<td>OVERRIDING_RATE_ID</td>
<td>Unique identifier for the rate being used to override the absence.</td>
</tr>
<tr>
<td>OVERRIDING_RATE_NAME</td>
<td>Name of the overriding rate that will be used to calculate the absence.</td>
</tr>
<tr>
<td>OVERRIDING_UOM</td>
<td>Unit of measure being used to override the absence (for example, days, hours or weeks).</td>
</tr>
<tr>
<td>OVERRIDING_UNIT</td>
<td>Unit of time in which an override is being made to the absence.</td>
</tr>
</tbody>
</table>

**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>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. 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 period for the pension deduction.</td>
</tr>
<tr>
<td>HR_ASSIGNMENT_ID</td>
<td>Unique ID for the assignment. You can provide either the ASSIGNMENT_NUMBER or the HR_ASSIGNMENT_ID. If you provide the ASSIGNMENT_NUMBER then you must also provide the legal employer details.</td>
</tr>
</tbody>
</table>
### XML Tag | Description
--- | ---
ASSIGNMENT_NUMBER | Number that identifies the employment assignment for the pension deduction.
LEGAL_EMPLOYER_ID | ID of the legal employer name that the assignment belongs to.
LEGAL_EMPLOYER_NAME | Legal employer name that the assignment belongs to.
BENEFIT_START | Start date of the benefit.
BENEFIT_END | End date of the benefit.
BENEFIT_RATE_ID | ID of the rate that will be used to calculate the payment amount.
BENEFIT_RATE_NAME | Name of the rate that will be used to calculate the payment amount.
AMOUNT | Amount that is used to calculate the rate using the periodicity.
PERIODICITY | Used with the amount or rate, the periodicity is the frequency that determines the rate value.
BENEFIT_MAX_ELECTION | Annual maximum election amount that can be processed.
BENEFIT_REF_NUMBER | Employee’s reference number with the provider of the pension (benefit organization).

**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>
```
Oracle Human Resources Cloud
Implementing Payroll for the United Kingdom

Chapter 12
Set Up Payroll Elements

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>MAPPING_NAME</td>
<td>Name used for the mapping.</td>
</tr>
</tbody>
</table>

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.
### XML Tag | Description
--- | ---
LDG_NAME | Name of the legislative data group (LDG) for this record. 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.
LDG_ID | Identifier for the LDG for this record. 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.
TERM_NUMBER | Number that identifies the employment terms for the time entry.
ASSIGNMENT_NUMBER | Number that identifies the employment assignment for the time entry.
TIME_CARD_START | Start date of the time card.
TIME_CARD_END | End date of the time card.
TIME_ITEM_LIST | Tag that contains a set of time items.
TIME_ITEM | Object that contains information about a specific hour item.
TIME_TYPE | Name supplied by the time application that maps to the payroll element and calculation component.
PAYMENT_RATE_ID | Identifier for the rate definition used to calculate the payment amount.
PAYMENT_RATE_NAME | Name of the rate definition used to calculate the payment amount.
RATE_AMOUNT | Actual rate used to calculate the payroll amount.
AMOUNT | Flat amount used to calculate the rate based on periodicity.
PERIODICITY | Frequency that determines the rate value, used with amount or rate amount.
FACTOR | Multiplier applied to the derived rate to calculate the payment amount.
TIME_UNIT | 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.
TIME_UOM | Unit of measure for specifying time unit, such as hours.
TIME_ITEM_START | Start time for the time entry.
### Setting 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>
</tbody>
</table>
### Field Value

<table>
<thead>
<tr>
<th>Field Value</th>
<th>Description</th>
<th>How Pay Periods are Derived</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective Date</td>
<td>In this context the effective date is the date on which the payments are processed.</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>

**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.

<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:** While the payroll run date is essentially the same as the effective date, the frequency rules process uses a different method to determine the number of the period in the month.

### 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.
Restrict Payroll Processing

Select rules to control which payroll relationships and which elements to process in a payroll run. For example, a skip rule or frequency rule. Specify flow parameters when you submit the calculation process to restrict the payroll relationships and further restrict the elements that the run processes. For example, Calculate Payroll or Calculate Gross Earnings.

Restrict the Elements Processing Based on Rules

When you create an element, specify eligibility rules that control who’s eligible to receive an element. You can also create skip and frequency rules that control which recurring elements the payroll run processes.

### Rules

<table>
<thead>
<tr>
<th>Rules</th>
<th>Use To</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

Specify flow submission parameters to restrict the number of records for the calculation process.

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Use To</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>
Parameter | Use To
--- | ---
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’s automatically excluded from the other run types

This table shows the flow submission parameters for the calculation process including dates that control which records to process:

<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>
<tr>
<td>Date Earned</td>
<td>Yes</td>
<td>Identifies the element entries</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• To include in the payroll run</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• That belong to a proration group and ended within the payroll period</td>
</tr>
</tbody>
</table>

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.
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.

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.
Organization Payment Methods

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.

The payment types available are:

- Electronic funds transfer (EFT)
- Cheque
- Cash

The EFT file has a predefined structure for Bankers’ Automated Clearing Services (BACS).

Tip: When selecting the EFT payment type, you can enter EFT information at the payment method level, the payment source level, or both. Entries at the payment source level take priority over entries at the organization payment level. For example, if you define details at the payment source level, then to use those details when processing payments, you must enter the payment source name when submitting the payment process.

Payment Sources

You must define at least one payment source for each organization payment method for payroll processing. Each payment source must be associated with an active bank account in Cash Management. If you define additional details at the payment source level, then to use those details when processing payments, you must enter the payment source name when submitting the payment process.

You can use the same bank account in different payment sources in more than one organization payment method, as illustrated in this example.
<table>
<thead>
<tr>
<th>Payment Method</th>
<th>Payment Source</th>
<th>Bank Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheque</td>
<td>Royal Bank of Scotland Account A</td>
<td>Bank A - Account 7890045</td>
</tr>
<tr>
<td>EFT - BACS</td>
<td>Royal Bank of Scotland Account B</td>
<td>Bank A - Account 7890045</td>
</tr>
</tbody>
</table>

⚠️ Note: If you’re 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).

This 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 EFT Source UK</td>
<td>None</td>
<td>Yes</td>
</tr>
<tr>
<td>Bank A - Account 7890045</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll EFT Source London</td>
<td>London TRU</td>
<td>No</td>
</tr>
<tr>
<td>Bank B - Account 1238900</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll EFT Source Birmingham</td>
<td>Birmingham TRU</td>
<td>No</td>
</tr>
<tr>
<td>Bank C - Account 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 these 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>
Set Up BACS Payment Process

Before you can make deposits through Banker’s Automated Clearing System (BACS), you must set up an organization payment method for BACS payments. You can then create personal payment methods, for all applicable employees, that link to the organization payment method.

Create BACS Organization Payment Method

Follow these steps to create a BACS organization payment method:

1. Select the Manage Organization Payment Methods task in the Payment Distribution work area.
2. Click Create.
3. Select the legislative data group and click Continue.
4. In the Payment Type field, select BACS.
5. Complete the fields in the Payment Information section.
   - If you are making multiple-file submissions using a BACS payroll bureau, enter your Bureau Name and Bureau Reference. The Bureau Reference must begin with an uppercase B followed by a five-digit number, for example, B12345.
   - If you are making single-file submissions, leave the Bureau Name and Bureau Reference blank.
6. Enter appropriate values for BACS Transaction Limit and BACS File Limit.
7. In the Payment Sources section, click Create.
8. On the Create Payment Source page, enter a name for the payment source and select a bank account. You must have previously defined the bank account.
9. In the Payment Information section, enter your BACS User Number and Contra Narrative.
10. Save the payment method.

Create Personal Payment Methods for BACS

After you have created the BACS organization payment method, you can assign it to the personal payment methods you create for your employees. Use the Manage Personal Payment Methods task in the Payment Distribution work area to create the payment method. In the Organization Payment Method field, select the BACS organization payment method you created.

BACS Payments

To make a BACS payment, select the Make EFT Payments process using the Submit a Process or Report task. Provide the requested parameters, including the payment source and organization payment method you set up for BACS.

⚠️ Note: If you previously ran a prepayment for this period using a different payment source, the process doesn’t produce an EFT file.

Review BACS Audit Report

You can use the audit report that is generated as part of the Make EFT Payments process to verify the payments generated on the BACS file. To view this report, run the Make EFT Payments process successfully and select the BACS audit report under Output and Delivery from the relevant report job. The report is delivered in CSV format.
How Payment Methods and Payroll Definitions 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 processed separately from the payroll.</td>
</tr>
<tr>
<td>Payroll Definition</td>
<td>Establishes the default payment method for payments to employees who have no personal payment method defined.</td>
</tr>
</tbody>
</table>

**Note:** You can’t set EFT payment methods as default payment methods because each payee must have a personal payment method with account information to know where to deposit the money.

| Run-Type Payment Method     | Overrides a payroll’s default payment method for payments to employees with no personal payment method defined. For example, your regular payroll is by EFT but you issue check bonuses once a year. Using the Separate Payment run type, the payment method overwrites the default payment method of the payroll. |

Related Topics

- Payroll Definitions
- Creating Third-Party Payment Methods

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 want to manage the user-defined table, and then search for and select PAYROLL_USER_INTERFACE_CONFIGURATION.
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>
<tr>
<td>Execute Personal Payment Method Validation</td>
<td>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.</td>
</tr>
<tr>
<td>Maximum Number of Personal Payment Methods</td>
<td>Limits the number of personal payment methods that employees can create.</td>
</tr>
<tr>
<td>Payment Types Available to Workers</td>
<td>Limits personal payment methods to be based only on organization payment methods of the specified payment types.</td>
</tr>
<tr>
<td>Prevent Edit Personal Payment Method</td>
<td>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.</td>
</tr>
<tr>
<td>Show Percentage or Amount</td>
<td>Sets a restriction to display only the Percentage amount type and field on the Manage Personal Payment Methods page.</td>
</tr>
</tbody>
</table>

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

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 a Specified TRU Using a Separate Payment Source
Your enterprise is based in one tax reporting unit (TRU1), but you have some workers in another tax reporting unit (TRU2). To comply with TRU1 regulations for out-of-TRU payments, you specify a payment source for the TRU2. In this scenario,
your payment source for TRU1 is already set as the default payment source, so no change is needed for TRU1. For the TRU2 employees:

1. Add a payment method rule.
2. Select the TRU2.
3. Select the TRU2 payment source.

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. For this scenario:

1. Create John as a third-party person payee.
2. In your organization payment method, add the Payment Source B payment source and a new payment method rule.
3. In the payment method rule, select the Third-Party Payment check box, Jon’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. For this scenario:

1. Create a payment method rule for each department.
2. Enter the department name in the Payment Criteria field.
3. 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 Example

This example demonstrates how to set up payment sources when creating organization payment methods (OPM) for payroll processing. You set up payment sources through the Manage Organization Payment Methods task.

In this example, the InFusion company pays its workers by electronic funds transfer (EFT) payments. To comply with tax reporting unit (TRU) regulations for out-of-TRU payments, the company sets payment rules to pay from two different banks based on 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 OPMs do you need?</td>
<td>One method to pay by EFT in TRU1 currency.</td>
</tr>
<tr>
<td>How many payment sources do you need?</td>
<td>Three. One default payment source for the TRU1, one source for payments in TRU2, and one source for payments in TRU3.</td>
</tr>
<tr>
<td>How many bank accounts do you need?</td>
<td>Three. One for each payment source.</td>
</tr>
</tbody>
</table>
Decisions to Consider | In This Example
--- | ---
What payment method rules do you need? | Rules for bank accounts used as payment sources based on each TRU.

Summary of Tasks
This worked example includes details for the following tasks you perform when creating OPMs:

1. Creating the basic details
2. Adding EFT 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 Cloud General Ledger.
2. The banks, branches, and account information to use as the payment sources are set up in Oracle Cloud 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, InFusion 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</td>
</tr>
<tr>
<td>Payment Type</td>
<td>Direct Deposit</td>
</tr>
</tbody>
</table>

   **Note:** The available payment types for OPMs can vary by legislation.

| Currency | Payment currency |

6. Click **Save**.

Adding EFT File Information
When you select the EFT payment type, you can enter EFT information at the following levels:
Note: EFT file information entered at the payment source level takes priority over information entered at the organization payment method level

1. Payment source level
2. Organization payment method level
3. Both levels

Setting Up Payment Sources

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>Source 1</th>
<th>Source 2</th>
<th>Source 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Payroll EFT Source 1</td>
<td>Payroll EFT Source 2</td>
<td>Payroll EFT Source 3</td>
</tr>
<tr>
<td>Bank Account Name</td>
<td>Bank A</td>
<td>Bank B</td>
<td>Bank C</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 OPMs and payment rules.

Creating Payment Rules

1. In the Payment Method Rules section, for Payroll EFT Source US, 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>Source 2</th>
<th>Source 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Default</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Tax Reporting Unit</td>
<td>TRU2</td>
<td>TRU3</td>
</tr>
<tr>
<td>Payment Source</td>
<td>Payroll EFT Source 2</td>
<td>Payroll EFT Source 3</td>
</tr>
</tbody>
</table>

3. Click Submit.
Deriving Payment Sources by Department

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>
<tr>
<td>Payment Source</td>
<td>PS A</td>
<td>PS B</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:

```
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></td>
<td>The name must match exactly. This name is how the application identifies any existing payment criteria.</td>
</tr>
</tbody>
</table>
Oracle Human Resources Cloud
Implementing Payroll for the United Kingdom
Chapter 13
Set Up Organization, Third Party, and Personal Payment Methods

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<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.

| What is the earliest entry date for this element? | First Standard Earnings Date |
| What is the latest entry date for this element?  | Last Standard Process Date  |

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>
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.

How Bank, Branch, and Account Components 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.
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 enables you to inactivate all banks and bank branches that have no active internal and external bank accounts.

Related Topics
- Reconciliation Matching Rules

Enter Bank Information for Personal Payment Methods

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.

This table summarizes several approaches to create 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>
<tr>
<td>Manage Personal Payment Methods page</td>
<td>Create or edit employee bank account details to receive payments</td>
</tr>
<tr>
<td>Data Loader</td>
<td>Load personal payment methods and employee bank account details using an integrated Excel workbook</td>
</tr>
</tbody>
</table>

Control Who Can Manage Banks and Branches

This 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. Offerings: Workforce Deployment Functional Area: Payroll</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 the option to Yes, you can load bank and branch data. Administrators and employees select bank details from a list of values on the Create Personal Payment Method page.
- If you set the option 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

How Account Number Masking in Payroll Reports Work

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>XXXXXXX3456</td>
<td>ABC123456</td>
</tr>
<tr>
<td>ABC123456</td>
<td>Yes</td>
<td>Yes</td>
<td>3456</td>
<td>XXXXXXX3456</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 Options

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.

![Flowchart illustrating 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>
</tbody>
</table>
Set Up Organization, Third Party, and Personal Payment Methods

### Party Usage Code

<table>
<thead>
<tr>
<th>Party Usage Code</th>
<th>Use For</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<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

### Examples of Third-Party Payments

The following scenarios illustrate how you can pay third-party people and organizations.

#### Child Support to a Former Spouse

John Smith is an employee at your organization. Mary Smith receives a child-support payment each payroll period that is deducted from John’s salary. To set up payments for Mary:

1. Create Mary as a third-party person.
2. Create Mary’s third-party payment method and select the payroll relationship for John.
3. Add the child support order to John’s involuntary deduction calculation card and select Mary’s name in the Order Amount Payee field.

#### Court Orders and Student Loans

You must set up third parties for all court orders and student loans. When you create the third-party organization, you designate it as an External Payee before you create its third-party payment method. Once created, you can select this third party from the list of values for the **Payee for Order Amount** field in the Court Orders and Student Loans calculation card component details.
Third-Party Payment Register

Use the Run Third-Party Payment Register task to view a summary or detail listing of all third-party payments. Run this process from the Payroll Checklist or Payment Distribution work areas.

Prerequisites

You must run the report after calculating and verifying prepayments and generating the payments.

Report Parameters

The parameter values determine which records to include in the report. For example, you can run this report for a specific consolidation group or payroll relationship group. You must predefine these groups before you can use them. Most parameters are self-explanatory, while the following have special meaning in the context of this report.

Scope

You control the results of the report by specifying the scope of the report, as given in the following table.

<table>
<thead>
<tr>
<th>Scope Value</th>
<th>Report Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summary</td>
<td>Provides a list of payments by payee.</td>
</tr>
<tr>
<td>Detail</td>
<td>Provides details of employee and deduction information for third-party payments.</td>
</tr>
</tbody>
</table>

Payroll

Select the required payroll name. The report is generated for the selected payroll run.

Process Start Date

Enter a start date to define the date range of this process.

Process End Date

Enter an end date to define the date range of this process.

Consolidation Group

Select a 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. If you don’t select a value, the application uses the default consolidation group assigned to the payroll.

Payroll Statutory Unit

Select a payroll statutory unit (PSU) to view the payments for a specific PSU.

Tax Reporting Unit
Select a tax reporting unit (TRU) to view the payments for a specific TRU.

**Payroll Relationship Group**

Select the payroll relationship group name, if you have defined one. Payroll relationship groups limit the persons processed for payroll, data entry, and reporting. For example, you can create a group to process the report for terminated employees.

> **Note:** You must use the Manage Object Groups task to define the payroll relationship group before you can select it here.

**Person**

Select the person number to validate payments for each employee, including the payment amount, bank, and check information, as reported in the detailed report.

**Process Configuration Group**

Select a value 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.

**Payee**

Select the payee for which the check payment process is run, to view the payment details of individual and rollup payments made for each payee.

Use the following parameters to view a list of individual payments, including total amounts paid by payment category, type, status, and method:

- Payment Category
- Payment Method
- Payment Process
- Payment Type
- Payment Status

**Report Results**

The results of the report depend on the scope value you select while running the report, as given below. Both the formats have a page break after every payee, so you can provide the payment details separately to each payee.

**Summary Report**

The Summary report displays the list of payments made to each payee by the payment source, payment status, and payment category. The report does not show PSU, TRU, and employee and deduction information. This is because the rollup payments include employees across PSUs and TRUs.
Detail Report

The Detail report has a multiple-tier layout that includes:

- Payment details of individual and rollup payments made for each payee. Within each payee report, the payments are further segregated into:
  - Employee deduction information for individual payments, including single deductions and multiple deductions
  - Employee deduction information for rollup payments
- Consolidated totals of each multiple deduction payment and rollup payment
- Deduction reference details for involuntary deductions stored on the calculation card
  It displays a blank deduction reference if the details are not available.
- Element name of voluntary deductions

Support for Spreadsheet Tabular Layout

You can create your own template for a tabular output of data in Microsoft Excel file format for both the summary and detail reports.

Related Topics

- Generating Payroll Reports in Microsoft Excel Format: Procedure

Third-Party Rollup Payments

A third-party payment is a payment you make to an organization. The organization could be a court, labor union, or a pension provider, or persons not on the payroll.

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, you can combine the individual employee deductions and pay the union through a single payment instrument. Similarly, you can roll up the multiple employee deduction payments into a single payment.

Use the Run Third-Party Payments Rollup process to consolidate multiple payments made to a third party and generate a single payment. This process is optional. Additionally, you can generate the third-party payments register and provide the third-party payee employee and deduction details.

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

Submit the Run Third-Party Payment Register task from the Payroll Checklist or Payment Distribution work areas.

Exclude Third-Party Payment Methods

Some third parties may want an individual check 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.

### Report Third-Party Rollup Payments

Here’s what you can view in the Third-Party Payments Register:

- Individual third-party payments and the corresponding employee deduction information
- 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

### 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 5 days later. Use the Manage Time Definitions task and create a time definition to define a time span of 5 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:
  - Once for the employees with a process end date of 30, June
  - 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.

How to Generate Employee and Third-Party Cheque Payments

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.

Before you Start

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, 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.

Generate 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.

Reprocess Rejected EFT Payments

Reprocessing Rejected EFT Payments
A bank can reject an Electronic Funds Transfer (EFT) payment because of:
- Incorrect bank account details
- Employee has closed their bank account without notifying the employer

Here’s what you can do to reissue a check:
- End date the employee’s personal payment method
- Inactivate the employee’s bank account. You must inactivate the invalid bank account so that it’s not used for future payments.
- Void the payment and make an external payment against the rejected EFT payment.

Use the Process Bank Corrections File flow pattern from the Payroll Checklist work area to reissue check payments against rejected EFT payments.

Before you run the flow, complete these tasks:

1. Transform the information returned by the bank into the requisite Object Group HCM Data Loader file format.
2. Provide a unique name in the Object Group Name field each time you create an HCM Data Loader file.
3. Load the Object Group HCM Data Loader file into the Oracle Web Center Content server.

Here’s the list of payroll tasks the Process Bank Corrections File flow pattern includes:
Oracle Human Resources Cloud
Implementing Payroll for the United Kingdom

Chapter 13

Set Up Organization, Third Party, and Personal Payment Methods

### Task Name | Description
--- | ---
1. **Upload Bank Corrections File** | 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** | Determines through this 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 linked to the bank account identified as incorrect. It also inactivates the incorrect bank details to stop them being used in future payments.

**Note:** The flow task doesn’t create a new Personal Payment Method. You must create one manually.

3. **Void Payments** | Marks the original payments as void.

4. **Make External Payments** | Runs the external payment process to ensure that the payments voided in the previous task are paid externally.

5. **Generate Check Payments** | Runs the HCM Extract Report to retrieve the check 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 check number, if not available.

Steps 3-5 run only if you have to reissue an external check for a rejected EFT payment.

**Note:** You can use the delivered default check template or configure the template to include additional attributes such as a company logo.

Since a payslip is already issued, this flow doesn’t 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.

Load 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>Doesn’t 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></td>
<td>The meaning of the code is displayed in the Type field.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></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></td>
<td>Does’t appear on the UI.</td>
<td>The code of the object group.</td>
</tr>
<tr>
<td>LegislativeDataGroup</td>
<td></td>
<td>Legislative Data Group</td>
<td>THE NAME OF THE LEGISLATIVE DATA GROUP.</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</td>
</tr>
</tbody>
</table>
## HCM Data Loader Attribute

<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>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's 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>checkNumber</td>
<td></td>
<td>Check Number</td>
<td>The check number used in the External manual payment task and printed on the manual external payment check 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>
<tr>
<td>replacementAccountNumber</td>
<td></td>
<td>Replacement Account Number</td>
<td>Enter a value if the employee's account number needs updating. If data 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's 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 can’t 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

Add Text to Payslips and Cheques

Configuring your cheques and payslips to display additional text requires the setup steps described in this topic. 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.

### Examples of Input Values for Payslip and Cheque Text

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. Here are a couple of scenarios that illustrate how you can archive payroll information for this purpose.

#### Display Earnings by Earned Weekly Period

For example, you want to display earnings details on payslips, such as overtime pay per week within a semimonthly pay period. In this example, before modifying your payslip template, you create an element using the Information element classification. You create these input values in your element and add them to the payroll information to archive:

- Description
- Start Date
- End Date
- Hours
- Rate
- Multiple
- Amount

#### Display a Message on a Cheque

You want to display birthday congratulations message on cheques. In this example, before modifying your cheque template, you could create an element using the Information element classification with these input values:

- Message Title
- Message Description

### Payslip Regions and Details

You can generate a payslip for each payment made for an employee for a given pay period. This is after you have successfully completed the Event Archive for Payroll and Generate Cheque Payments or BACS processes. The payslip contains information such as Employee Details, Payroll Information, Earnings, and Payment Methods.
Payslip Regions

Here are the key regions you will see on the payslip:

- **Identifying Header**
  - The header region contains the following details:
    - HMRC Payroll ID that uniquely identifies the employment relationship with the employee, and is the same identifier used to identify the employment to HMRC.
    - Employee Name
    - Employee Address
    - Person Number
    - Payroll Relationship Number
    - NI Number
- **Employer Information**
  - This is predefined and displays the following personal details of the employee:
    - Employer Name
    - Employment PAYE Reference
    - Employee Address
    - HMRC Office Name
    - HMRC Office Phone
    - HMRC Office Address
- **Tax Details**
  - This is predefined and can't be modified. It displays the data from the PAYE calculation card for the identifying HMRC payroll ID:
    - Tax Code
    - Tax Basis
    - Previous Taxable Pay
    - Previous Tax Paid
- **Pay Period**
  - This region displays the period dates for the payslip. This is predefined and contains the following:
    - Period Type
    - Period Start Date
    - Period End Date
    - Period Number, or the statutory period number
- **Earnings**
  - This region contains all the elements paid to the employee. Elements having the following primary classifications are considered for payments:
    - Regular Earnings
• Irregular Earnings
  All elements created with the above primary classifications are included. For each element that has a calculation value that’s not zero, the amount and description are printed on the payslip.

• Direct Payments
  This region contains elements with the primary classification Direct Payments. This is predefined and can’t be modified. The following details are displayed:
  • PAYE (for this payroll run and year-to-date)
  • NI Contribution (for this payroll run and year-to-date for each NI category used)

• Pre-Statutory Deductions
  This region contains elements with the primary classification Pre-Statutory Deductions. For each element that has a calculation value that’s not zero, the amount and description are printed on the payslip.

• Summary
  This is predefined and contains the following details:
  • Gross Earnings
  • Total Deductions
  • Net Pay

• Net Pay Distribution
  This is predefined and can’t be modified. It contains the following details:
  • Payment Type (whether BACS or cheque)
  • Bank Name
  • Sort Code
  • Account Number
  • Currency
  • Payment Amount

• Balances
  This is predefined and can’t be modified. The following payroll run, period-to-date and year-to-date balances are displayed:
  • Gross Earnings
  • NIable Pay
  • PAYE
  • Taxable Pay

Configure Payslip template to Display Hours for Employees

You can show the employee’s hours on the payslip, to meet the legislative requirement. You can set up the payslip template to show or hide hours in the Hours region, as required. Your employees can view the number of hours related to their earnings.
Element Classifications and Balance Category

You must select Hours as one of the inputs for the earnings element template for the element template to automatically create the balance category Hours.

- Use the Manage Elements task to create the element using the Earnings element template.
- Use the element classification Regular Earnings and select the Hours * Rate option under calculation rules.

Automatic balance feeds ensure the number of hours feed into the balance created. Use the balance category Hours to configure the payslip to display hours. This balance is available in the payslip template under the Hours region.

Create Your Own Calculation Rules to Display Hours

You can create your own calculations for the number of hours to display on the payslip or other archive based reports, for example, the Payroll Register report. Here’s how you can do this:

- Create your balance with the balance category Hours. In the Manage Balance Definitions, use the balance category Hours
- Create a balance feed for the result of the calculation. You can enter the element name as input value Hours
- Attach these dimensions to the balance:
  - Relationship Tax Unit Tax Year to Date
  - Payroll Relationship, Tax Reporting Unit, Payslip
  - Relationship Tax Unit Run

Multilanguage Support for Payslips

The Generate Payslips process is run once each payroll period and it generates the payslip XMLs based on the payroll archive and prepayments data. The application creates the payslip PDFs and stores them in the Document of Records for future reference and retrieval.

Print Payslip PDFs

Some workers may opt for a printed payslip and you must provide individual PDF payslips to them.

The application supports producing all printed payslips in a single file for ease of printing. However, for the payslip labels to be translated, each payslip must have its own individual PDF output file. To enable single PDFs, add the Bursting configuration onto the Print Delivery option within the Payslip extract definition.

For more details on how to add the Bursting option, refer to Adding Bursting to Print Delivery Option: Procedure on the Oracle Applications Help.

Translate the Payslip

You can now generate individual payslips in the worker’s correspondence language of choice. Run the Generate Payslips process just once and generate the payslips for the various workers in a language of their choice depending on what’s set as the worker’s correspondence language.

The process translates:

- The metadata, the layout labels, and the static text on the payslip template.
The underlying data that comes from the transactional and setup tables, and the data that the Payroll Archive process archives for the payslip.

Set the process configuration parameter, Enable Payslip Translation, to Y, before running the Payroll Archive process. You must set this only once. If you have run the Payroll Archive before setting this parameter, you must roll back the process, set the Enable Payslip Translation parameter to Y, and rerun the Payroll Archive process.

Install the Correspondence Language

Although the worker’s correspondence language may be set to one of several languages, only those languages that are installed are supported for translation. To determine the number of languages you must install, consider how diverse the worker population is in terms of their preferred correspondence language.

If the correspondence language isn’t one of the installed languages, the Payslip is produced in the base language.

To enable translation of the payslip labels, set the Locale property of both Document of Records and Print Delivery options within the Payslip Extract Definition to Correspondence Language. If you don’t want the payslip labels to be translated, leave the Locale property blank or set it to the base language, for example, en-us, for US English.

For the payslip data that’s not delivered by Oracle, the translated values of the data must be available in the application. Enter translated values for the base language and each of the installed languages that needs payslip translation support. For example, if you have created additional element names and its associated balances, you must also enter their translated values in the application. Otherwise, the translated values aren’t reflected in the payslip PDFs.

Related Topics

• Overview of Translating Modified Text

Add Bursting to Print Delivery Option

When you enable payslip translation, both the transactional data and the labels on the payslip are translated. As only one language can be applied to all the labels on a payslip, payslips for different languages must be in their own PDF. One way of ensuring that is to add the Bursting configuration on the Print Delivery option within the Payslip Extract Definition.

Add the Bursting Configuration

Complete the following steps to add Bursting to the Print Delivery option for the payslip:

1. Select the Manage Extract Definitions task in the Data Exchange work area.
2. In the Search window, enter Payslip in the Name field.
3. Select Archive Retrieval in the Type field.
4. Select a legislative data group and click Search.
5. Click Payslip in the Search Results region.
6. Click the Deliver tab in the Manage HCM Extract Definitions: Payslip page.
7. Select the Printed Payslip Delivery Option Name row in the Extract Delivery Options section.
8. Complete the following in the Additional Details section.
   a. Select Default in the Value column of Bursting.
   b. Remove content in the Value column of Locale.
   c. Select Search in the Attribute column of Locale.
   d. In the Search and Select: Attribute window, enter the following, as given in the table below.
<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parent Data Group</td>
<td>Global Archive Payroll Calculation Breakdown</td>
</tr>
<tr>
<td>Attribute</td>
<td>Correspondence Language</td>
</tr>
<tr>
<td>Record</td>
<td>Global Calculation Breakdown ID Information</td>
</tr>
</tbody>
</table>

9. Click **Search**, and then **OK**.
10. Click **Save** and then **Submit**.

**Related Topics**
- Overview of Translating Modified Text

**Rate Precision in Payslips**

Use the Payslip Rate Precision process configuration parameter to set a fixed, positive integer value as the precision value for rates displayed on the payslip. The default value is two decimal places. Set this parameter before you run the Periodic Payroll Archive process.

A fixed rate precision value ensures ease of implementation, user control, and consistency across different rates and element entries. Setting the rate precision value does not impact the calculation of payroll or the accuracy or precision of payments. You are only defining the number of decimal places for the rates shown on the payslip.

The precision value you set for the number of decimal places for the rates displayed on the payslip, is dependent on the following factors:

- **Currency**: Some currencies require a rate precision value higher than the default value of two.
- **Multiplying factor for the rate**: precision value you set for the element rates displayed on the payslip is dependent on how high you expect the quantity to be. For example, if you expect the quantity, say hours to be high, set a precision value higher than the default value of two.

Any precision value you set on the report template overrides the value you set on the Archive process. For rates needing a lower precision value, you must define it in the report template. The precision value you set on the Archive process applies for the calculation results and appears by default on all reports that use the archived data. However, you can configure your report template to display a value that is lower than the value on the Archive process. In the report template, you cannot set a value that is higher than that on the Archive process.

For example, suppose you want your hourly employees to see four decimal places for rates and the salaried employees to see only two decimal places on their payslips. Set the Payslip Rate Precision process configuration parameter to four decimal places. Then, modify the report template to display the rates with two decimal places only for salaried employees.

**Related Topics**
- Report Days and Units in Payroll Reports
Payslip Reprinting Report

Use the Payslip Reprinting Report to generate a report to include payslips for an employee or a specific group of employees spanning across multiple pay periods.

For example, you may generate the report for:

- Employees who generally view their payslips online and are on long-term leave of absence, for instance on maternity leave, and hence cannot view their payslips online.
- Employees who are terminated and can no longer view their payslips online and are paid severance payments after they have left the organization.
- Your legal department, who has requested for an employee’s payslips for a specific financial year.

You can run this report for:

- Multiple employees
- Multiple pay periods
- Any date range
- Any number of times

To run this report, use the Payslip Reprinting Report task from the Payroll Calculation or Checklist work area.

Prerequisites

Run this report after successful completion of the Generate Payslips process. The report retrieves the payslips that are already generated by the Generate Payslips task and stored in the Document of Records. Hence ensure that the Generate Payslips task is run for the pay periods, employees, and date range for which you want to run this report.

Report Parameters

The report parameter values determine which records to include in the report. Most parameters are self-explanatory, while the following have special meaning in the context of this report.

**Process Start Date**

The report excludes pay slips with a payment date that is earlier than the date specified.

**Process End Date**

The report excludes pay slips with a payment date that is later than the date specified.

**Payroll**

The name of the payroll you use to run this report.

**Consolidation Group**

Use this field to run the report for a consolidation group. For example, you can use this field to run this report for a subset of payrolls. You can select a value only if you have a predefined consolidation group.

**Location**
Use this field to print the payslips for employees who have at least one assignment for the selected location.

**Payroll Relationship Group**

Use this field to run the report for persons belonging to a specific payroll relationship group. You can specify a value only if you have a predefined payroll relationship group.

**Person**

Use this field to print the payslips for a specific employee.

**Process Configuration Group**

Use this field to run the report for a specific process configuration group, instead of the default one. A process configuration group is used to set rules for payroll processes, such as passwords or number of threads. You can select a value only if you have a predefined process configuration group.

![Note:](image)

Use the Manage Object Groups task to define any of the groups mentioned above, before you can use it here.

**Delivery Preference**

Use this field to select any of the following options:

- Online
- Paper
- Both online and paper

You can also run this report for a specific payroll statutory unit or tax reporting unit.

**Report Results**

The report provides a single output file and also includes employees who have not opted for a printed payslip.

**FAQ for Payment Methods**

**What is the International Transfer payment type?**

This payment type supports payment methods for electronic funds transfer (EFT) payments in a different country from the originating payment source. Payroll managers can create EFT payment methods for employees to transfer funds to foreign banks if an International Transfer organization payment method exists for their legislative data group.
14 Set Up Payroll Flow Patterns

Flow Patterns

Payroll Flow Patterns and 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.

- When you create a flow pattern, review and edit the task parameters for the Submit and Initialize task actions.
- 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.
- After you submit the flow pattern, edit the parameters for the remaining task actions, such as Mark for Retry, Retry, and Roll Back, as required.
The following figure shows the relationship of the tasks, task action parameters, and flow parameters in a flow pattern.

Here’s the parameter details you can edit:

- Display and display format
- Lookups and value sets
- Usage
- Sequence
- Parameter Basis and Basis Value

**Display and Display Formats**

Display parameters control the format and availability of the flow parameter, as shown below.

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Display</td>
<td>Determines whether the parameter displays on the page when you submit 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. Here’s the list of methods by which the lookup values are derived and the corresponding parameter basis you can use.

<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>The application derives the value during flow submission and presents it. The value is derived from existing tables, such as the value for the payroll statutory unit. During flow submission, you can either use the value presented to you or override it.</td>
<td>SQL Bind or Bind to Flow Task or Context Binding</td>
</tr>
<tr>
<td>The application derives the value from a Post SQL process</td>
<td>Post SQL Bind</td>
</tr>
</tbody>
</table>

**Usage**

A parameter can receive information or generate information 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.

Here’s the typical settings for a parameter whose usage is output. For output usage parameters the parameter isn’t 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>

- 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**

Sequence numbers control the order in which the application processes and displays the parameters by specifying the sequence. 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.
Here’s the list of values to select parameter basis and basis values when you define payroll flows. The table provides examples when you can 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>Enter the text as a constant or value, when you submit 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. Bind the legislative data group parameter to a task parameter that supplies the legislative data group. For example, the legislative data group for prepayments uses the payroll as context, because it’s already associated with 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. For example, use a post SQL process to use the payroll period and payroll parameters and generate the process date.</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.

The activity you select for the task determines the work area where you can submit the flow.

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.
   o Skip the step to specify the duration dates. The duration dates determine when to send the notification to alert the flow owner or task owner to start a task or to alert them that the task is overdue. Return to this step after you complete flow parameters on the Parameters page.
   o Select the type of notifications that you want the flow or task owner to receive.

---

<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>Bind a parameter using SQL. For example use SQL Bind to calculate the payment type parameter for the Generate Check Payment task. The application obtains the payment type ID for the check 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 Edit Task Details: Owner and Checklist page, specify a sequence value and decide the order in which the tasks display in the checklist.

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.

Examples of Editing Flow Patterns

Review these scenarios to understand how you can 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 these scenarios.

Update a Parameter to Use a Specified Value

Your payrolls use a single process configuration group named InFusion Consolidation Group A. You want to specify a constant for the configuration group task action parameter and hide the parameter to avoid data entry mistakes. Perform these steps.

1. Query the flow pattern you defined for the payroll cycle.


   Enter these values 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>
<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>
</tbody>
</table>
Supply a Reason for a Corrective Action

Your enterprise typically issues electronic funds transfer payments. You defined a flow pattern to issue check payments and you want to verify and track the reason managers issue checks. You can 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. Enter these details.

<table>
<thead>
<tr>
<th>Parameter Detail</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Display</td>
<td>Yes</td>
</tr>
<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>Context Binding</td>
</tr>
<tr>
<td>Basis Value</td>
<td>Payroll Flow</td>
</tr>
</tbody>
</table>

Add Tasks and Reorder the Task Sequence

Your flow pattern includes the Calculate Gross Earnings process and the Element Results Register Report. Perform these steps to run the two extract reports concurrently, and add a verification task, to simplify the checklist to a single list.

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 in 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 Increment Dates in the 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. Perform these actions to edit the task parameters on the task’s Basic Information page.

1. Select the Process Date parameter.
2. Select Context binding from the Parameter Basis field.
3. Select System Date from the Basis Value field.

Edit a Flow Pattern

This example demonstrates how you can copy the predefined QuickPay flow pattern and edit the flow pattern.

The edits include these changes to the copied QuickPay flow pattern:

- Designate a person with Payroll Manager Operations role as the task owner for the Verify Prepayment Results task. The task owner reviews the prepayments results before generating the payments.
- Schedule the verification task to start two days before the process date for the Generate Check Payments task starts. You notify the owner that verification starts before the next task should begin.

⚠️ Note: In this example, the process date is the date paid.

Before you start, create a QuickPay flow pattern by copying the predefined QuickPay flow pattern, entering a name for the flow pattern and selecting a legislative data group.

Let’s look at the steps to specify a task owner for the Verify Prepayment Results 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 pattern that you created, and edit the flow pattern.

3. On the Tasks tab, select the Verify Prepayment Results task, and click **Edit Task**.

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, enter these values.

<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**.

---

### Create a Flow Pattern to Reissue a Check

In this example, you create a payroll flow pattern to issue a replacement check that an employee lost or didn’t receive.

Here's the key decisions to consider 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 Check Payment</td>
</tr>
<tr>
<td>Who has access to submit the flow?</td>
<td>InFusion Payroll Manager</td>
</tr>
<tr>
<td>Which notifications should the flow owner receive?</td>
<td>Error and Warning notifications</td>
</tr>
<tr>
<td>Which predefined task or flow parameters do you want to override?</td>
<td>Process Configuration Group parameter for the Void Payment task</td>
</tr>
</tbody>
</table>

---

### Create the Payroll Flow Pattern

1. Select the Manage Payroll Flow Patterns task and create a new flow pattern for the legislative data group.

2. On the Create Payroll Flow Pattern: Basic Information page, complete these fields.

<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 Check</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 Check 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 Payroll Manager.
6. On the Create Flow Pattern: Tasks Sequence page, confirm tasks follow this sequence: Verify a Payment, Void Payment, Generate Check Payment. Correct the sequence, if necessary.
7. On the Create Payroll Flow Pattern: Flow Parameters page, click Select and Add. For each field, select these multiple parameters from the Select and Add window.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Void Payment</td>
<td>Start Check Number, End Check Number, Process Configuration Group, Process Date, Payroll Process, Reason</td>
</tr>
</tbody>
</table>

Note: With the exception of the Reason parameter, only the Generate Check Payment task uses these parameters. Add them only once as flow parameters to cover both tasks.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generate Check Payment</td>
<td>Payroll, Start Date, Consolidation Group, Organization Payment Method, Overriding Payment Date, Payment Source, Payment Type</td>
</tr>
</tbody>
</table>

8. Select the row for the Process Configuration Group flow parameter and select these values for the flow parameters.

<table>
<thead>
<tr>
<th>Field</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Display</td>
<td>No</td>
</tr>
<tr>
<td>Display Format</td>
<td>Text</td>
</tr>
<tr>
<td>Lookups</td>
<td>No value</td>
</tr>
<tr>
<td>Parameter Basis</td>
<td>Use Specified Value</td>
</tr>
<tr>
<td>Basis Value</td>
<td>InFusion Process Configuration Group</td>
</tr>
</tbody>
</table>

Don’t edit the Process Configuration Group 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
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

- Create a User-Defined Table for Matched Row Values
Start of Year Process

Payroll managers run this process at the beginning of a new payroll tax reporting year to clear down (reset to zero) employees' previous taxable pay and tax paid amounts and reset their tax basis to cumulative. The process also produces an audit report showing the process results.

Use the Submit a Payroll Flow task in the Payroll Checklist or Regulatory and Tax Reporting work area to run the Start of Year process.

Prerequisites

The values being updated by this process are stored in the Pay As You Earn component details for the PAYE component on an employee's Statutory Deductions calculation card. For employee records to be considered for clear down:

- The previous taxable pay or previous tax paid for the PAYE component must be greater than zero or the tax basis must be non-cumulative.
- The PAYE component can’t have any future dated changes.

Parameters

When you submit the flow, you must select the payroll statutory unit for which you’re updating employee records. Optionally, you can select a tax reporting unit within that payroll statutory unit for updating. In addition, you must provide the following parameters.

Year

Year for which records will be updated. For example, if you’re running this process for the tax year starting on 6 April 2013, then enter 2013.

Batch Name

User-defined name that describes the contents of the batch file being created by this process. For example, 2013 Start of Year Batch. This name must be unique within your legislative data group. The batch file is retained after the upload process completes, and you can query it by this name.

Submission Type

Indicates whether the submission is Test or Live. If you select Test, the audit report is generated with results but not updates are saved to the database. If you select Live, the updates are saved to the database.

Process Results

Process results are displayed on the payroll flow checklist page.

If an error prevented the processing from completing successfully, select Go to Task for the start-of-year task on the checklist, and then click the Errors and Warnings tab to view the error. Correct the underlying problem identified on this tab and then rerun the process.
If the process completed successfully, click **Go to Task** for the start-of-year task on the checklist, and then click **View Results** on the Processes and Reports tab to access the audit report.

**Audit Report**

The audit report lists each employee whose tax information was successfully cleared down. The report also lists each employee whose tax information couldn’t be updated and the reason for the error.

If the report contains errors, correct the underlying data problems identified in the report and then rerun the process. The process won’t update a person’s record more than once on the same date; it processes only records that weren’t already updated on the effective date of the process.

> **Note:** You can’t roll back or undo this process.

After this process has successfully completed, you can view the updated tax information for an employee using the Manage Calculation Cards task. After clear down:

- Taxable pay and tax paid are zero.
- Tax basis is **Cumulative**.
- Authority is **P9X**.
- Update Method is **System**.

**Next Steps**

Run the Tax Code Uplift Process to uplift tax codes for the upcoming year.

**Tax Code Uplift Process**

Payroll managers run this process at the start of a new payroll tax reporting year to uplift all employee tax code values associated with a particular tax code suffix. Uplifting a tax code updates the tax allowance value, typically increasing it. For example, if you uplift tax codes ending in L using an uplift value of 13, then tax code 450L becomes 463L. You can also run this process mid-year if tax code changes are required.

Use the Submit a Payroll Flow task in the Payroll Checklist or Regulatory and Tax Reporting work area to run the Tax Code Uplift Archive Process.

**Prerequisites**

The tax codes updated by this process are associated with a PAYE component on an employee’s Statutory Deductions calculation card. For tax codes to be eligible for uplift, the following conditions must be met:

- At least one assignment associated with the PAYE component is active. (It’s active if it hasn’t been terminated or has a termination effective date after the start of the new year).
- No future-dated changes exist for the PAYE component.
- No changes have been made to tax code, tax basis, previous taxable pay, or tax paid on the effective date of this process except for changes made by the Start of Year Process.
- The resulting tax code after uplift can’t be negative.

If you’re running this process for a start-of-year uplift, you should have successfully completed the Start of Year Archive Process.
Process Parameters

When you submit the flow, you must select the payroll statutory unit for which you’re uplifting tax codes. Optionally, you can select a tax reporting unit within that payroll statutory unit for updating. In addition, you must provide the following parameters:

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Flow</td>
<td>Identifies the flow submission.</td>
</tr>
<tr>
<td>Effective Date</td>
<td>Date on which the tax code uplift is effective. If this date is 6 April, the process is considered a start-of-year uplift; otherwise, it’s considered a mid-year uplift.</td>
</tr>
<tr>
<td>Batch Name</td>
<td>User-defined name that describes the contents of the batch file being created by this process. For example, 2013 Tax Code Uplift Batch. This name must be unique within your legislative data group. The batch file is retained after the upload process completes, and you can query it by this name.</td>
</tr>
<tr>
<td>Payroll Statutory Unit</td>
<td>Legal entity for which you want to run the process</td>
</tr>
<tr>
<td>Tax Reporting Unit</td>
<td>Legal reporting unit for which you want to run the process</td>
</tr>
<tr>
<td>Tax Code Suffix</td>
<td>One-letter suffix for the tax codes you want to update.</td>
</tr>
<tr>
<td>Uplift Value</td>
<td>Amount to be added to the original tax code value for all tax codes ending in the specified suffix. This can be a negative number if the tax allowance is being decreased.</td>
</tr>
<tr>
<td>Submission Type</td>
<td>Indicates whether the submission is Test or Live.</td>
</tr>
<tr>
<td></td>
<td>In the Test mode, audit report is produced but no updates are made.</td>
</tr>
<tr>
<td></td>
<td>In the Live mode, the records are updated.</td>
</tr>
</tbody>
</table>

Process Results

Process results are displayed on the payroll flow checklist page.

If an error prevented the processing from completing successfully, select Go to Task for the start-of-year task on the checklist. Then click the Errors and Warnings tab to view the error. Correct the underlying problem identified on this tab and then rerun the process.

If the process completed successfully, click Go to Task for the uplift task on the checklist. Then click View Results on the Processes and Reports tab to access the audit report.

Audit Report

The audit report lists each employee whose tax code was uplifted and shows the original and updated tax code values. The audit report also lists errors encountered during the process that prevented one or more employee records from being updated.

If the report contains errors, correct the underlying data problems identified in the report and then rerun the process. The process doesn’t update a person’s record more than once on the same date; it processes only records that weren’t already...
updated on the effective date of the process. If there are only a few errors, you may want to make the tax code changes manually on the person’s calculation card rather than run the process again.

**Note:** You can’t roll back or undo this process. However, you can run the process again the next day to correct any data. For example, if you incorrectly uplifted tax codes by 20 instead of 10, you can uplift again the next day by negative 10.

After this process has successfully completed, you can view the updated tax code for an employee using the Manage Calculation Cards task in the Payroll Calculation work area. Search for and open the employee’s Statutory Deductions calculation card, and then expand the Pay As You Earn component details for the PAYE component. After the tax code uplift, the Authority field displays the value P9X for a start-of-year uplift or P7X for a mid-year uplift; the Update Method is set to **System**.

**Employer Payment Summary Process**

This process produces an Employer Payment Summary (EPS) file for submission to HM Revenue and Customs (HMRC). The EPS informs HMRC about any adjustments that must be made against the employer’s tax and NI liabilities resulting from statutory payments to employees. It is also used to calculate and report the Apprenticeship Levy amount due for the year-to-date. This process creates an archive, from which it creates the EPS file, and produces a Reconciliation Report. The process doesn’t update employee records.

You can also specify Construction Industry Scheme amount suffered by your organization that reduce your liability to HMRC.

Payroll managers and administrators run this process at the end of every statutory month. Use the Submit a Process or Report task in the Regulatory and Tax Reporting work area to run the **Employer Payment Summary for Tax Year Ending <year>** process.

**Prerequisites**

If you’re currently reclaiming or have at any time in the current tax year reclaimed any amounts for statutory absence payments (such as maternity, paternity, and adoption pay), then the EPS must include year-to-date (YTD) totals for recovery and NIC compensation amounts. To calculate these amounts automatically in a payroll run, you must do one of the following:

- Manually calculate YTD recovery and NI compensation amounts, and then enter those values as overrides in the EPS archive file.
- Perform the setup required so that payroll runs automatically calculate these amounts and feed the appropriate balances. If you select this method, the EPS retrieves the correct values from the recovery and NIC compensation YTD balances.

**Process Parameters**

Select the payroll statutory unit (PSU) for which to run the process. Optionally, you can select a tax reporting unit (TRU) within that PSU. The process includes these additional parameters:

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Flow</td>
<td>Identifier for the process that’s being run. You can enter a value each time the process is executed.</td>
</tr>
</tbody>
</table>
Parameter | Description
---|---
PSU | Payroll statutory unit for which to run the process.
TRU | Tax reporting unit, within the selected PSU, for which to run the process. If you're generating the final submission for the text year, this is a required field.
EPS Date | Statutory month end date for this process.
Submission Type | Indicates whether the output file is for testing.
If you select **Test**, the process inserts a test indicator in the file, which you can submit to HMRC for validation before submitting the live submission. Once you have verified the test submission, run the process again and select **Live** as the submission type. In test mode, the process doesn't update any employee data, but it completes the archive and generates the XML file and report.

**Note:** You can run the process multiple times in Test mode, but only once in Live mode for any tax reporting unit and EPS date, other than 5 April. If payment data for a specific TRU and EPS date was previously archived, the process doesn't include that data in the EPS.

Final Submission | Indicates whether this EPS is the final submission for the year or for a ceased PAYE scheme.
Date Scheme Ceased | Date the scheme ceased, if this is the final submission for a ceased PAYE scheme.
Process Configuration Group | Determines the rules for processing, such as logging and number of threads.

**Process Results**

This process includes the following tasks and outputs:

- **Archive Employer Payment Summary:** Generates an archive file containing the payment data to include in the file.
- **View Employer Payment Summary Results:** Enables you to view and edit the archive file to adjust balances, if necessary.
  To view the archive file, click **Go to Task** for this task on the checklist. Edit the balances in the archive file, as needed. Once you have completed this manual step, mark the task as complete so the process can continue.
- **Generate Employer Payment Summary Audit Report:** Generates the audit report.
- **Generate Employer Payment Summary XML:** Generates the XML file from the archive.

**Note:** If the test file is accurate, you must rollback the process and generate a Live file. You can only submit a Live file to HMRC using the Outgoing XML Messages Submission process.

**XML File Download**

Save the XML file to a location accessible to transmit the file to HMRC. (You perform the XML transmission outside of this process.)
Roll Back Process
If, after running this process, you determine that the archived payment data for one or more TRUs was incorrect, correct the data and then roll back the EPS process. Run the EPS process again to create a new archive and EPS file for the affected TRUs.

Calculate Recovery and NIC Compensation Amounts Manually
The Employer Payment Summary (EPS) informs HMRC about any adjustments that must be made against the employer’s tax and NI liabilities resulting from statutory payments to employees. This includes year-to-date (YTD) recovery and NIC compensation amounts for the following absence payment types:

- Statutory Adoption Pay (SAP)
- Statutory Maternity Pay (SMP)
- Statutory Paternity Pay (SPP)
- Statutory Sick Pay (SSP)
- Shared Parental Pay (ShPP)

If you want to reclaim statutory payment amounts, you must report these amounts each period on the EPS. Currently, the payroll runs don’t automatically calculate recovery and NIC compensation amounts. To include them in the EPS, you must manually calculate these amounts and enter them as override values in the archive file produced by the EPS process.

Note: Alternatively, you can create a set of absence payments elements, indirect elements, and formulas to automatically calculate the recovery and NI compensation amounts and feed the seeded balances provided for this purpose. If you use this method, the EPS process automatically retrieves the correct recovery and NIC compensation amounts from the seeded balances.

Calculate the Recovery Amount
Prior to running the EPS for a statutory month, calculate the total eligible recovery amount for each absence payment type, for each tax reporting unit (TRU) you’re reporting.

For example, if the total of all SAP payments for the period was 1000 GBP and the employer is eligible for a 92% recovery rate, then the total eligible SAP recovery amount would be 920 GBP. Add that amount to the previous period’s YTD to derive the current period’s YTD total.

Calculate the NIC Compensation Amount
You can calculate the NIC compensation amount for each absence payment type, for each TRU you are reporting. NIC compensation is only applicable when the recover amount is 100%. You can’t claim NIC compensation where the partial amount of 92% is reclaimed.

Record the Calculated Amounts in the EPS Archive
Here are the steps to update the EPS archive to include the manually calculated amounts:

1. Run the Employer Payment Summary process.
2. On the checklist, click Go to Task for the View Employer Payment Summary Results task.
3. Open the archive file.
4. Enter the TRU-level YTD balances for each payment type in the appropriate override column.
5. Save the archive file.
6. Mark the View Employer Payment Summary Results task as complete so the process can continue.
Full Payment Submission Process

This process produces a Full Payment Summary (FPS) file for submission to HM Revenue and Customs (HMRC). The FPS advises HMRC how much you have paid your employees and what deductions, if any, you have made for Pay As You Earn (PAYE) tax, National Insurance Contributions (NICs), and student or postgraduate loans. This process also updates employee records to indicate that payment data was sent, and produces a Reconciliation Report.

As payroll managers and administrators, you can run this process for a specific prepayment process. HMRC requires that employers send an FPS each time they pay an employee, whether the payment is part of your normal pay cycle or an additional payment made between paydays.

Use the Submit a Process or Report task in the Regulatory and Tax Reporting or Payroll Checklist work area to run the Full Payment Submission for Tax Year Ending <Year> process.

Before You Start
Before you run this process, you must have completed these activities:

- Defined this information at the tax reporting unit level (Manage Legal Reporting Unit HCM Information task, UK Tax Reporting Unit Details page):
  - **Employer Accounts Reference Number**: Required for all employers.
  - **Service Company Indicator**: Required for service companies only.
  - **Self Assessment unique Identifier**: Required for employers who have registered for self-assessment.
  - **Corporate Tax Reference**: Required for employers who have been issued a Company Unique Taxpayer Reference.

  You typically define these items during initial setup or initialization into the Real Time Information (RTI) program.

- Defined PAYE component details, as applicable, on the Statutory Deductions calculation card (Manage Calculation Cards task) for each employee included in the FPS. Note these key aspects regarding the PAYE component details:
  - **Number of Periods Covered**: If you set this to any value other than 1, the process resets it back to 1 when it updates the employee record.
  - **Number of Hours Worked**: If you don't provide a value, the process retrieves this information from the assignment.
  - **Report NI YTD**: You must have selected this option for only one PAYE component on the deduction card at any given time. Otherwise, the payroll run and the FPS process will fail.

- HMRC requires that you provide information about the partners of employees who have been entered on Shared Parental Pay (ShPP) claims. Complete these fields for each partner (Person Management task, View More Details link under Gender and Marital Status):
  - **Partner First Forename**, **Second Forename**, and **Surname**
  - **Partner National Insurance Number**

- Run the prepayment process for the payments being reported.

Process Parameters
## Parameter Description

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Description</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PSU</td>
<td>Payroll statutory unit for which to run the process.</td>
<td></td>
</tr>
<tr>
<td>TRU</td>
<td>Tax reporting unit, within the selected PSU, for which to run the process.</td>
<td></td>
</tr>
<tr>
<td>Unique Part Identifier</td>
<td>A unique part ID, if you’re generating the FPS file in sub files. This flow will include only those employees whose statutory deduction component is associated to this unique part ID using the TRU association.</td>
<td></td>
</tr>
<tr>
<td>Payroll</td>
<td>Payroll for which to run the process.</td>
<td></td>
</tr>
<tr>
<td>Prepayment</td>
<td>Prepayment to report. It’s the value selected in the Unique Part Identifier parameter. It limits the prepayments that can be selected to those containing employees with the specified unique part ID (through statutory deductions card’s association with the TRU).</td>
<td></td>
</tr>
<tr>
<td>Submission Type</td>
<td>Indicates whether the output file is for testing. If you select <strong>Test</strong>, the process inserts a test indicator in the FPS file, which you can submit to HMRC for validation before submitting the live submission. In this mode, the process doesn’t update any employee data, but it validates the payment records and produces a Reconciliation Report. When you run the process in this mode for a prepayment, it doesn’t effect the values in the prepayment parameter. Once you have verified the test submission, run the process again and select <strong>Live</strong> as the submission type. In this mode, the process archives the data, generates the reports and updates data to their default values or marks them as sent. Running the process in Live mode means a payroll relationship group can’t be used. If you run the process for a prepayment without specifying a TRU, you can’t run the FPS for that prepayment again. It won’t be displayed in the prepayment list of values.</td>
<td></td>
</tr>
<tr>
<td>Report HMRC Payroll ID Migration Change</td>
<td>Notification to HMRC, in the FPS, that you have migrated employee records from the old works number to the HMRC Payroll ID used in the Real Time Information (RTI) program.</td>
<td></td>
</tr>
<tr>
<td>Final Submission</td>
<td>Indicates whether this FPS is the final submission for the year or for a ceased PAYE scheme.</td>
<td></td>
</tr>
<tr>
<td>Date Scheme Ceased</td>
<td>Date the scheme ceased, if this is the final submission for a ceased scheme.</td>
<td></td>
</tr>
<tr>
<td>Process Configuration Group</td>
<td>Determines the rules for processing, such as logging and number of threads.</td>
<td></td>
</tr>
<tr>
<td>Late PAYE Reporting Reason</td>
<td>Select one of the notional payment such as payment to expatriate by third-party or overseas employer, employment related security, or others.</td>
<td></td>
</tr>
<tr>
<td>Payroll Relationship Group</td>
<td>List of Payroll Relationship Groups. Use this to limit the employees that should be included in a Test mode FPS run. You can’t use this for Live submission.</td>
<td></td>
</tr>
</tbody>
</table>
Process Results

This process produces an FPS file and a Reconciliation Report. To view the process output after the process is complete:

1. On the process checklist, click Go to Task for the Run Full Payment Submission task.
2. On the Statutory Reports page, select the Processes and Reports tab and then click the icon in the View Results column.
3. On the View Results window, click the report or file name.

**Note:** The Live FPS process updates the PAYE Details calculation component to indicate that reporting has been completed and hence won’t be reported again. Even though it’s possible to roll back a live submission, the rollback process doesn’t roll back the updates to the PAYE Details component. Use the Live submission type for the process only after the test submission has been thoroughly checked and verified.

Submission Types

**Live**
- It archives the data, generates the reports, and updates some data to their default values or marks them as sent.
- If you run this process for a prepayment without the TRU, you can’t run the FPS for that prepayment again. It won’t show up in the prepayment parameter list of values for selection.
- If you run this process for a prepayment with the TRU, you can run the FPS for that prepayment again only if you specify a different tax reporting unit in the parameter.
- You can’t use the payroll relationship group parameter in this mode.

**Test**
- It completes an archive and generates the reports without updating data.
- If you run this process for a prepayment, there is no effect on prepayment parameter list of values.
- You can use the payroll relation group in this mode.

**FPS Audit Report**
Use the report to verify the employees and amounts reported in the FPS. The report groups the records by TRU and displays a section for each employment. It shows payment totals by TRU and grand totals for all TRUs.

**FPS File Download**
Save the FPS file to a location accessible to the third-party software that transmits the file to HMRC. (The file transmission is done outside of this process.)
Roll Back Process

If, after running this process, you discover that you have to revert payments or make changes to the payroll for any reason, use the RTI Full Payment Submission Roll back process to revert all employee records to their original state. Make all necessary corrections, rerun the prepayments process as needed, and then rerun the FPS process.

FPS Breakdown to Smaller Files

You can create smaller files from the FPS process to aid the reconciliation of FPS submissions. To do this, you can create a lookup of unique IDs and use this at the TRU level to enable FPS to process separate files for groups of employees. To do this, use the Unique Part Identifier while running the FPS process.

The Unique Part Identifier parameter on the FPS process enables you to specify the unique ID for which you want to run the process. The list displays the unique IDs that have been setup for the TRU. It also includes a special reserved input value called unassigned unique ID. Use this to include all employees who don’t have a specific unique ID entered on their statutory deductions card’s association with the TRU.

The following processing rules apply when you use the unique ID:

- If you don’t set the unique ID list at the TRU level as at the effective date, the FPS produces output for the whole TRU in a single file. You can’t select a unique ID this has been set up at the TRU-level.
- If the lookup is set at the TRU level and a value is not selected for the unique ID, the FPS produces output for the whole TRU in a single file.
- If the lookup is set at the TRU level and a value is selected for the unique ID, the FPS produces output for that specific unique ID in a single file.

A prepayment can also include employees who are assigned to different Unique IDs. Thus, once a Live mode FPS is run for a specific unique ID and prepayment combination on a subsequent FPS run, the list of values for the unique part identifier filters that combination. Thus, only if a different Unique ID (which hasn’t been processed already) is selected, and the prepayment is available for selection again.

You can repeat this process for all unique IDs to fully complete the FPS runs for the prepayment.

If there are remaining employees in the prepayment who don’t have a Unique ID assigned on their statutory deductions cards, you can include them by selecting the special unassigned unique ID value in the unique part identifier parameter.

Retry Full Payment Submission Process

You may need to rerun the Full Payment Submission (FPS) process for various reasons. Typically, these may be the scenarios:

- The FPS has reported errors for one or more individuals in the Errors and Warnings report
- There are no errors reported in the Errors and Warnings report, but you may still have to correct some data for one or more individuals and rerun the FPS process
- Both the above scenarios
You can do this in two ways:

- Roll back the FPS, correct the data, and submit a new FPS flow.
- Using the existing flow, mark for retry the individuals to reprocess, correct the data, and then retry the original flow. This is advantageous if you have a large volume of data in your FPS file, the retry approach enhances the performance.

**Retry FPS for Records with Errors**

You can retry FPS when the FPS generation flow contains errors. In this case, the task checklist will also display errors in the Run Full Payment Submission task.

To rectify this, you must first correct the data for the individual or individuals in error. Here’s how you can do this:

- In the checklist, select the Run Errors and Warnings report.
- Click the Actions menu and select Mark as Incomplete.
  When you refresh the page, the Run Errors and Warnings Report task should have the status Incomplete.
- Select the Run Full Payments Submission task. Use the Actions menu and mark as incomplete.
  This regenerates the FPS for the records with errors. This would include any individuals who did not have errors, but you subsequently marked them for retry.
  When you refresh the page, you will notice the FPS flow is complete, and the corrections to individual records are successful.

**Retry FPS for Records that are Completed**

There is a possibility that even though the FPS process is successfully completed, you may need to update or make corrections to one or more individual records and generate FPS. Here's how you can do this:

- Make the required corrections to individual record that you want to update.
- In the task checklist, select Run Full Payment Submission process. Click Go-to-Task.
- Search for and select the individual record that you want to retry. Click Actions and Mark for Retry for the individual.
  When you refresh the page, the individual must be marked for retry.
- In the tasks checklist, mark the Run Errors and Warnings report as incomplete.
- Now select Run Full Payment Submission task and mark as complete.
  This regenerates the FPS file.

**Full Payment Submission Process Updates to Employee Calculation Card**

The Full Payment Summary (FPS) process can automatically update the tax code and the tax basis to the same values used during the Pay AS You Earn (PAYE) calculation of a payment, when a payment is made after employee termination and a P45 has been issued.

You can configure this in the organization Statutory Deductions and Reporting calculation card by selecting the check box **Enable FPS to update tax code if payment after P45**.
The FPS process automatically updates the tax code and the tax basis to the same values used during the PAYE calculation of a payment. The application reverses the changes for the tax code and the tax basis to their original values, if you perform the FPS rollback. However, you can’t do this once the FPS is submitted.

Only a Live FPS updates the calculation card. The PAYE record updates are as of the effective date of the payroll run that this FPS is reporting. If there are additional future dated calculation card PAYE records for the employee, all such future dated records are updated with the new tax code and tax basis.

>Note: The FPS only performs the calculation card update if a P45 exists for the employee, or, a P45 was issued manually. There should have been a QuickPay or payroll run after the P45 action or the P45 Manual Issue Date.

**HMRC Data Retrieval Process**

You can retrieve employee data from the HMRC Data Provisioning Service (DPS) in XML format. The process retrieves the XML messages, validates, and reports the inbound data. Once retrieved, you can upload the data to the calculation cards and employee records. Use the following flow patterns to retrieve the XML messages and load the data to update employee records:

- **HMRC Data Retrieval Process:**
  - Establishes connection with HMRC service and verifies credentials. A security token is received which is valid for 4 hours during which communication can be made without having to establish a new connection
  - Sends a request for any new data available for download on DPS
  - Receives XML data and stores it in UCM, ready to be processed by the Load HMRC XML File process

- **Load HMRC XML File Process** to load the records fetched from HMRC by the retrieval process

You can retrieve the following incoming XML message types:

- P6 or P6B: Notice of an employee’s tax code or notice of an employee’s tax code following the Budget.
- P9: Bulk or daily issue, Notice of an employee’s tax code for the new tax year.
- NV REP (RTI): Validated national insurance numbers (NINO) received from HMRC
- Student Loan Start Notice (SL1)
- Student Loan Stop Notice (SL2)
- Postgraduate Loan Start Notice (PGL1)
- Postgraduate Loan Stop Notice (PGL2)

Before you start using the process for incoming retrieval, you must set up the tax reporting unit (TRU) related information. In Manage Legal Reporting Unit HCM Information page, set the following attributes for UK TRU RTI Information:

- **Employee RTI credentials:**
  - Sender ID
  - Authentication Value
- For each supporting process, set the GOT number (high watermark)
  - P6 Highest Index Retrieved
  - P9 Highest Index Retrieved
To set these attributes:

1. Select the Define Legal Entities for Human Capital Management task list.
2. Set the scope of the TRU you want update.
3. Select Manage Legal Reporting Unit HCM Information task.
4. Select UK Tax Reporting Unit Details.
5. Select UK TRU RTI Information.
6. Provide the relevant authentication details as well as the highest index retrieved for each of the different types of messages.

   If you set the Highest Index Retrieved to 0, the process will retrieve all the messages available from DPS.
7. Click Submit.

**Process Parameters**

**Payroll Flow**

Unique identifier for the payroll flow.

**Payroll Statutory Unit**

Payroll Statutory Unit for which want to run the process.

**Tax Reporting Unit**

Required attribute as the retrieval is done using PAYE reference.

**File Type**

Required attribute as only messages of same type can be retrieved together.

**Payroll Configuration Group**

Overrides the volume of data retrieved.

**View Results and Control Data Volume**

This process performs the following:

- Establishes a connection with the HMRC service and verifies credentials
- A security token is received which is valid for 4 hours during which time communication can be made without having to establish a new connection
- Sends a request for any new data available for download on DPS
- Receives XML data and stores it in UCM, ready to be processed by the Load HMRC XML File process
To view the data stored in the UCM:

1. Open the log from the HMRC Retrieval process task.
2. Search for the text Loading to UCM is successful. This displays the UCM ID.

   The number of UCM files created depends on the number of records returned from HMRC and also on the values set by the action parameters.

3. In the UCM, search for the UCM ID.

You can control the retrieval of data. This could either be in terms of how many records should be retrieved each time or the number of iterations the process performs to fetch the data. The process consolidates the data into a single file for uploading. You can do this by setting the two new action parameters in the Manage Payroll Configuration Process:

- Number of incoming records from HMRC:
  The number of records the process should fetch from the HMRC each time.

- Number of times records fetched before upload:
  The number of iterations (performed in a loop) to fetch records from the HMRC before consolidating the data.

If you do not provide the parameters, HMRC has their own default numbers that will be used.

If you want to override the parameters, you must create your own process configuration group:

1. Select the Manage Payroll Process Configuration task
2. Click Create.
3. Provide a name for the configuration group.
4. Click Save.
5. Search for and select the newly created configuration group.
6. Under configuration group details, select Create.
7. In the Parameter Name field, select Number of Incoming Records from HMRC and set the Override value.
8. Create another row for the second parameter, that is, Number of times records fetched before upload.
9. Set the Override Value.
10. Click Save.

When running the retrieval process, select the newly created configuration group as parameter.

Load HMRC XML File Process

This process loads the records fetched from HMRC by the HMRC Data Retrieval Process. The process performs the following tasks:

- Loads the fetched records from HMRC into the interface tables
- Validates the data against the data in the application within the message type
- Generates an audit report displaying the validation failures
- Generates the HCM Data Loader file with validated data
- Loads the HCM Data Loader file to update the application data

Use the Submit a Process or Report task in the Payroll Checklist or Regulatory and Tax Reporting work area to run the Load HMRC XML File Process.
Process Parameters

**Payroll Statutory Unit**

The PSU for which you want to run the process. This is a required parameter.

**Tax Reporting Unit**

Tax reporting unit for which to run the process. Required attribute as the retrieval is done using PAYE reference.

**File Type**

Type of messages to be retrieved. Required attribute as only messages of same type can be retrieved together.

**Content ID**

The UCM ID of the file. It is recommended not to enter a value. By default, the process selects the oldest unprocessed file stored on UCM. This ensures that files are uploaded in the sequence in which they were received. Use the Content ID only if you need to force a file reload.

> **Note:** Ensure that you run this process for each file generated by the retrieval process. For example, if the HMRC XML Data retrieval process generated three files, you must run the upload process three times, once for each file.

**Outgoing XML Messages Submission to HMRC**

This process enables you to submit Real-Time Information (RTI) messages in XML format using web services. This includes messages for previous tax years, that is, Full Payment Submission (FPS), Earlier Year Update (EYU), Employer Payment Summary (EPS) and NINO Verification Request (NVREQ).

Use the Submit a Process or Report task in the Regulatory and Tax Reporting to run the Outgoing XML Message Submission Process.

**Prerequisites**

Before you submit the XML file to HMRC, you must ensure that XML file you send was generated with these details:

- Submission Type Live
- TRU
- No errors reported in the file to be submitted

You may also need to configure an action parameter group to view a detailed log. Use the Manage Payroll Process Configuration task to set up the action parameter group. You must create the action parameter group with these settings:

- The logging category must be set to G
- Override the threads parameter and set it to 1
- Set the multithreading XML generation for extracts to N
You must setup the TRU information. Set the Sender ID and the Authentication Value to the values provided to you by HMRC when you registered for Internet Filing. These are the same values used while configuring the TRU for Incoming XML messages.

**Note:** The TRU is already configured. For the selected TRU, you must configure the PAYE reference and the Employer Accounts Office Reference Number.

Here’s how you can run this process:

1. Generate an XML file using submission type Test. Check the file for errors and make corrections, if required.
2. Rollback the Test XML process to clear the archive.
3. Repeat the above steps until the archive reports no errors.
4. Generate the XML file with submission type Live. You can only submit a Live XML file to HMRC.
5. Submit the XML file to HMRC as a Test submission. Check for errors in the submission.
6. If errors are found, rollback steps 4 and 5. Correct the data and repeat from Step 1 until there are no errors.
7. Submit the XML file to HMRC as a Live submission.
8. Once the submission is complete, you receive a message about successful completion of the process.
9. Save the message as it is required for auditing purposes.

**HMRC File Submission Process**

You can use the HMRC File Submission Process to submit XML files to HMRC as a Test submission. When you perform the submission, only one record is associated with the transmission. This is because the transmission is controlled with one archive action.

**Process Parameters**

**Payroll Flow**

Unique identifier for the payroll flow.

**Payroll Statutory Unit**

Payroll Statutory Unit for which want to run the process.

**Tax Reporting Unit**

Required attribute as the retrieval is done using PAYE reference.

**Flow Pattern**

Type of file you are submitting, for example, NINO Verification Request

**Flow Name**

The name of flow used to create the Live XML file

**Submission Type**

Type of submission to HMRC whether Test or Live
Use a Live submission only if the prior test submission for this flow was received successfully by HMRC.

**View Report Results**

Use the Send HMRC XML Data option. You can view the results from the Actions menu.

If there are errors in the test submission, you must resolve the errors and perform a new Test submission. You can view the errors in the log file, which contains the full XML response.

> **Note:** The XML response is only available in the log, if you have enabled logging for your action parameter group.

If there are no errors in the test submission, you can do a Live submission. You do not need to regenerate the XML file. A receipt is generated and sent as a response from HMRC as proof of submission.

> **Note:** It is recommended that you keep this receipt electronically as evidence of information submitted to HMRC.

### Setting Up Automatic Calculation of Recovery and NIC Compensation Amounts: Explained

Currently, payroll process runs don’t automatically calculate recovery and NIC compensation amounts for absence payments. However, the application provides predefined balances that you can use to set up elements to calculate these amounts. Once you perform this setup, the Employer Payment Summary (EPS) process automatically retrieves the year-to-date (YTD) recovery and NIC compensation amounts from the predefined balances and include them in the EPS submission to HMRC.

The setup process involves two steps:

- Setting up the elements
- Setting up the balance feeds

#### Set Up Elements

Use the Manage Elements task in the Payroll Calculation work area to perform the necessary setup, as summarized here:

1. Create an element for each absence payment type.
2. Attach formulas to each element to calculate the recovery and NIC compensation amounts for the payments.
3. Create a set of indirect elements, with input values to hold the calculated recovery and NIC compensation amounts. You need additional elements for recovery and NIC compensation for each of payment types.
4. Define eligibility for each element, as appropriate.

#### Set Up Balance Feeds

Using the Manage Balance Definitions task in the Payroll Calculation work area, define balance feeds from the input values of the recovery and NIC compensation elements listed above to the appropriate predefined balances:

- SMP Recovery
- OSPP Birth Recovery
- OSPP Adoption Recovery
The predefined balances store the running YTD totals. Once setup is complete, payroll runs calculate the recovery and NIC compensation amounts automatically and feed the predefined balances. When you run the EPS process, it retrieves the YTD values from the predefined balances.

**P45 Process**

You can run this process when required to generate P45, which contains details of employee leaving work in paper forms to distribute to terminated employees. This process archives employee data, validates the data to ensure that it conforms to HM Revenue and Customs (HMRC) standards, generates the paper forms, and produces an audit report of the process results.

You can also generate P45 if you end-date or delete the assignments associated with the PAYE component.

Use the Submit a Process or Report task in the Payroll Checklist or Regulatory and Tax Reporting work area to run the P45 Process.

**Before You Start**

Before you generate the P45 for an employee, you must have completed one or all of these payroll actions:

- Terminated employee using a termination flow.
- Terminated all payroll terms associated with a Pay As You Earn component on the employee’s Statutory Deductions calculation card
- Ended all current and future term associations for a Pay As You Earn component on the employee’s Statutory Deductions calculation card.

You can specify the P45 Action in the Pay As You Earn component details section of the employee's Statutory Deductions calculation card. Even if an eligible payroll action has occurred, the process generates a P45 only if the P45 Action matches one of these values, and payroll processing meets the requirements defined for that setting.

<table>
<thead>
<tr>
<th>P45 Action</th>
<th>Payroll Processing Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do not issue</td>
<td>No P45 issued to the employee</td>
</tr>
</tbody>
</table>
## Process Parameters

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Flow</td>
<td>Identifier for the payroll flow</td>
</tr>
<tr>
<td>Payroll Statutory Unit</td>
<td>Legal entity for which you want to run the process</td>
</tr>
<tr>
<td>Tax Reporting Unit</td>
<td>Legal reporting unit for which you want to run the process</td>
</tr>
<tr>
<td>Start Date</td>
<td>Earliest date for which an eligible payroll action must have occurred to be included in the P45 process. (The Prerequisites section displays the eligible payroll actions.)</td>
</tr>
<tr>
<td>Effective Date</td>
<td>Last date for which an eligible payroll action must have occurred to be included in the P45 process.</td>
</tr>
<tr>
<td>Submission Type (Test Indicator)</td>
<td>Indicates whether to run the process in Test or Live mode. Test mode leaves the records unlocked, so they will be included if you run the process again. Live mode updates the records, preventing them from being included in subsequent P45 processing. Use the Test mode until you have verified the results, and then rerun the process in Live mode.</td>
</tr>
<tr>
<td>Payroll</td>
<td>List of payrolls. If specified, the process only considers employees for P45 if they have at least one PAYE component associated to this payroll.</td>
</tr>
</tbody>
</table>

## Process Results

The payroll flow checklist page displays the process results.

If errors occurred during the archive process, select **Go to Task** for the archive task on the checklist, and then click the Errors and Warnings tab to view the errors. Make all necessary corrections in the employee’s personal or employment information, or on their Statutory Deductions calculation card, and then rerun the process.
Note: If the archive process has errors, the process doesn’t produce an audit file or forms. Errors occur if data to be included in the process do not meet HMRC standards. For example, names and addresses must be in the correct format and use only characters from the approved HMRC character set.

If the process completed successfully, click **Go to Task** for the archive task on the checklist. Click the **View Results** icon on the Processes and Reports tab to access the audit report and printable forms. The process generates P45 for employees that are:

- terminated, have a payroll run on or after the termination date, and have a P45 Action set accordingly
- terminated, have a payroll run in the period prior to the termination date, and have a P45 Action set accordingly
- not terminated but have no associations to one or more of their PAYE components

Note: When you perform a reverse termination for an employee, it's recommended to first rollback the P45 process for the relevant PAYE components. The Reverse Termination flow doesn’t trigger the P45 rollback process.

### P45 and Audit Report

**Audit Report**

The audit report lists each employee for which the process generated a P45, and provides the employee name, works number, NI number, and termination date. Use this report to verify process results before distributing the forms:

- Verify that the information in this report is accurate for each employee. Make any necessary updates to the employee data to correct inaccuracies.
- Verify that the process produced a P45 for every eligible employee. If the process didn’t include an eligible employee, verify that you have met all requirements listed in the Prerequisites section. Make any necessary corrections based on these requirements.
- If you make data corrections, rerun the process in test mode.
- Once the process results are complete and accurate, rerun the process in live mode.

Note: If you discover errors after running the process in live mode, you can roll back the entire process and rerun after making corrections.

**P45 Paper Forms**

The process produces three files including printable P45s in different formats:

- 3-part PDF file for use with preprinted forms
- 3-part PDF file for printing on plain paper

From the View Results window, print the P45 output file for the desired format, and then distribute the forms to employees.

Note: The P45 contains a Tax Week or Tax Month value. This value is determined from the period in which the relevant PAYE balances were last modified, and the P45 Action setting. Hence, it is not necessarily related to the latest payroll run that was completed for the employee.
NINO Verification Request Process

Payroll managers and administrators can run a process to validate or obtain a National Insurance Number (NINO) for a single employee or for all employees who belong to a specific payroll statutory unit (PSU) or tax reporting unit (TRU). The NINO Verification Request process archives the details of employees with unverified NI numbers and then generates this output:

- An XML file with details of the employees for delivery to HMRC
- Audit Report identifying all employees included in the NVREQ file.
- Errors or Warnings Report detailing any errors that occurred during the process.

Note: You can run the process again (as many times as needed) to process all employees. Each time the process runs, it creates a new file containing only employees not verified previously.

Use the Submit a Report or Process task to select the NINO Verification Request Process flow pattern.

Prerequisites

The NINO Verification Request output file contains only employees whose:

- National Insurance Number wasn’t verified previously (the value of the NINO Verified field must be either No or blank).
- National Insurance Number has an issue date.
- Assignment is assigned to a payroll.
- Statutory Deductions calculation card contains a TRU association and association details linking assignment with the PAYE and NI components.

Process Parameters

When you submit the flow, you must select the PSU for which you’re updating employee records. Optionally, you can select a TRU within that PSU for updating. In addition, you must provide these parameters.

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Display Name</td>
<td>If running for a specific employee, display name of the employee whose NI number you want to verify.</td>
</tr>
<tr>
<td>Effective Date</td>
<td>Earliest start date of employees to be included in this process.</td>
</tr>
<tr>
<td>Submission Type</td>
<td>Indicates whether the submission is a test or a live submission. If you select Test, the process inserts a test indicator in the output file, which you can submit to HMRC for validation before submitting the live submission. Test mode leaves the records unlocked, so they will be included if you run the process again. Once you have verified the test submission, run the process again and select Live as the submission type.</td>
</tr>
</tbody>
</table>
Process Results

This process produces an output file, an audit report, and an error and warnings report. After the process has completed, select one of the following tasks from the process flow checklist:

- Select **Run NINO Verification Request** to view the audit report or NVREQ file.
- Select **Run Errors and Warnings Report** to view that report.

On the Statutory Reports page, select the Processes and Reports tab and then click the icon in the View Results column. On the View Results window, click the report or file name.

Errors and Warnings Report

Review the Errors or Warnings report to ensure that no errors occurred during the validation or archive process and all records were processed successfully. The report lists all data elements that failed character set validation and all process errors that occurred during the archive process. If errors occurred, correct the underlying data and run the process again.

Audit Report

Review the Audit Report to see which employees were included in the NVREQ file.

Downloading the NVREQ File

From the View Results window, click **Save** to download the file to a location accessible to the third-party software that will transmit the file to HMRC. You can use the Outgoing XML Messages Submission Process to submit the file to HMRC.

End of Year P60 Process

The End of Year P60 process generates the P60 statement that every employer must provide to their employees. Using this process, you can produce paper P60 statements on the following three templates:

- HMRC Overlay
- P60 Plain Paper Substitute
- Self Seal Overlay

You can also generate the eP60, which is the electronic version of the P60 Plain Paper Substitute. To do this, you can edit the delivery preference for the P60 document type. Use the Manage Document Type task to set up your delivery preferences. You can provide a direct link to the employees to view or download the P60 using the Manage Document Records task.

The following options are available in the P60 process:

- P60 Generation
  
  Run at the end of each year to generate P60 reports. Use the flow pattern Run End of Year P60 Report.

- P60 Selective Print
  
  Run this process to re-print previously produced P60s. This includes both the reprinting of original P60s, where there has been no subsequent replacements produced, and the reprinting of P60s that have had subsequent replacement P60s already produced. This process produces plain paper output only. For employees whose P60 is a replacement, the text Replacement Copy is printed in the top right of the P60. For employees whose P60 is not a replacement, the text Copy is printed on the top right of the P60.
Use the flow pattern Run End of Year P60 Selective Print.

- P60 Direct-End-of-Year Access

You can provide links to your employees to directly access the P60 through Document Records.

**Process Parameters**

The following table lists the report parameters to be used to run the P60 process:

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Flow</td>
<td>A uniquely identifier for this payroll flow submission</td>
</tr>
<tr>
<td>Date in Tax Year</td>
<td>Any date in the tax year</td>
</tr>
<tr>
<td>Payroll Statutory Unit</td>
<td>PSU to run this process</td>
</tr>
<tr>
<td>Tax Reporting Unit</td>
<td>TRU within the selected PSU, for which to run the process.</td>
</tr>
<tr>
<td>Replacement</td>
<td>To specify whether you want to generate an original P60 or a replacement of a previously generated P60. This process produces the Plain Paper output and Document Records output only.</td>
</tr>
<tr>
<td>Employee Set</td>
<td>To conditionally print for a set of employees</td>
</tr>
<tr>
<td>P60 Template</td>
<td>The P60 template to be used. For printed P60’s, you can specify the stationary to be used. If no template is selected, then the P60 Plain Paper Substitute is used by default.</td>
</tr>
<tr>
<td>Process Configuration Group</td>
<td>Rules for processing, such as logging and number of threads.</td>
</tr>
</tbody>
</table>

**Viewing Report Results**

Once the process runs successfully, you can view the report results. To view the report: :

- Select the Go to Task option on the End of Year P60 Report task.
- Select View P60 Output Verification.
- Click View Report

To view the eP60, go to Person Management -> Manage Document Records.

> **Note:** The P60 output is produced according to the document delivery preferences you have set.

**Gender Pay Gap Report**

Use the process Run UK Gender Pay Gap Report to extract the required data to calculate gender pay gap figures.
You can run the report between 31st March and 5th April of a given year. You can run this report multiple times without requiring to rollback any process.

The following predefined balances are available for this process:

- Gender Pay Gap Reporting Ordinary Pay
- Gender Pay Gap Reporting Bonus Pay

You must set up the individual elements that feed into these balances.

Your gender pay gap calculations are based on figures drawn from a specific date each year. This is called the snapshot date. To retrieve the relevant payroll information, a payroll run with a payroll period comprising the snapshot date must have been completed before submitting the report. The payroll run for this period is relevant pay period run.

**Process Results**

The process uses following balances stored in the relevant pay period run:

- Ordinary Pay: Period to Date Balances
- Bonus Pay:
  - If Period Payment Date is before 6 April: Bonus Pay Current Year YTD Balance
  - If Period Payment Date is on or later than 6 April: Bonus Pay Last Year YTD Balance

The report results file is in CSV format.

**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

Use duration dates and notification options in the payroll flow pattern to give flow owners adequate time before a task starts, to prepare and address any issues.

Task Start and Due Dates

Let's look at the duration dates you can enter on the Tasks page of the Manage Payroll Flow Patterns page:

- Start date, the date the task owner should start the task.
- Due date, the date the task owner should complete the task.

**Note:** The start date applies to notifications only. Enter the flow start date on the Scheduling page when you schedule the flow.

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

Notifications are error and warning messages 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 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 the flow owners can correct individual records or tasks by using these options:

- Task Actions
- Predefined processes
- 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.
This figure shows the task actions available from the Actions menu when you work on the Payroll Flow Checklist or the Processes and Reports tab of the payroll flow.

Here’s how you can confirm whether the task includes the task actions:

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 these corrective processes:

- Roll Back Process
- Retry Payroll Process
The flow owner can 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 any of these:

- 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.</td>
<td>You add a manual verification task after each report. You rename each task with the report name.</td>
</tr>
<tr>
<td></td>
<td>If you repeat a task, rename it to make clear its purpose on the checklist.</td>
<td></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>
Add 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’s ‘In Process’.

You can submit a task that’s initially not included in the checklist. For instance, you’re analyzing the payroll run and require additional information about pay elements included in the run. You can run an additional deduction report that’s 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

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 haven’t 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’re 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...
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>

9. 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:](image) 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/yourBIreport.xdo`.
   c. Specify values for other arguments if required.
9. Review the flow and submit it.

### Creating 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>
<tr>
<td>Use for Searches</td>
<td>No</td>
</tr>
<tr>
<td>Display</td>
<td>No</td>
</tr>
</tbody>
</table>

---
### Chapter 14
Set Up Payroll Flow Patterns

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Display Format</td>
<td>Text</td>
</tr>
<tr>
<td>Sequence</td>
<td>3</td>
</tr>
<tr>
<td>Usage</td>
<td>Input parameter</td>
</tr>
<tr>
<td>Parameter Basis</td>
<td>Post SQL Bind</td>
</tr>
<tr>
<td>Basis Value</td>
<td>select batch_name from pay_batch_headers where batch_id = :BATCH</td>
</tr>
</tbody>
</table>

7. Click **Save**.

### 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>
<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>
</tbody>
</table>
Parameter | Parameter Basis | Basis Value
--- | --- | ---
Parameter Value 1 | Bind To Flow | Batch Name

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**

**Multiple Instance of a Flow**

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:

\[ \text{*EFFECTIVE DATE=GET_FLOW_PARAM_VALUE ('Effective Date')*} \]

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 date?</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')

/*Results*/
RETURN START_DATE, EFFECTIVE_DATE, TAX_YEAR_DATE, PAYROLL_STATUTORY_UNIT, REPEAT_COUNTER, REPEATFLOW
/* End Formula Text */
```

6. Click **Compile**.
7. Click **Save**.

**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.
### Set Up Payroll Flow Patterns

<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

#### Overview of 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:
  - The From Clause defines the table name used for the query.
  - The Value Column Name is the attribute which is visible on the screen.
  - 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:
  - \[ Pf \_flow\_id = \{PARAMETER.Locations\_IP\} \], 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

### Use Value Sets in Payroll Flows

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>
</tbody>
</table>
### Field | Value
--- | ---
**Validation Type** | Table
**Value Data Type** | Character
**FROM Clause** | pay_flows_pf
**Value Column Name** | pft.flow_name
**Value Column Type** | VARCHAR2
**Value Column Length** | 100
**ID Column Name** | pf.base_flow_id
**ID Column Type** | Number
**ID Column Length** | 18
**WHERE Clause** | Pf_flow_id = {PARAMETER. LOCATIONIP}
**ORDER BY Clause** | pft.flow_name

**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.

### Field | Value
--- | ---
**Display Format** | Value Set
**Lookup** | Enter the Value Set Name, LOCATION_VS, in this example.
Chapter 14
Set Up Payroll Flow Patterns

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 doesn’t 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. 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. You can use these actions to run the payroll calculation task and the two reports run concurrently.

1. For the first row, specify the Start Flow task with the Calculate Payroll as the following task.
2. For the second row, specify Calculate Payroll as the task, and the first report as the following task.
3. For the third row, specify Calculate Payroll as the task, and the second report as the following task.
4. For the fourth row, specify the first report as the task and End Flow as the following task.
5. For the last row, 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. 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.
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 doesn’t allow a blank value for any parameter and you must delete the parameter row if the parameter isn’t 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></td>
<td></td>
<td>Minimum: 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default: 500</td>
</tr>
<tr>
<td></td>
<td><strong>Tip:</strong> 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></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</td>
<td>Disables the locking code added to the post-populate method to improve check process performance.</td>
<td></td>
</tr>
<tr>
<td>Post-Populate Method</td>
<td></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_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 isn’t 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>Refer to the Logging Processing Parameters topic in the Related Links section for applicable values.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Delete the parameter row if the parameter isn’t required.</td>
<td></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: 10000000</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’s triggered as part of the new hire process.</td>
<td>Delete the parameter row if the parameter isn’t 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 isn’t 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’s triggered as part of the termination process.</td>
<td>Delete the parameter row if the parameter isn’t 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>
### Parameter Overview

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Description</th>
<th>Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trace</td>
<td>Enables the database trace facility for application processes written in C only.</td>
<td>Yes, No</td>
</tr>
<tr>
<td>Trace Level</td>
<td>Sets the trace level of the trace event. To generate the finest level of detail, enter the highest value.</td>
<td>1, 4, 8, 12</td>
</tr>
<tr>
<td>User Messaging</td>
<td>Enables detailed logging of user-readable information to the PAY_MESSAGE_LINES table.</td>
<td>Yes, No</td>
</tr>
<tr>
<td>XML_DATA_SOURCE</td>
<td>For document records delivery options performance purposes, determines if XML is derived from the database.</td>
<td>Y, N</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>
<tbody>
<tr>
<td>Accounting Date for Transfer to General Ledger</td>
<td>The date to transfer and post journal entries for costing results to Oracle Fusion General Ledger.</td>
<td>E = Date Earned</td>
</tr>
<tr>
<td>Cost Buffer Size</td>
<td>Buffer size for array insert and select statements when calculating the costing of the payroll run results.</td>
<td>Maximum: 1000</td>
</tr>
<tr>
<td>Date to Retrieve Assignment Status</td>
<td>Date earned or date paid, used to determine the effective date for checking assignment status in payroll calculations.</td>
<td>E = Date earned</td>
</tr>
<tr>
<td>Earliest Retroactive Processing Date</td>
<td>The earliest date that retroactive processes are calculated. Updates made before this date aren’t recalculated.</td>
<td>Date value in YYYY/MM/DD format</td>
</tr>
</tbody>
</table>
### Parameter | Description | Values
--- | --- | ---
Extract Data Group for Payroll Register | Limits the records to include in the output file based on the specified data group name. | Default: No data group
Limit Payroll Register Output by Data Group | Enables processing a subset of records to include in the output file when an extract data group parameter value is also specified. | Y, N
Default: N
Override Location for Tax Libraries | Directory location for Quantum tax libraries. | There are no set values. Values must be directory structures where the tax libraries are stored. Delete the parameter row if the parameter isn’t required. Default: $VERTEX_TOP/lib
Reversal and Balance Adjustment Accounting Date | Accounting date based on one of the following dates: • The process date of reversal or balance adjustment • The process end date of the Transfer to Subledger Accounting task. You can use this task to transfer journal entries for costing results to Oracle Fusion General Ledger. | 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
Wage Basis Rules Buffer Size | Used in array selects from the PAY_TAXABILITY_RULES table within the Payroll Calculation process. | Minimum: 100
Default: 500

### 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. 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. 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. 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>
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>l</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 Check 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.

• Large chunk size values aren't desirable.
16 Set Up Auditing and Data Validation

How to Audit Payroll Business Objects

Audit 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>
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 aren’t audited. To continue to audit the business object with select attributes, deselect those attributes that aren’t 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.                                     |
|                                   | **Note:** This parameter is applicable only for the business objects that belong to Oracle Applications Cloud. |
| 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. |
|                                   | **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 | 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

## Data Validation

### Payroll Validation Report

Payroll managers should run the Payroll Validation Report before calculating payroll. The standard payroll cycle flow includes this report. You can also run it as a standalone process in the Payroll Calculation work area.

This report lists all errors and warnings generated for each person included in a specified payroll run. To ensure a successful payroll run, correct all errors listed in the report. You should also review all warning messages and make the necessary corrections; however, warnings don’t prevent the payroll run from completing successfully.
Report Parameters
You must specify the payroll name and the effective date of the payroll run to be validated.

Report Results
The payroll data validation report groups errors and warnings by the type of information causing the error. It includes:

- A summary showing parameters and the count of issues for each group
- Employee Details Failures
- Statutory Deductions Failures
- Involuntary Deductions Failures

Use the tables in the following sections to troubleshoot validation errors and warnings:

**Person Information**

<table>
<thead>
<tr>
<th>Problem</th>
<th>Corrective Action Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invalid National Insurance Number</td>
<td>Enter a valid NI number in the National Identifier section of the Manage Person Information page.</td>
</tr>
<tr>
<td>Missing date of birth</td>
<td>Enter the employee’s date of birth in the Biographical Information section of the Manage Person Information page.</td>
</tr>
<tr>
<td>Missing gender</td>
<td>Enter the employee’s gender in the Gender and Marital Status section of the Manage Person Information page.</td>
</tr>
<tr>
<td>Invalid tax code for terminated assignment</td>
<td>Change the tax code to 0T for the PAYE component associated with the terminated assignment on the person’s statutory deduction card (Manage Calculation Cards task).</td>
</tr>
<tr>
<td>Missing deduction card</td>
<td>Create a deduction card for the employee and associate assignment with deduction components on the card (Manage Calculation Cards task).</td>
</tr>
</tbody>
</table>

**PAYE Information**

<table>
<thead>
<tr>
<th>Problem</th>
<th>Corrective Action Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Missing or invalid tax code, tax basis, pay frequency, authority, previous taxable pay on P11, or previous tax paid on P11</td>
<td>Update the invalid attribute in the Pay As You Earn component details section on the person's statutory deduction card (Manage Calculation Cards task).</td>
</tr>
<tr>
<td>Missing PAYE component</td>
<td>Add a PAYE component on the person's statutory deduction card.</td>
</tr>
</tbody>
</table>

**Aggregation Information**
Chapter 16

Set Up Auditing and Data Validation

<table>
<thead>
<tr>
<th>Problem</th>
<th>Corrective Action Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Missing or invalid certificate, priority period type, process type, or number of periods</td>
<td>On the person’s statutory deductions card, update the invalid attribute in the Aggregation Information component details. Verify that the certificate is valid based on the person’s age, and update the person’s date of birth (on the Manage Person Information page) if it’s incorrect.</td>
</tr>
</tbody>
</table>

> Note: Aggregation information applies to all NI components on a deduction card.

NI Information

<table>
<thead>
<tr>
<th>Problem</th>
<th>Corrective Action Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Missing NI component</td>
<td>On the person’s statutory deduction card, create an NI component and provide the NI category and pension basis.</td>
</tr>
<tr>
<td>Missing or invalid NI category or pension basis</td>
<td>On the person’s statutory deduction card, add or update the NI category or pension basis for the NI component. If the category isn’t valid for the current certificate, verify that the certificate is correct on the Aggregation Information component details. See the following table for more information about NI validation rules.</td>
</tr>
</tbody>
</table>

Validation Rules for Data Validation Report

You can add validation rules to the Data Validation Report to identify missing data required to run a process or report. You can run the report and make relevant corrections to complete the employer or payroll-related data.

Use the Manage Extract Definitions task in the Data Exchange work area to add a validation rule to the Data Validation Report extract definition.

Rule Formula

Use the delivered formula ‘Global Attribute Mandatory Check’ to set up validations to identify missing data. You add the validations to the Data Validation Report extract definition.

This formula includes certain important enhancements such as supporting translated messages. It also offers the ability to control the validations without you deleting the validation already configured by you or delivered by Oracle. It’s not mandatory for you to migrate your existing validations from the ‘Global Null Check Rule’ formula to the new one. Oracle recommends to migrate to the new formula to make use of the benefits.

Validation Levels

The following table describes the validation rules at the various levels.

<table>
<thead>
<tr>
<th>Validation Level</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
<td>Add simple validations for a missing attribute at the worker level. For example, if the National Identifier value is missing for a worker.</td>
</tr>
<tr>
<td>Organization</td>
<td>Add simple validations for a missing attribute at the organization level. For example, a missing Tax Reporting Registration Number.</td>
</tr>
</tbody>
</table>
Validation Level | Description
--- | ---
Repeating Child Entity of a Worker | Add validations at the repeating child entity of a worker. For example, you may add a validation for a missing IBAN number for one of the multiple payment methods that a worker has. You can add a validation to specify the details of the attribute value (IBAN Number). This attribute value is missing for the Entity Type (Personal Payment Method) and for the Entity Name (Personal Payment Method Name).

Repeating Child Entity of the Organization | Add validations at the repeating child entity of an organization. For example, add a validation for a missing SWIFT Code for one of the multiple organization payment methods that’s valid for a payroll statutory unit. You can add a validation to specify the details of the attribute value (SWIFT Code). This attribute value is missing for the Entity Type (Organization Payment Method) and for the Entity Name (Organization Payment Method Name).

Data Groups
The data group you select when adding validation rules to the Data Validation Report determines the level of validation. For example, you might have a validation rule at the tax reporting unit level or at the worker details level.

The processes associated with the Data Validation Report extract definition are:

- Run Payroll Data Validation Report
- Run Worker Data Validation Report
- Data Validation Report for Payroll Interface

The following reports use different data groups to report data validation. You must select a data group for any validation rules you add based on the type of data and the level you want validation to occur.

Payroll Data Validation Report
You can add validation rules to following data groups to report payroll-related data validation:

- Payroll Statutory Units
- Tax Reporting Units
- Payroll Relationships
- Payroll Assignments

Worker Data Validation Report
You can add validation rules to following data groups to report worker-related data validation:

- Payroll Statutory Units
- Legal Employers
- Reporting Establishments
- Work Relationships
- Person Details
- Assignments

Data Validation Report for Payroll Interface
You can add validation rules to following data groups to report worker-related and payroll-related data validation for Global Payroll Interface:

- Payroll Group
• Payroll Relationship Group
• Work Relationships
• Assignments
• Payroll Relationships
• Payroll Assignments

Usage of Tags
The report output has different sections for legal employer, reporting establishment, person, and so on. The validations reported in the different sections is based on the tag that’s added for rule data element. Consider the following while using tags for adding validation rules for Data Validation Report.

• For reporting validations at organization level, add the validations to Organization Data Groups and the related tags, as given in the table below.

<table>
<thead>
<tr>
<th>Validation Level</th>
<th>Data Group</th>
<th>Tag</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal Employer</td>
<td>Legal Employers</td>
<td>LEMP_RULE_TEXT</td>
</tr>
<tr>
<td>Establishment</td>
<td>Reporting Establishments</td>
<td>REP_EST_RULE_TEXT</td>
</tr>
<tr>
<td>Payroll Statutory Unit</td>
<td>Payroll Statutory Units</td>
<td>PSU_RULE_TEXT</td>
</tr>
<tr>
<td>Tax Reporting Unit</td>
<td>Tax Reporting Units</td>
<td>TRU_RULE_TEXT</td>
</tr>
</tbody>
</table>

• For reporting validations at worker level, add the validations to the corresponding data group and the predefined tags as given in the table below.

<table>
<thead>
<tr>
<th>Validation Level</th>
<th>Data Group</th>
<th>Tag</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee or payroll relationship level</td>
<td>Identify appropriate data groups (Example: Assignment).</td>
<td>RULE_TEXT</td>
</tr>
</tbody>
</table>

• For reporting organization validations or the validations of other entities in a separate table, add the validations to the corresponding data group and the predefined tags as given below.

<table>
<thead>
<tr>
<th>Validation Level</th>
<th>Data Group</th>
<th>Tag</th>
</tr>
</thead>
<tbody>
<tr>
<td>All levels other than employee or organization</td>
<td>Identify appropriate data groups (Example: Assignment).</td>
<td>OTHERS_RULE_TEXT</td>
</tr>
</tbody>
</table>

Related Topics
• Payroll Data Validation Report
• Payroll Data Validation Report
Worked Example to Add Rules to Data Validation Reports

This example demonstrates how to add a validation rule to the Data Validation Report extract definition. Before making changes to the extract, you select a legislative data group. When you submit your changes for a new rule, that validation is available for that legislative data group. Depending on the validation rule and the data group you add it to, the validation is included when you submit either or both of these processes:

- Run Payroll Data Validation Report
- Run Worker Validation Report

This 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>Which data group does the new validation belong in?</td>
<td>Person Details</td>
</tr>
<tr>
<td></td>
<td>Based on the level at which you need the validation, you must create the records and data elements in the appropriate data group.</td>
</tr>
<tr>
<td>What type of validation are you adding?</td>
<td>A rule to check whether each person’s Person Address Line 1 attribute has no value. If there is no value, the report displays an error message.</td>
</tr>
</tbody>
</table>

Before You Start

1. Ensure that a database item exists that retrieves the value to be validated. The contexts required by the database item are provided by the block level to which you can add the validation. In this example, a database item must exist for the person address line 1 attribute.

Create Validation

1. In the Data Exchange work area, select Manage Extract Definitions.
2. Search for and select the extract definition to edit:
   a. In the Type list, select Full Profile.
   b. Select your legislative data group, for example UK LDG.
   c. Click Search.
   d. In the search results, click Data Validation Report.
3. On the Manage Extract Definitions page, click Switch Layout.
4. In the Session Effective Date field, enter 01/01/0001.
5. Add a detail record as shown here:
   a. Select Person Details under the Data Group node.
   b. In the Records section, click Create.
   
   Ensure that the Session Effective Date is 01/01/0001.
   c. Complete the fields in the Create Extract Record section as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sequence</td>
<td>6</td>
</tr>
</tbody>
</table>
d. Click **Save**.

6. Add the database item attribute:
   a. In the **Extract Attributes** section, click **Create**
   b. Complete the fields as shown in this table. This table lists the fields and the respective values for the extract attributes.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Person Address Details</td>
</tr>
<tr>
<td>Type</td>
<td>Detail record</td>
</tr>
<tr>
<td>Process Type</td>
<td>Fast Formula</td>
</tr>
</tbody>
</table>

   c. Click **Save and Close**.

7. Create another attribute for the validation rule:
   a. In the **Extract Attributes** section, click **Create**
   b. Complete the fields as shown in this table. This table lists the fields and the respective values for the validation rule.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Person Address Line 1 Attribute</td>
</tr>
<tr>
<td>Tag Name</td>
<td>Person_Address_Line_1_Attribute</td>
</tr>
<tr>
<td>Short Code</td>
<td>Person Address Line 1</td>
</tr>
<tr>
<td>Start Date</td>
<td>01/01/0001</td>
</tr>
<tr>
<td>End Date</td>
<td>12/31/4712</td>
</tr>
<tr>
<td>Data Type</td>
<td>Text</td>
</tr>
<tr>
<td>Type</td>
<td>Database item group</td>
</tr>
<tr>
<td>Database Item Group</td>
<td>Person Address Line 1</td>
</tr>
<tr>
<td>Output Label</td>
<td>Person Address Line 1</td>
</tr>
<tr>
<td>Output Column</td>
<td>6</td>
</tr>
</tbody>
</table>
Set Up Auditing and Data Validation

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Person Address Line 1 Rule</td>
</tr>
<tr>
<td>Tag Name</td>
<td>RULE_TEXT</td>
</tr>
<tr>
<td>Short Code</td>
<td>Person Address Line 1 Rule</td>
</tr>
</tbody>
</table>

**Note:** Enter this value exactly.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start Date</td>
<td>01/01/0001</td>
</tr>
<tr>
<td>End Date</td>
<td>12/31/4712</td>
</tr>
<tr>
<td>Data Type</td>
<td>Text</td>
</tr>
<tr>
<td>Type</td>
<td>Rule</td>
</tr>
<tr>
<td>Rule</td>
<td>Global Null Check Rule</td>
</tr>
<tr>
<td>Output Label</td>
<td>Person Address Line 1 Rule</td>
</tr>
<tr>
<td>Output Column</td>
<td>26</td>
</tr>
<tr>
<td>Results Display Option</td>
<td>Summary and detail</td>
</tr>
</tbody>
</table>

**Note:** The short code must include the short code of the database item attribute you created followed by a space and the suffix: Rule. The short code is case-sensitive.

- **c.** Click **Save and Close**.
- **8.** In the **Actions** menu, select **Generate Formula**.
- **9.** In the **Actions** menu, select **Compile Formula**.
- **10.** Click the Extract Execution Tree node and verify that all formulas are compiled.
- **11.** Click **Submit**.

### Calculate Prepayments and Archive Periodic Payroll Results

You must run a set of post-payroll processes after running payroll. This is a prerequisite to run the other payroll process such as payments processing, generating payslips, and regulatory reporting. You must run the following processes:

- Calculate Prepayments
- Archive Periodic Payroll Results
Calculate Prepayments

To run the calculate prepayments process:

1. Select the **Submit a Process or Report** task in the **Payment Distribution** work area.
2. Select the LDG for which the process is being run.
3. Select the flow pattern **Calculate Prepayments**.
4. Enter the required parameters to run the report:

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Flow</td>
<td>Identifier for the process. You must enter a value each time the process is executed. You can choose any format to describe the payroll flow.</td>
</tr>
<tr>
<td>Payroll</td>
<td>Payroll definition for which payroll is to be run</td>
</tr>
<tr>
<td>Process Start Date</td>
<td>Start date of the process for which the prepayment is run</td>
</tr>
<tr>
<td>Process End Date</td>
<td>End date of the process for which the prepayment is run</td>
</tr>
</tbody>
</table>

5. Click **Next**.
   Specify the flow interaction range and schedule the process date and time if required. Review the details before you submit the process.

6. Click **Submit**.
   Verify the process completion and view the generated report.

   ✔️ **Note:** A message appears to verify the payroll flow. If the process is complete, you can view the report.

7. Review the results at the person-level.

Archive Periodic Payroll Results

You can select the Archive Periodic Payroll Results flow pattern using the Submit a Process or Report task. The steps required to run this flow pattern are the same as described for calculate prepayments flow pattern.

Set Up a Lookup Code to Control the Rules for Data Validation Reports

Use the delivered 'ORA_HRX/GLB_VALIDATION_OBJECTS' lookup type to set up a lookup code that you can use to control a validation for the Data Validation Report. You can then use this lookup code to add multiple country tags to a validation. Alternately, you can remove a previously added country tag from the lookup code, if the validation is no more valid for the country.

✔️ **Note:** If you don’t tag a country, the application doesn’t trigger any validation.

To create a lookup code:

1. In the Setup and Maintenance work area, select the **Manage HCM Extract Lookups** task.
2. Search for and select *Manage HCM Extract Lookups*.
3. Click **Create**.
4. Enter the lookup code details as given in the following table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lookup Code</td>
<td>Enter a lookup code suitable for the attribute or entity to be validated. If you want to use the Oracle delivered formula for mandatory attribute validation, enter suffix as &gt;MC n the lookup code, for example CST_PERSON_ADDRESS_LINE 1&gt;MC.</td>
</tr>
<tr>
<td>Display Sequence</td>
<td>Enter a unique value for the lookup code. It is recommended to use a sequence number, between 201 to 500, for the user-defined lookup codes.</td>
</tr>
<tr>
<td>Start Date</td>
<td>Enter 01/01/0001.</td>
</tr>
<tr>
<td>End Date</td>
<td>Enter 12/31/4712.</td>
</tr>
<tr>
<td>Meaning</td>
<td>Enter a suitable meaning for the lookup code, for example, Person Address Line 1 Check.</td>
</tr>
<tr>
<td>Description</td>
<td>Enter a suitable description, for example, Person Address Line 1 check.</td>
</tr>
<tr>
<td>Tag</td>
<td>Tag an appropriate country or countries, for which the validation is to be performed. For example, +FR.</td>
</tr>
</tbody>
</table>

**Note:** If no Tag is setup, the application doesn’t perform the validation for any country.

5. Click **Save**.

*Related Topics*
- Payroll Data Validation Report
- Payroll Data Validation Report
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's 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.

balance dimension
The scope of a balance value, such as the period of time over which it accumulates, and whether it relates to an assignment or a payroll relationship.

balance feed
Input value from an element, or all elements in a classification, that adds to, or subtracts from, a balance.

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 factor**
A data-driven rule for calculating a deduction or exemption.

**calculation method**
An optional component of a calculation factor that supports complex calculations. It specifies a formula to return the final value, such as a cumulative year-to-date amount.

**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.
DB and hybrid scheme postponement
Postponement of automatic enrolment duties available to employers who operate an existing defined benefit or hybrid pension scheme.

dimension
See

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.

eligible jobholder
Worker who satisfies all qualifications for automatic enrolment in a qualifying pension scheme. The employer must enrol the worker and must contribute, unless the employee opts out.

eligible jobholder postponement
Postponement of pensions automatic enrolment duties for up to three months from the date a worker first becomes an eligible jobholder, typically to avoid partial period payments.

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.
**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.

**non-eligible jobholder**
A worker who does not qualify for automatic enrolment in a qualifying pension scheme, but may opt in. The employer must contribute if the employee opts in.

**object group**
User-defined set of elements or people that restrict the items you want to include in various processes and reports.
opt out
To decline membership in a qualifying pension scheme in which you were automatically enrolled.

pay reference period (PRP)
Period of time over which earnings are assessed for pensions automatic enrolment.

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 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.

pensions automatic enrolment
Mandated enrolment of eligible workers in a qualifying pension scheme, based on the rules defined in the Pensions Act 2008 and associated regulations. Also the name of the calculation card used in the pensions automatic enrolment assessment process.

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
User preferences and system configuration options that users can configure to control application behavior at different levels of an enterprise.

profile option level
The category or layer that defines a profile option. Site, Product, and User are the predefined levels.

qualifying pension scheme (QPS)
Pension scheme that meets the qualifying criteria for pensions automatic enrolment, as defined in the Pensions Act 2008 and associated regulations.

reduced deductible amount
The final deductible amount after all exemptions are subtracted.

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.

staging date
Date on which a business must begin providing pensions automatic enrolment, which varies by employer.

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.

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.

wage basis rule
Determines the classifications of earnings that are subject to a deduction. Also referred to as a taxability rule.

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.

worker postponement
Postponement of pensions automatic enrolment duties for up to three months from the employer's staging date or at the start of employment.