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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 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.
2 Getting Started

Implement Global Human Resources Cloud Payroll

To start your implementation of Global Human Resources Cloud Payroll for the United States, log in as a user with the Application Implementation Consultant role (ORA_PAY_APPLICATION_IMPLEMENTATION_CONSULTANT_JOB) and opt into the offerings applicable to your business requirements.

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

Workforce Deployment Offering

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

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

<table>
<thead>
<tr>
<th>Functional Area</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal Structures</td>
<td>Manage legal entities, legal reporting units, tax reporting units, payroll statutory units, legal authorities, legal registrations and jurisdictions, and additional statutory requirements. Statutory requirements include:</td>
</tr>
<tr>
<td></td>
<td>• Registrations</td>
</tr>
<tr>
<td></td>
<td>• Third-Party Interface information</td>
</tr>
<tr>
<td></td>
<td>• HR reporting setup for EEO, VETS, ACA, and MWS</td>
</tr>
<tr>
<td></td>
<td>• State unemployment insurance</td>
</tr>
<tr>
<td></td>
<td>• Supplemental tax withholding rules</td>
</tr>
<tr>
<td></td>
<td>• Self-adjustment methods</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></td>
<td>For further information, see HCM Organizations for the US in the Help Center.</td>
</tr>
<tr>
<td>Workforce Structures</td>
<td>Manage locations, divisions, departments, jobs, positions, and grades.</td>
</tr>
<tr>
<td></td>
<td>For further information, see Workforce Structures for the US in the Help Center.</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></td>
<td>For further information, see Define Earning and Deduction Definitions for the US in the Help Center.</td>
</tr>
<tr>
<td>Payroll</td>
<td>Define payroll objects required for payroll calculations and reporting.</td>
</tr>
</tbody>
</table>
Related Topics

- Define Earning and Deduction Definitions for the US
- HCM Organizations for the US
- Plan Your Implementation
- Prerequisite Tasks for Payroll Setup for the US
- Workforce Structures for the US

Setup and Maintenance

Oracle Functional Setup Manager provides an integrated, end-to-end process for functional administrators to manage the implementation and maintenance of Oracle Applications Cloud.

Functional Setup Manager offers the following:

- Standardized application configuration and setup experience
- Feature opt-in for a best fit configuration
- Flexible processes for managing setup:
  - Setup by functional areas for an adopt-as-you-go approach
  - Implementation projects to manage setup
  - Upload file to enter setup data in bulk
- Guided task list for end-to-end setup requirements
- Export and import services for setup data migration between environments
- Comprehensive reporting on setup data

Enabling Offerings

Enabling Offerings: Explained

Offerings and their functional areas are presented in an expandable and collapsible hierarchy to facilitate progressive decision making regarding whether or not you want to implement them. An offering or its functional areas can either be opted into or not opted into for implementation. Implementation managers decide which offerings to enable for implementation. Although all of the functional areas that represent core functionality of an offering are automatically enabled for implementation when a parent offering is enabled for implementation, you can select which of the optional functional areas are enabled. You can identify which functionality is already opted into by looking at the check box in the Enable column.
Configuring Offerings: Procedure

Enable offerings to modify functionality so that it matches the services you plan to implement. You can review the current functional areas and features within an offering and make changes. To perform these tasks, you need the Configure Oracle Fusion Applications Offering privilege (ASM_CONFIGURE_OFFERING_PRIV).

Enable Offerings

To enable offerings, follow these steps:

1. Click Navigator > My Enterprise > Offerings work area.
2. In the Offerings page, select the offering you want to implement.
3. Click the Opt In Features button.
4. In the Opt In page, review the functional hierarchy. Select the check box in the Enable column to opt into the offerings and functional areas as applicable to your business operation.
5. Click the Features icon in the Features column for the enabled offering to enable features at the offering level. Or, click the Features icon for functional areas to enable applicable features.
6. In the Edit Features page,
   - To enable a Yes or No feature, select the check box in the Enable column.
   - To enable a Single Choice or a Multi-Choice feature, click the Features icon in the Enable column and make the required selection.
   - To enable a feature using an opt-in task because the Enable check box isn’t available for selection, click the icon in the Opt In Task column.
7. Click Done to return to the Opt In page.
8. Click Done to return to the Offerings page.

Repeat these steps for each offering you want to implement. You can use this procedure to change the opt-in configuration of any functional areas or features of an enabled offering.

Related Topics
- Configuring Offerings

Setup Tasks

Signing In and Accessing Setup Tasks: Procedure

When your test environment is ready, Oracle sends an email to the person designated as the administrator when you signed up for the service. This email includes the link to your service, a temporary password, and instructions on how to access an offering-specific Welcome Note on My Oracle Support (support.oracle.com). You must read this note and follow the instructions before signing in.

Implementation users perform the key setup tasks to start your implementation. As part of your initial setup, add an implementation user, and give them their login credentials and the url for your Oracle Applications. Before you generate task
lists, implementors and application users can access setup tasks by searching for the task in the Setup and Maintenance Overview page. After task lists have been generated, users can access their assigned tasks or the task lists for the offerings included in their project. For example, the Define Common Applications Configuration task list for each offering includes the Define Implementation Users tasks.

The following procedure assumes that the administrator has not yet configured an offering and set up task lists.

1. Access your Oracle Cloud Application Services from the link provided by Oracle.
2. Sign in using the administrator user account and password provided by Oracle based on your activation request. Initial sign-in prompts you to reset your password.
3. Access tasks as follows:

   a. Click the **Navigator Setup and Maintenance** work area.
   b. In the Setup page, select the offering you want to implement.

For detailed instructions, refer to the topic Managing Setup Using Offering Functional Areas: Procedure.

**Related Topics**

- Define Implementation Users Tasks: Points to Consider
- Creating Data Roles for Implementation Users: Procedure
- Update Existing Setup Data

**Generating the Setup Task List for HCM (Guide Only Topic): Procedure**

To start an implementation of Oracle HCM Cloud Service, you must have an application implementation consultant role. Select an offering to implement and generate the setup tasks. The Service Administrator creates this user. Instructions for how to create this user are included in the post-provisioning notification.

Payroll Managers and Application Implementation Consultants use the Setup and Maintenance work area to open the setup pages associated with the Oracle HCM Cloud Service features. The Setup and Maintenance work area is also known as the Functional Setup Manager.
Generating the Setup Task List

This figure illustrates the offering in which each HCM feature is located.

<table>
<thead>
<tr>
<th>Workforce Deployment</th>
<th>Workforce Development</th>
<th>Compensation Management</th>
<th>Span Business Processes</th>
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</thead>
<tbody>
<tr>
<td>Global Human Resources</td>
<td>Talent Review</td>
<td>Compensation</td>
<td>Fast Formula</td>
</tr>
<tr>
<td>Global Payroll and Localizations</td>
<td>Performance Management</td>
<td>Incentive Compensation</td>
<td>Profile Management</td>
</tr>
<tr>
<td>Global Payroll Interface</td>
<td>Goal Management</td>
<td>Benefits</td>
<td>Workforce Directory Management</td>
</tr>
<tr>
<td>Workforce Management</td>
<td>Time and Labor</td>
<td>Total Compensation Statement</td>
<td></td>
</tr>
<tr>
<td>Absence Management</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The following procedure identifies how to generate the setup tasks. The documentation in this list is in the Oracle Applications Cloud Using Functional Setup Manager guide.

1. Sign in to Oracle Cloud Services.
   - Using the Oracle Cloud Services URL, sign in to Oracle Cloud Services as a user with the application implementation consultant role.
     
     The Welcome page appears.

2. Go to the Setup and Maintenance work area.
   - Select Setup and Maintenance under the Tools category in the Navigator to go to the Setup and Maintenance work area.

   - On the Getting Started with Oracle Fusion Applications page, view all Oracle Fusion Applications offerings.

4. Analyze implementation requirements of the offerings.
   - Drill down on the Oracle HCM offering of your choice to view a description, documents, and reports related to the offering on the Documents page.

5. Configure offerings.
   - On the Configure Offerings page, configure the offerings of your choice to fit your business requirements.
Expand any offering to find its optional offerings, called Optional Functional Areas. Select all that apply to your organization.

Use the Select Feature Choices page to review optional or alternative business processes. Select all that apply to your enterprise. If you select the Payroll functional area, you must select the appropriate countries as feature choices.

**Note:** To use the Enterprise Structures Configurator, you must Select the Enterprise Structures Guided Flow feature on the Configure Offerings page. This feature is selected by default. Use the feature to set up enterprise structures.

   - Create a new implementation project on the Manage Implementation Projects page to generate setup tasks for a selected offering.

7. Review the generated setup task list.
   - The task list includes the tasks that are relevant to the offerings and optional functional areas that you selected. The most common requirements across all offerings are listed first. Next, the common tasks across product families are shown. Next are common tasks across product offerings. Tasks that are specific to product functionality are listed last.

You can expand the task lists to see the tasks that they contain. For more information about the Functional Setup Manager, see the Oracle Applications Cloud Using Functional Setup Manager guide.

### Implementation Tasks

The table below gives you the list of the task areas you can use to complete your implementation and the roles associated with them.

<table>
<thead>
<tr>
<th>Task Area</th>
<th>Role</th>
<th>Work Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Define Geographies for Human Capital Management</td>
<td>Application Implementation Consultant</td>
<td>Setup and Maintenance</td>
</tr>
<tr>
<td>Defining Enterprise Structures</td>
<td>Application Implementation Consultant</td>
<td>Setup and Maintenance</td>
</tr>
<tr>
<td>Defining Features by Country or Territory</td>
<td>Application Implementation Consultant</td>
<td>Setup and Maintenance</td>
</tr>
<tr>
<td>Manage Currencies</td>
<td>Application Implementation Consultant</td>
<td>Setup and Maintenance</td>
</tr>
<tr>
<td>Defining Elements, Balances, and Formulas</td>
<td>Application Implementation Consultant</td>
<td>Setup and Maintenance</td>
</tr>
<tr>
<td>Managing Data Security</td>
<td>IT Security Manager</td>
<td>Setup and Maintenance</td>
</tr>
<tr>
<td>Define Payroll Business Definitions</td>
<td>Application Implementation Consultant</td>
<td>Setup and Maintenance</td>
</tr>
<tr>
<td>Define Pay Frequency</td>
<td>Application Implementation Consultant</td>
<td>Setup and Maintenance</td>
</tr>
<tr>
<td>Define Earnings and Deductions Definitions</td>
<td>Application Implementation Consultant</td>
<td>Setup and Maintenance</td>
</tr>
</tbody>
</table>
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>
<tr>
<td>Job Role</td>
<td>Payroll Administrator</td>
</tr>
</tbody>
</table>

4. Click Next.

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

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

6. Click Review.

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

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

Follow these steps:

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

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

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

<table>
<thead>
<tr>
<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>

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

**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

Duty Role Components

This topic describes the components of a typical duty role. You must understand how duty roles are constructed if you plan to create duty roles, for example.

Function security privileges and data security policies are granted to duty roles. Duty roles may also inherit aggregate privileges and other duty roles.
For example, the Workforce Structures Management duty role has the structure shown in this figure.

In addition to its aggregate privileges, the Workforce Structures Management duty role is granted many function security privileges and data security policies.

Duty roles include:

- Policies for Data Security
- Privileges for Function Security
- Predefined Duty Roles
- User-Defined Security Roles and Duties
- Granting Portrait Gallery Access

**Data Security Policies**

Many data security policies are granted directly to the Workforce Structures Management duty role, including Manage Location, Manage Assignment Grade, and Manage HR Job. It also acquires data security policies indirectly, from its aggregate privileges.

Each data security policy combines:

- The role to which the data security policy is granted. The role can be a duty role, such as Workforce Structures Management, job role, abstract role, or aggregate privilege.
- A business object, such as assignment grade, that’s being accessed. The data security policy identifies this resource by its table name, which is PER_GRADES_F for assignment grade.
- The condition, if any, that controls access to specific instances of the business object. Conditions are usually specified for resources that you secure using HCM security profiles. Otherwise, business object instances can be identified by key values. For example, a user with the Workforce Structures Management duty role can manage all grades in the enterprise.
Function Security Privileges

Many function security privileges are granted directly to the Workforce Structures Management duty role, including Manage Location, Manage Assignment Grade, and Manage HR Job. It also acquires function security privileges indirectly, from its aggregate privileges.

Each function security privilege secures the code resources that make up the relevant pages, such as the Manage Grades and Manage Locations pages. Some user interfaces aren’t subject to data security, so some function security privileges have no equivalent data security policy.

Predefined Duty Roles

The predefined duty roles represent logical groupings of privileges that you may want to manage as a group. They also represent real-world groups of tasks. For example, the predefined Human Resource Specialist job role inherits the Workforce Structures Management duty role. To create a Human Resource Specialist job role with no access to workforce structures, you would:

1. Copy the predefined job role.
2. Remove the Workforce Structures Management duty role from the copy.

User-Defined Security Roles and Duties

You create security roles as needed for specific employees. One duty role to consider assigning is the Payroll Person Level Administration Duty. This duty role manages individual and group level payroll administration, including managing costing, payment methods, deductions, element entries, and batch data load.

For further information, see Cloud HCM Security Role Mappings (1556500.1) on My Oracle Support.

Granting Portrait Gallery Access

Employers creating employee roles must ensure they add the View US End of Year Tax Form privilege. This privilege is attached to the US Employee Portrait Gallery duty role, which grants employees access to the View End-of-Year Tax Form task on their Person Spotlight.

Related Topics

- Cloud HCM Security Role Mappings

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.

FAQ for Payroll Data Roles

How do I provision HCM data roles to users?
On the Create Role Mapping page, create a role mapping for the role.
Select the **Autoprovision** option to provision the role automatically to any user whose assignment matches the mapping attributes.
Select the **Requestable** option if any user whose assignment matches the mapping attributes can provision the role manually to other users.
Select the **Self-Requestable** option if any user whose assignment matches the mapping attributes can request the role.
3 Understanding Payroll Concepts

Introduction

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

A typical enterprise configuration in the United States includes the several different structures.

<table>
<thead>
<tr>
<th>For these structures</th>
<th>Check here for more information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal entities, including registrations, payroll statutory units, and HCM configuration</td>
<td>See Legal Entities for the US in the Help Center.</td>
</tr>
<tr>
<td>Legislative data groups</td>
<td>See Legislative Data Groups for the US in the Help Center.</td>
</tr>
<tr>
<td>Legal reporting units, including registrations, tax reporting units, reporting establishments, and HCM configuration</td>
<td>See Legal Reporting Units for the US in the Help Center.</td>
</tr>
<tr>
<td>HCM organization models</td>
<td>See HCM Organizations for the US in the Help Center.</td>
</tr>
<tr>
<td>Legal jurisdictions</td>
<td>See Jurisdictions for the US in the Help Center.</td>
</tr>
<tr>
<td>Legal authorities</td>
<td>See Legal Authorities for the US in the Help Center.</td>
</tr>
</tbody>
</table>

After you complete defining the organization structures, there are several other structure types you define and configure.

<table>
<thead>
<tr>
<th>For these structures</th>
<th>Check here for more information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workforce structures, including locations, departments, and jobs</td>
<td>See Workforce Structures for the US in the Help Center.</td>
</tr>
<tr>
<td>Payroll relationship records</td>
<td>See Payroll Relationships for the US in the Help Center.</td>
</tr>
<tr>
<td>Define elements and configure the predefined elements</td>
<td>See How Elements Hold Payroll Information for Multiple Features for the US in the Help Center.</td>
</tr>
</tbody>
</table>

You define these structures, which typically contain US-specific information, before you can create application users.
Enterprise Structures

There are a wide variety of options available to help you model your enterprise to meet your legal and management objectives. The organization structures you define 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

You implement these structures using the chart of accounts and organization hierarchies. There are many alternative hierarchies you can implement and use 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.

In this figure you can see:

- How a separate card can represent a series of registered companies.
- How each company, including the public holding company, InFusion America, is registered in the countries where they do business.
- How 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, but have its Canada legal entity represent all businesses in Canada.

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

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

**Management Structure**

Successfully managing multiple businesses requires that you segregate them by their strategic objectives, and measure their results. Although related to your legal structure, the business organizational hierarchies do not have to be reflected directly in the legal structure of the enterprise. The management structure can include divisions, subdivisions, lines of business, strategic business units, profit, and cost centers. In the figure above, 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.

**Enterprises**

An enterprise is a collection of legal entities under your common control and management.

When you are implementing Oracle Cloud Applications, you operate within the context of an enterprise that already exists. It would be:

- A predefined enterprise
- An enterprise created by a system administrator
An enterprise organization captures the name of the deploying enterprise and the location of its headquarters. In Oracle Cloud Applications, you define an organization classified as an enterprise before you define any other organizations in the HCM Common Organization Model. All other organizations belong to the enterprise.

The Enterprise classification represents the top structure in the organization that supports partitioning requirements for Oracle Cloud applications. Each employee you define exists within the context of an enterprise. If you want to associate a person with multiple enterprises, that person must have multiple person records.

Since there is no concept of legislation at the enterprise level, no US-specific attributes are stored at this level. All US-specific attributes are stored in subordinate structures, such as the legal entity.

> **Note:** Enterprise definition occurs at a higher level than Payroll. All product lines use enterprises.

### HCM Organizations

You can define multiple organizations in a single installation. The Common Organizations Model is the underlying architecture you use to define your business organizations. It provides a number of features common to organizations:

- You define all organizations within an enterprise.
- Use organizations to build hierarchies.
- Your organizations can have specific attributes based on organization classification.
  For example, business unit and department are organization classifications and have specific attributes.
- Organizations can have more than one classification.
  For example, classify an organization as a Department and Sales Organization to indicate that it employs sales people and is used within Oracle Fusion Human Resources Capital Management.

Here are some kinds of organization structures you can define:

- Business unit
- Department
- Division
- Enterprise
- Legal employer and payroll statutory unit
- Legal entity
- Legal reporting unit
- Marketing organization
- Reporting establishment
- Sales organization
- Tax reporting unit

Define these structures before you can create application users.

> **Note:** Define legal entities in the Legal Entity Configurator. Legal entities that employ people are called legal employers and are copied into the organizations model for the purposes of integration with Financial and HCM applications.
The HCM Configuration Workbench is an interview-based tool to help you walk through the best implementation plan to represent your business. The interview tool poses questions about the name of your enterprise, the legal structure, the management reporting structure, and your primary organizing principle for your enterprise. The results of the interview helps the tool suggest the best methods to implement business units for your enterprise and ensure a successful deployment of the Oracle Cloud applications.

**Related Topics**
- Define Organizations for the US

### Legislative Data Groups

You use legislative data groups (LDGs) to partition your payroll and related data. You need to have one LDG for each country where your enterprise operates, including the US.

You associate each LDG with one or more payroll statutory units (PSUs). Each PSU can belong to only one LDG.

Payroll-related information, such as elements, is organized by LDG. Each LDG:

- 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 setup and still comply with the local laws.
- Can span many jurisdictions as long as they are within the same country.
- Can contain many legal entities that act as PSUs.

### 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.

A legal entity can legally:

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

The judicial system may enforce its rights and responsibilities.

For your enterprise, a legal entity may help you with:

- Facilitating local compliance
• Minimizing your 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.

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

There are several things you need to consider when you define your legal entities.

• What roles will they play
• What types of legal entities do you need
• What registrations will they require
• Does your organization support any retirees
• How to configure them for your HR reports

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

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

Legal entities must comply with the regulations of their registering jurisdictions.

For example, US companies can register in one state and do business in others states.

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

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

For example, 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 do not have to file separately.

Disclosure requirements are diverse. For example, your local entities may have to file locally to comply with local regulations in US dollars, 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.

Types of Legal Entities
There are two types of legal entities.

<table>
<thead>
<tr>
<th>This kind</th>
<th>Does this</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal employer</td>
<td>A legal entity that employs workers.</td>
</tr>
</tbody>
</table>
Oracle Human Resources Cloud Implementing Payroll for the United States

Chapter 3
Understanding Payroll Concepts

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

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

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

Registrations
When you create a legal entity, it automatically establishes a registration with the identifying jurisdiction. For each employer, create a registration for the United States Federal Tax jurisdiction and specify its federal employer identification number (EIN). If the legal entity has an LRU that interacts with other legal authorities, create additional registrations as appropriate.

💡 Note: Capture the employer federal EIN, registered name, and state EIN details using the Manage Legal Reporting Unit Registrations task. This task is located in the Setup and Maintenance work area.

If you do not define the United States Federal Tax registration, some payroll processes may not function properly, such as Archive Periodic Payroll Results and HR and Affordable Care Act reports.

US organizations use the following identifiers:

<table>
<thead>
<tr>
<th>Identifier</th>
<th>Task</th>
<th>Field Name</th>
<th>Description</th>
<th>Used By</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal entity identifier</td>
<td>Manage Legal Reporting Unit Registrations task</td>
<td>Legal Entity Registration Code</td>
<td>Associates a registration number with a legal entity.</td>
<td>New Hire Report Payroll processing Many other HR and Payroll reports</td>
</tr>
<tr>
<td>Federal EIN</td>
<td>Manage Legal Entity HCM Information task Manage Legal Reporting Unit Registrations task</td>
<td>Registration Number</td>
<td>Associates a federal EIN with a legal employer.</td>
<td>New Hire Report Payroll processing Tax Withholding card Many other HR and Payroll reports</td>
</tr>
<tr>
<td>Legal reporting unit registration number</td>
<td>Manage Legal Jurisdictions</td>
<td>Legal Reporting Unit Registration Code</td>
<td>Associates an EIN with a federal or local jurisdiction.</td>
<td>New Hire Report Payroll processing</td>
</tr>
</tbody>
</table>
Configuration for Retirees

If your organization includes retirees:

- Define separate PSUs for employees and retirees. Do not assign both employees and retirees to the same PSUs or to the same legal employers.
- Designate these PSUs with the 2-Tier - Multiple Assignment employment model.
- When you set up a tax reporting unit (TRU) for a retiree, specify the distribution code that it is. Set up a separate TRU for each distribution code you require. You also must identify a Client Identifier for 1099-R if you are using ADP to process taxes.

Additional Reporting Information

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

For example, you can group legal employers to include their consolidated headcounts as a single entry on the EEO report. Use this task to provide the required information for the following reports:

<table>
<thead>
<tr>
<th>Report Name</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>EEO-1</td>
<td>Used for employee reporting.</td>
</tr>
<tr>
<td></td>
<td>- Use the Manage Legal Reporting Unit task to assign a default TRU to a legal employer</td>
</tr>
<tr>
<td></td>
<td>- Use the Manage Legal Reporting Unit HCM Information task to specify the establishment employer type as single or multiple</td>
</tr>
<tr>
<td></td>
<td>- Use the Manage Locations task to group locations for reporting purposes</td>
</tr>
<tr>
<td></td>
<td>- Use the Manage Legal Reporting Unit HCM Information task to define the headquarters, company name, and company number for the TRU</td>
</tr>
<tr>
<td></td>
<td>- Use the Manage Legal Reporting Unit HCM Information task to identify legal employers as either parents or children for grouping purposes</td>
</tr>
<tr>
<td></td>
<td>- Use the Manage Legal Reporting Unit HCM Information task to identify the reporting establishment as payroll or nonpayroll</td>
</tr>
<tr>
<td></td>
<td>- Use the Manage Legal Entity HCM Information task and while on the Edit Legal Entity page, click the Federal link, then choose the assignment categories to exclude from the EEO-1 report, if any</td>
</tr>
</tbody>
</table>

For further information, see Equal Employment Opportunity Reporting in the Help Center.

<table>
<thead>
<tr>
<th>VETS-4212</th>
<th>Used for veterans reporting.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Use the Manage Legal Reporting Unit task to assign a default TRU to a legal employer</td>
</tr>
<tr>
<td></td>
<td>- Use the Manage Locations task to group locations for reporting purposes</td>
</tr>
<tr>
<td></td>
<td>- Use the Manage Legal Reporting Unit HCM Information task to identify the establishment employer type as single or multiple</td>
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Oracle Human Resources Cloud Implementing Payroll for the United States

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<table>
<thead>
<tr>
<th>Report Name</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Use the Manage Legal Reporting Unit HCM Information task to identify legal employers as either parents or children for grouping purposes.</td>
</tr>
<tr>
<td></td>
<td>For further information, see Veterans' Employment and Training Service Reporting in the Help Center.</td>
</tr>
<tr>
<td>New Hire reporting</td>
<td>Use the Manage Legal Reporting Unit task to assign a default TRU to a legal employer.</td>
</tr>
<tr>
<td></td>
<td>For further information, see New Hire State Electronic Report in the Help Portal.</td>
</tr>
</tbody>
</table>

If the legal entity is also a PSU, specify:

- Fiscal year start
- Any additional information to support electronic year-end filings

These settings apply to all LRUs attached to the PSU.

__Related Topics__

- Define Legal Entities for the US
- Options for Identifying Legal Reporting Units as Reporting Establishments
- Veterans' Employment and Training Service Reporting: Explained

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.

Payroll Statutory Units

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

Legal Reporting Units
Legal Reporting Units

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

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

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

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

Defining an LRU involves:

<table>
<thead>
<tr>
<th>What you want to do</th>
<th>How you do it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create the LRU</td>
<td>Use the Manage Legal Reporting Units task in the Define Legal Reporting Units for Human Capital Management work area to define and configure a legal reporting unit (LRU).</td>
</tr>
<tr>
<td>Define contacts for the LRU</td>
<td>Use the Manage Legal Reporting Unit task to specify employer contact details at the LRU level.</td>
</tr>
<tr>
<td>Define the legal addresses</td>
<td>Use the Manage Legal Addresses task in the Workforce Deployment work area.</td>
</tr>
<tr>
<td>Specify registrations for the LRU</td>
<td>Use the Manage Legal Reporting Unit Registrations task in the Setup and Maintenance work area.</td>
</tr>
<tr>
<td>Set up the calculation card for the LRU</td>
<td>Use the Manage Legal Reporting Unit Calculation Cards task.</td>
</tr>
</tbody>
</table>

Related Topics

- Overview of Legal Reporting Unit Configuration for the US

Plan Legal Reporting Units

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

Planning Legal Reporting Units

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

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

When you set up legal entities, you can identify them as legal employers and payroll statutory units (PSUs). Depending on how you structure your organization, you may have only one legal entity that serves as both PSU and legal employer, or you may have multiple legal entities, PSUs, and legal employers.

Legal Employers and Payroll Statutory Units

PSUs enable you to group legal employers so that you can perform statutory calculations at a higher level, such as for court orders and some taxes. In some cases, a legal employer is also a PSU. However, your organization may have several legal employers under one PSU. A legal employer can belong to only one PSU, and the PSU represents the highest level of aggregation for a person. No balances are aggregated across PSUs.

How you define a legal entity depends on how you plan to use it.

<table>
<thead>
<tr>
<th>If your implementation includes</th>
<th>Then you need to</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oracle Fusion Human Capital Management</td>
<td>Define the legal entity as a legal employer.</td>
</tr>
<tr>
<td></td>
<td>HCM implementations require legal employers.</td>
</tr>
<tr>
<td>Oracle Fusion Global Payroll</td>
<td>Define the legal entity as a PSU.</td>
</tr>
<tr>
<td>Multiple legal employers</td>
<td>For tax reporting purposes, you can associate your legal employers with a single PSU. If you don’t want the legal employers to report together, you must segregate them by PSU.</td>
</tr>
</tbody>
</table>

Payroll Statutory Units and Legal Reporting Units

PSUs and legal reporting units (LRUs) have a parent-child relationship, with the PSU being the parent. An LRU is the lowest level component of a legal structure that requires registrations.

Legal Reporting Units, Tax Reporting Units, and Reporting Establishments

LRUs have a parent-child relationship with tax reporting units (TRUs) and reporting establishments.

TRUs:

- Group workers and retirees for the purpose of tax reporting
- Represent a part of your enterprise with a specific statutory or tax reporting obligation

If you are using the for tax reporting purposes, then you must configure it as a TRU. When you create an LRU that belongs to a legal employer (that is not also a PSU), you must select a parent PSU. In this way, TRUs are indirectly associated with a legal employer by association with their PSU.

TRUs capture your:

- US federal employer identification number (EIN)
- State EIN
- Registration details

**Note:** This captures the federal EIN, not the TRU itself.

- Statutory registered name
- Form 1099-R distribution code
  If a PSU is paying into multiple distributions, you must define separate TRUs for each code.

**Note:** The payroll process does not use these codes to determine tax withholding. Instead, it uses the following hierarchy:

a. Overrides set on the Retiree Tax Withholding for Pension and Annuity Payment card
b. Overrides set on the organization calculation card at the TRU level
c. Overrides set on the organization calculation card at the PSU level
d. Default settings as defined by Vertex

A reporting establishment is an organization used for HR statutory reporting. Use the Manage Reporting Establishments task in the Setup and Maintenance work area to identify your TRUs as reporting establishments.

For further information, see Options for Identifying Legal Reporting Units as Reporting Establishments in the Help Center.

**Tax Reporting Units and Legal Employers**

TRUs are indirectly associated with a legal employer through their PSU. A single legal employer can use one or more TRUs, and one or more legal employers can use a TRU.

For example, assume a single TRU is linked to a PSU. Assume also that two legal employers are associated with this PSU. In this case, both legal employers would be associated with the single TRU.

Use the Manage Legal Reporting Unit HCM Information task to designate an existing legal reporting unit as a TRU and reporting establishment. If you create a LRU that belongs to a legal employer (that is not also a PSU), you select a parent PSU and then, when you run the Manage Legal Reporting Unit HCM Information task, you designate it as a TRU and select the legal employer.

**Related Topics**

- Define Tax Reporting Units for the US
- Options for Identifying Legal Reporting Units as Reporting Establishments

**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.

Related Topics
- Overview
FAQ for Legal Reporting Units

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.

Jurisdictions and Legal Authorities

Jurisdictions

You use jurisdictions when setting up tax types. A jurisdiction is a combination of the legislative category (labor law, transaction tax law, income tax laws) and the physical territory (such as group of countries, country, state, county, or parish). The jurisdiction defines the category and territory to which legal rules are grounded.

A tax jurisdiction is a geographic area where a tax is levied by a specific tax authority.

The jurisdiction has a start date and end date to show when the jurisdiction is effective and when you can register against the jurisdiction.

For further information, see Overview of Legal Reporting Unit Configuration for the US in the Help Center.

Identifying Jurisdiction

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

Registrations

You must set up jurisdictions before creating registrations. You register all legal entities against a jurisdiction that is governed by a legal authority.

The jurisdiction can also capture the registration code or the name of the registration number. You can then use the registration code as the prompt for the registration number given the context of the jurisdiction.

Use the Manage Legal Reporting Unit Registrations task to define registrations for each jurisdiction. When you define new jurisdictions set the registration number to employer identification number (EIN) or tax identification number (TIN).
Predefined Jurisdictions
The following are the predefined US jurisdictions and the types of taxes they use:

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Legislative Category</th>
<th>Territory</th>
<th>Usage</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States Federal Tax</td>
<td>Federal Tax</td>
<td>United States</td>
<td>Federal income tax</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Federal unemployment tax</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Social Security</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Medicare</td>
</tr>
<tr>
<td>&lt;Territory&gt; Income Tax</td>
<td>Income Tax</td>
<td>State</td>
<td>All states and territories with income tax</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>One legal jurisdiction for each territory with an income tax</td>
</tr>
<tr>
<td>&lt;Territory&gt; Unemployment Insurance</td>
<td>Unemployment Insurance Tax</td>
<td>State</td>
<td>All states and territories with unemployment insurance tax</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>One legal jurisdiction for each territory with an unemployment insurance tax</td>
</tr>
<tr>
<td>&lt;Territory&gt; Disability Insurance</td>
<td>Disability Insurance Tax</td>
<td>State</td>
<td>All states and territories with disability insurance tax</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>One legal jurisdiction for each territory with a disability insurance</td>
</tr>
</tbody>
</table>

To view these predefined jurisdictions, use the Manage Legal Jurisdictions task.

⚠️ **Note:** Local taxes use the Local Tax legislative category. They are not included in this table because there are no predefined local tax jurisdictions. Create the local jurisdiction and then create the local tax registration, using the Local Tax legislative category and local jurisdiction.

Local Tax Jurisdictions
You can create a local tax jurisdiction if you are withholding for specific local taxes, such as cities and counties. You must create this jurisdiction before you can create a registration for that local.

⚠️ **Note:** Local taxes are not supported for retirees.

To create local tax jurisdictions:

1. Start the Manage Legal Jurisdictions task from the implementation project task list.
2. Click **Create**.
3. On the Create Legal Jurisdiction page, enter a name.
4. Select a territory.
5. Select the **Local Tax** legislative category.
6. Select No in Identifying.
7. Select Legal Entity Registration Number as the legal reporting unit registration code.
8. Click Save and Close.

Related Topics
- Overview
- Overview of Legal Reporting Unit Configuration for the US
- Prerequisite Tasks for Payroll Setup for the US

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.

For example, the Internal Revenue Service is the authority for enforcing federal income tax laws.

It is optional to define legal authorities for the United States. Some examples of legal authorities that you can set up include:

- State income tax authorities
- State unemployment authorities
- Local income tax authorities
- State Workers’ Compensation authorities

To define legal authorities:

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

Related Topics
- Define Organizations for the US

Workforce Structures

Workforce Structures

You define workforce structures after you complete the organization structure setup. Workforce structures:

- 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

Your 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
• Grades
• Jobs

Related Topics

• Configure Workforce Structures for the US

Locations

A location identifies physical addresses of a workforce structure, such as a department or a job. They include:

• Where business is conducted, including the physical location of a workforce structure, such as a department or a job
• Workers' physical work locations, including the Pennsylvania Political Subdivision code
• Last work location of a retiree
• Information required for reporting, such as Multiple Worksite Reporting, VETS, and EEO
• Other areas of interest to the business, such as employment agencies, tax authorities, and insurance or benefits carriers

The locations you create exist as separate structures that you can use for reporting purposes. Their rules help determine employee eligibility for various types of compensation and benefits. You enter information about a location only once. Subsequently, when you set up other workforce structures, you select the location from a list.

You create and manage locations using the Manage Locations task in the Workforce Structures work area.

Location Sets

When you create a location, you must associate it with a set. Only those users who have access to the set's business unit can access the location set and other associated workforce structure sets, such as those that contain departments and jobs.

-note:
• You can also associate the location to the common set so that users across your enterprise can access the location irrespective of their business unit.
• When users search for locations, they can see the locations that they have access to along with the locations in the common set.
The following figure shows how location sets restrict access to users:

```
has access to ...

US Business Unit

contains ...

US Location Set

• New York
• San Francisco
• Austin

Common Set

• Tokyo
• Paris
• Berlin
```

Related Topics

- Configure Workforce Structures for the US
- What happens if I inactivate a location
- Why can't I see my location in the search results

Departments

A department is a division of a business enterprise dealing with a particular area or activity to which you can assign workers. Departments are organizations with one or more operational objectives or responsibilities that exist independently of their manager.

For example, sales, research and development, and Human Resources.

No data is required or captured at this level. However, Implementation Teams can create a department structure for an enterprise in the organizational structure setup phase of the project.

Departments and cost centers example:
This figure illustrates how departments belong to legal entities within a multinational enterprise structure.

Departments and Cost Centers
You track a department’s financial performance through one or more cost centers.
A cost center represents the smallest segment of an organization for which you allocate and report on costs. The manager of a department is typically responsible for cost control by meeting a budget. They may be responsible for the assets used by the department.

Tracking Headcount
You can report and keep track of headcount by creating a department hierarchy using Oracle Fusion Trees.

Related Topics
- Configure Workforce Structures for the US
- Uploading Workforce Structures Using a Spreadsheet: Explained
Grades

Grades define the relative rank, level, or status of your workers. They are one of the key building blocks you use for managing compensation.

Use the Manage Grades task to create grades that record the level of compensation for workers. You can:

- Create grades for multiple pay components, such as salary, bonus, and overtime rates
- Define one or more grades that are applicable for jobs and positions

This list of valid grades, combined with the settings for two profile options, enables you to restrict the grades that can be selected when you set up assignments for a worker.

Grades and Sets

You assign each grade to a set. If you assign a grade to the common set, then the grade is available for use in all business units. To limit a grade to a single business unit, assign it to a set that is specific to that business unit.

Grade Steps

Grade steps are distinct increments of progression within a grade. You can set up grades with or without grade steps.
The following figure illustrates the difference between grades with and without steps.

**Grade Rates**

Grade rate values are the compensation amounts associated with each grade. Use them to define pay values for grades in your legislative data group.

You can set up rates at the same time that you create grades or set them up independently from grades. For grades with steps, you set up the step rates when you include them in a grade ladder. Grade rates are optional.

**Grade Ladders**

You can combine grades into grade ladders to group your grades or grades with steps in the sequence in which your workers typically progress. For example, you might create three grade ladders for your enterprise: one for technical grades, another for management grades, and a third for administrative grades.

**Related Topics**

- Configure Workforce Structures for the US
- Grade Rates
Jobs

As part of your initial implementation, you specify whether to use:

- Jobs and positions
- Jobs only

If you are in a service industry where flexibility and organizational change are key features, you would typically use jobs without positions.

Use the Manage Jobs task to define jobs for your organization.

Job Details

Details for a job include an effective start date, a job set, a name, and a code. They also include settings for Fair Labor Standards Act compliance and EEO and VETS reporting.

A job code must be unique within a set. Therefore, you can create a job with the code DEV01 in the US set and another job with the same code in the UK set. However, if you create a job with the code DEV01 in the Common set, then you can’t create a job with the same code in any other set.

Benchmark Information

You can identify a job as being a benchmark job. A benchmark job represents other jobs in reports and salary surveys. You can also select the benchmark for jobs. Benchmark details are for informational purposes only.

Progression Information

A progression job is the next job in a career ladder. Progression jobs enable you to create a hierarchy of jobs and are used to provide the list of values for the Job field in the Promote Worker and Transfer Worker tasks.

The list of values includes the next three jobs in the progression job hierarchy.

For example, assume that you create a job called Junior Developer and select Developer as the progression job. In the Developer job, you select Senior Developer as the progression job. When you promote a junior developer, the list of values for the new job includes Developer and Senior Developer. You can select one of these values, or select another one.

Jobs and Grades

You can assign grades that are valid for each job. If you’re using positions, then the grades that you specify for the job become the default grades for the position.

Evaluation Criteria

You can define evaluation criteria for a job, including the evaluation system, a date, and the unit of measure. The Hay system is the predefined evaluation system that’s available. An additional value of Custom is included in the list of values for the Evaluation System field, but you must add your own criteria and values for this system.
Related Topics

- Configure Workforce Structures for the US
- Considerations for Enforcing Grades at Assignment Level
- Job and Position Lookups
- Job Overtime Eligibility for the US
- Guidelines for Using Desktop Integrated Excel Workbooks

Payroll Employment Model

Payroll Employment Model: Explained

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

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

Related Topics

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

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

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

- Payroll relationship
- Assignments

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

Profile Options for the Payroll Relationship Level

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

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

Profile Options for the Assignment Level

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

<table>
<thead>
<tr>
<th>Profile Option Codes</th>
<th>Profile Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAY_EMP_HIERARCHY_ASG_DESC_1</td>
<td>Assignment Name</td>
</tr>
<tr>
<td>PAY_EMP_HIERARCHY_ASG_DESC_2</td>
<td>Assignment Number</td>
</tr>
<tr>
<td>PAY_EMP_HIERARCHY_ASG_DESC_3</td>
<td>Employment Category</td>
</tr>
<tr>
<td></td>
<td>Grade Name</td>
</tr>
<tr>
<td></td>
<td>Job Name</td>
</tr>
<tr>
<td></td>
<td>Legal Employer Name</td>
</tr>
<tr>
<td></td>
<td>Location Name</td>
</tr>
<tr>
<td></td>
<td>Position Name</td>
</tr>
</tbody>
</table>
Overriding Site-level Values with User-level Values

You can override site-level values at the user level. For example, you might use position as the default value and override it with job for the payroll administrator who manages records for a group of workers who are not assigned to positions.

FAQ for Payroll Employment Model

How do I diagnose payroll employment model setup issues?

After creating enterprise structures, you can run the Payroll Employment Model Setup Validation test if you have access to the Diagnostic Dashboard. This test checks whether legal employers are associated with a legislative data group. Select Run Diagnostic Tests from the Setting and Actions menu in the global area.

How do I diagnose payroll validation and setup issues

You can use a number of tests to diagnose payroll employment setup issues. Use the Diagnostic Dashboard to run the tests to diagnose payroll employment model setup issues, such as:

- US Payroll Tax Card Validation
- US Payroll Person Calculation Card Diagnostics
- US Payroll Person Diagnostics

You must have an application implementation consultant job role to have access to the Diagnostic Dashboard.

Related Topics

- Diagnostic Tests for the US

Payroll Relationships

Payroll Relationships

A payroll relationship represents the association between a person and a payroll statutory unit (PSU). A PSU 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 help you capture and extract any HR and payroll-related data you want to send to a third party, such as a payroll processing provider.

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.
Create Payroll Relationship Records and Mapping Rules

You establish a mapping between system person types and the payroll relationship type. Certain processes, such as the rehire process, use this mapping to automatically create a payroll relationship record. You must use the payroll relationship types predefined in the application. You cannot create your own.

The table below shows the predefined payroll relationship type.

<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>

These are predefined mapping rules. You cannot create your own payroll relationship types, and you must use the values that are predefined in the application.

The table below shows the mapping between system person types and payroll relationship types.

<table>
<thead>
<tr>
<th>System Person Type</th>
<th>Payroll Relationship Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contingent Worker</td>
<td>Contingent Worker</td>
</tr>
<tr>
<td>Contingent Worker Candidate</td>
<td>Candidate element entries only</td>
</tr>
<tr>
<td>Employee</td>
<td>Standard</td>
</tr>
<tr>
<td>Employee Candidate</td>
<td>Candidate Standard</td>
</tr>
<tr>
<td>Nonworker</td>
<td>Nonworker</td>
</tr>
<tr>
<td>Retiree</td>
<td>Retiree</td>
</tr>
</tbody>
</table>

A payroll relationship cannot end while there are active employment assignments. When all employment assignments are ended for a payroll relationship, it could either remain active or become end dated. It depends on the legislation and the payroll relationship rules applicable for the legislation. For example:

- For the US, relationships that remain active enables future rehire within the same payroll relationship and PSU.
- For the UK, for a relationship that gets terminated, a new payroll relationship is created within the same payroll relationship and PSU, for the rehire.

Related Topics

- Element Duration Dates in Payroll : Explained
- Setting End Dates for Terminations: Examples
Payroll Relationship Rules

The payroll relationship rule determines:

- What happens when you terminate the last active employment record for a payroll relationship
- Whether an employee receives a new payroll relationship when you assign them a new assignment record

Employees assigned to payroll statutory units (PSUs) are subject to the Lifetime payroll relationship rule. This rule determines what happens when you terminate a work assignment or create an assignment record.

<table>
<thead>
<tr>
<th>When this happens</th>
<th>What this rule does</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work assignment termination</td>
<td>When you terminate a work assignment, the associated payroll relationship remains active.</td>
</tr>
<tr>
<td>Assignment record creation</td>
<td>When you create an assignment, the Manage Employment task searches for an active payroll relationship of the same type and for the same PSU. If found, it attaches the new assignment to the existing active payroll relationship. If not, it creates a new payroll relationship.</td>
</tr>
</tbody>
</table>

Related Topics

- Terminations: How They 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

Define Earning and Deduction Definitions

The Define Earning and Deduction Definitions task list in the Setup and Maintenance work area contains the tasks you use 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
- Manage Elements
• Manage Component Groups
• Add Eligibility Rules for Predefined Elements
• Manage Rate Definitions

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

For further information, see Secondary Element Classifications for the US topic in the Help Center.
• 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 create and review elements. 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.

Note: You must have 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 creates these additional objects. Use the relevant tasks in the Define Earning and Deduction Definitions task list to review the objects generated for each element.

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

What you can do:

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

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

Review the predefined calculation information as required, such as the wage basis rules and calculation factors.
Manage Component Groups
Component groups are predefined categories of calculation components managed by component group rules.

What you can do:

- View rules for component groups.
- Modify the rules, such as wage basis rules, for some deductions.

After set up, you add calculation components to personal calculation cards by:

- Loading data, such as time cards
- Using the Manage Calculation Cards task in the Payroll Calculation work area and adding your own, such as for involuntary deductions

  By default, US employees receive their tax card automatically upon hire.
- Creating an absence transaction

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

⚠️ Note: You must define eligibility and cost all predefined employee and employer tax elements. For further information, see the Payroll Costing of Elements for the US in the Help Center.

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 3 months. You can use rate definitions in absence plans and formulas.

You can define rates to be:

- Monetary, such as a pay rate, or nonmonetary, such as an absence accrual rate defined in days or hours
- Based on a combination of elements, or a single element

Related Topics

- Elements for the US
- Element Eligibility for the US
- Examples of Creating Earnings Elements for the US
- Payroll Calculation Information for the US
How Elements Hold Payroll Information for Multiple Features

Elements are the 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 them.

Here are some examples of how you can use elements.

<table>
<thead>
<tr>
<th>How the element is used</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>
<tr>
<td></td>
<td>Tax Deduction</td>
</tr>
<tr>
<td></td>
<td>Involuntary Deduction</td>
</tr>
</tbody>
</table>

For further information, see the following sections.

**Base Pay Management**

You must set up salary basis and payrolls before you hire employees. Use the Manage Salary Basis task in the Compensation work area.

Once you establish the salary basis, to manage a worker’s base pay:

1. Attach an earnings element to each salary basis.
2. Assign a salary basis to each worker (hourly, monthly, or annual).

When a manager or compensation specialist enters a base pay amount for a worker, the payroll process writes the amount to an element entry using the element input value you 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
- Associate an absence element with an absence plan to transfer the following information for payroll processing:
  - Payments for absent time during personal time off
  - Accrual disbursement at the end of absence plan year
  - Accrual disbursement when plan enrollment ends
  - Absence liability amounts

You can process the payments through standard payroll processing or use HCM extracts to transfer the information to a third-party payroll application.

For further information, see Oracle Cloud Human Capital Management for the United States: Absence Management (2308118.1) on My Oracle Support.

**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 that create dependent payroll attributes and time card fields for element input values.

You can automate the routine import of time card entries to payroll using predefined flows.

**Payroll**

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

**Related Topics**

- Create Compensation Payroll Elements
- Create Elements for Time Card Entries for the US
- Define Payroll Elements for an Absence Accrual Plan for the US
- Examples of Creating Earnings Elements for the US
Overview of Absence Management

Oracle Fusion Absence Management provides you with the means to accurately administer a variety of types of absences. You can track them, display them on reports, and integrate them with your payroll calculations.

Most of the configuration happens in the Absence Management work area. However, because absences and payroll are integrated, you have to perform some set up in Payroll Calculations as well. Payroll processing requires specific information, which is provided by the absences. The payroll process uses this information to calculate the absence payments.

High-Level Steps
Here are the different absence and payroll steps you need to follow.

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create Rate Definitions</td>
<td>Create rate definitions to use in calculating absence payments, liability balance calculations, and salary reduction calculations. Use the Manage Rate Definitions task in the Payroll Calculation work area. For further information, see Overview of Absence Rate Definitions for the US in the Help Center.</td>
</tr>
<tr>
<td>Create Absence Elements</td>
<td>Create an absence element for each absence plan that transfers absence payment information for payroll processing. Use the Manage Elements task in the Payroll Calculation work area. These elements use the Absences primary earnings classification. During absence element definition, the template provides the option to automatically create the Final Disbursements and Discretionary Disbursements elements. For further information, see Define Absence Elements for the US in the Help Center.</td>
</tr>
<tr>
<td>Create Derived Factors</td>
<td>Create derived factors to define how to calculate certain eligibility criteria that change over time. Use the Manage Derived Factors task in the Absence Administration work area. For further information, see Derived Factors for Absences in the Help Center.</td>
</tr>
<tr>
<td>Create Eligibility Profiles</td>
<td>Create eligibility profiles to define criteria that determine whether a person qualifies for objects that you associated with the profile. Use the Manage Eligibility Profiles task in the Absence Administration work area. For further information, see Absence Eligibility Profiles for the US in the Help Center.</td>
</tr>
<tr>
<td>Create Fast Formulas</td>
<td>Create any fast formulas needed to perform additional processing, such as: Days-to-hours conversions Absence entitlements based on employee attributes, such as grade Use the Manage Fast Formulas task in the Payroll Calculation work area.</td>
</tr>
</tbody>
</table>
### Procedure | Action
--- | ---
Create Absence Plans | Create an absence plan, and select the absence element within the plan itself. Use the Manage Absence Plans task in the Absence Administration work area. For further information, see Set Up Absence Plans for the US in the Help Center.
Create Absence Types | Create absence types, and associate your absence plans to them. Use the Manage Absence Types task in the Absence Administration work area. For further information, see Set Up Absence Plans for the US in the Help Center.
Enroll Employees in Absence Plans | Enroll employees in the absence plan. For further information, see Set Up Absence Plans for the US in the Help Center.
Process Accruals | If an employee is enrolled in an accrual plan, you must run the accrual process. For further information, see Absence Processing and Administration for the US in the Help Center.
Create Employee Absence Records | Record an absence for the employee by performing one of the following:
- Employee enters their absence through self-service
- You enter an absence for an employee using the Manage Absence Records task
This transfers the absence information to the payroll process, assuming the absence is approved and the option to transfer information to payroll is configured. This:
1. Creates or updates the absence calculation card.
2. Links the absence plan to the calculation component on the person’s calculation card.
For further information, see Employee Absence Records for the US in the Help Center.
Process Payroll | Once the information is transferred to payroll and the entries are generated, you can process the payroll that includes the absence entries. Then view the resulting absence balances on the person’s Statement of Earnings (SOE).
View Absence Balances | Once you have processed and archived payroll, the employee’s absence and accrual balances are displayed on their SOE, payslip, check advice, and reports.

### Navigation
Use the following tasks located in the related work areas to configure objects for processing absences in payroll:
Related Topics
• Overview of Absence Rate Definitions for the US
• Process and Administer Absences for the US

## Earnings Elements

When you define earnings elements, you can select from a wide variety of element classifications.

### US Element Classifications

The following primary and secondary classifications are available for US earnings elements.

<table>
<thead>
<tr>
<th>Primary Classification</th>
<th>Secondary Classifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Earnings</td>
<td>• Overtime</td>
</tr>
<tr>
<td></td>
<td>• Premium</td>
</tr>
<tr>
<td></td>
<td>• Regular</td>
</tr>
<tr>
<td></td>
<td>• Regular Not Worked</td>
</tr>
<tr>
<td></td>
<td>• Shift</td>
</tr>
<tr>
<td></td>
<td>• Tips Regular</td>
</tr>
<tr>
<td>Supplemental Earnings</td>
<td>• Awards and Prizes</td>
</tr>
<tr>
<td></td>
<td>• Bonus</td>
</tr>
<tr>
<td></td>
<td>• Cafeteria Plan</td>
</tr>
<tr>
<td></td>
<td>• Commission</td>
</tr>
<tr>
<td></td>
<td>• Deceased Employee Wages</td>
</tr>
<tr>
<td></td>
<td>• Deferred Compensation Distribution</td>
</tr>
<tr>
<td></td>
<td>• Dismissal Payments</td>
</tr>
<tr>
<td></td>
<td>• Educational Assistance</td>
</tr>
<tr>
<td></td>
<td>• Jury Duty Pay</td>
</tr>
<tr>
<td></td>
<td>• Moving Expense Nonqualified</td>
</tr>
<tr>
<td></td>
<td>• Moving Expense Qualified</td>
</tr>
<tr>
<td></td>
<td>• Paid Time Off Payout</td>
</tr>
<tr>
<td></td>
<td>• Pensions/Annuities</td>
</tr>
</tbody>
</table>
### Primary Classification

<table>
<thead>
<tr>
<th>Secondary Classifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Sick Pay</td>
</tr>
<tr>
<td>• Tips Supplemental</td>
</tr>
<tr>
<td>• Travel Taxable Reimbursement</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Imputed Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Domestic Partner Dependent</td>
</tr>
<tr>
<td>• Domestic Partner Nondependent</td>
</tr>
<tr>
<td>• Cash Tips Reported</td>
</tr>
<tr>
<td>• Group Term Life Insurance</td>
</tr>
<tr>
<td>• Moving Expense Nonqualified</td>
</tr>
<tr>
<td>• Moving Expense Qualified</td>
</tr>
<tr>
<td>• Noncash Award</td>
</tr>
<tr>
<td>• Personal Use of Company Car</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nonpayroll Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Expense Reimbursement</td>
</tr>
</tbody>
</table>

### Related Topics

- Define Earnings Elements for the US
- Define Elements, Balances, and Formulas: Overview
- Elements for the US
- Examples of Payroll Calculation Information for the US

### Augment Elements

Augments are amounts you pay an employee that are:

- In addition to their regular rate of pay
- Considered nondiscretionary

They can be bonuses for meeting performance or financial goals, attendance awards, payments for on-call time, commissions, piece rates, incentives, training pay, and so on.

Because they are often earned in acknowledgment for events in the past, for the purpose of calculating overtime, you have to distribute their value retroactively. The payroll process recalculates the overtime by prorating the augment’s amount across the periods during which it was earned.

For example, you pay employee commissions monthly and pay the salary semimonthly. Therefore, the payroll process divides the commission evenly over the pay periods during the period it was earned with 50 percent allocated to each semimonthly pay period.

### Related Topics

- Define Augment Elements
- Overview of Overtime Configuration for the US
- Special Overtime Configuration Options for the US
Deduction Elements

When you define deduction elements, you can select from a wide variety of element classifications.

**US Deduction Classifications**

Use these predefined element classifications when defining deduction elements.

<table>
<thead>
<tr>
<th>Primary Classification</th>
<th>Secondary Classifications</th>
<th>For further information see the following in the Help Center</th>
</tr>
</thead>
<tbody>
<tr>
<td>Involuntary Deductions</td>
<td>• Alimony</td>
<td>Alimony Deductions for the US</td>
</tr>
<tr>
<td></td>
<td>• Bankruptcy Order</td>
<td>Bankruptcy Order Deductions for the US</td>
</tr>
<tr>
<td></td>
<td>• Child Support</td>
<td>Child Support Deductions for the US</td>
</tr>
<tr>
<td></td>
<td>• Creditor Debt</td>
<td>Creditor Debt Deductions</td>
</tr>
<tr>
<td></td>
<td>• Debt Collection Improvement Act</td>
<td>Debt Collection Improvement Act Deductions</td>
</tr>
<tr>
<td></td>
<td>• Educational Loan</td>
<td>Educational Loan Deductions</td>
</tr>
<tr>
<td></td>
<td>• Employee Requested</td>
<td>Employee Requested Deductions</td>
</tr>
<tr>
<td></td>
<td>• Garnishment</td>
<td>Garnishment Deductions</td>
</tr>
<tr>
<td></td>
<td>• Regional Tax Levy</td>
<td>State Tax Levy Deductions</td>
</tr>
<tr>
<td></td>
<td>• Spousal Support</td>
<td>Spousal Support Deductions for the US</td>
</tr>
<tr>
<td></td>
<td>• Tax Levy</td>
<td>Federal Tax Levy Deductions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>For further information, see Oracle Cloud Human Capital Management for United States: Payroll Involuntary Deductions (1597039.1) on My Oracle Support.</td>
</tr>
<tr>
<td>Pretax Deductions</td>
<td>• Deferred Compensation 401k</td>
<td>Define Pretax Deduction Elements for the US</td>
</tr>
<tr>
<td></td>
<td>• Deferred Compensation 401k Catch-Up</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Deferred Compensation 403b</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Deferred Compensation 457</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Dental Care 125</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Dependent Care 125</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Flexible Spending Account</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Health Care 125</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Health Savings Account</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Health Savings Account Catch-Up</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Nonqualified Deferred Compensation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Retiree Dental Care 125</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Retiree Flexible Spending Account</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Retiree Health Care 125</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Retiree Health Savings Account</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Retiree Health Savings Account Catch-Up</td>
<td></td>
</tr>
</tbody>
</table>
Primary Classification

- Retiree Vision Care 125
- Vision Care 125

Voluntary Deductions

- Benefits After Tax
- Deferred Compensation 401k Roth
- Deferred Compensation 401k Roth Catch-Up
- Employer Reimbursements
- Life Insurance
- Loans
- Pension Plan After Tax
- Union Deductions

For further information see the following in the Help Center

• Retiree Vision Care 125
• Vision Care 125

Voluntary Deductions for the US

Involuntary Deductions

When it comes to defining involuntary deductions, the Manage Elements task provides you with a robust and flexible solution.

<table>
<thead>
<tr>
<th>Secondary Classification</th>
<th>Level</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alimony</td>
<td>Regional</td>
<td>Payment for support made under an involuntary deduction order to a divorced person by the former spouse. For further information, see Alimony Deductions for the US in the Help Center.</td>
</tr>
<tr>
<td>Bankruptcy Order</td>
<td>Federal</td>
<td>Federal court procedure that helps individuals get rid of their debts and repay their creditors. When an individual declares bankruptcy, a trustee of the federal court generally handles the payments to the individual's creditors. For further information, see Bankruptcy Order Deductions for the US in the Help Center.</td>
</tr>
<tr>
<td>Child Support</td>
<td>Regional</td>
<td>Payment a noncustodial parent makes as a contribution to the cost of raising their child. For further information, see Child Support Deductions for the US in the Help Center.</td>
</tr>
<tr>
<td>Creditor Debt</td>
<td>Regional</td>
<td>Involuntary deduction ordered against the subject of a successful lawsuit. When a creditor, lender, debt collector, attorney or other party wins the lawsuit a judgment is</td>
</tr>
<tr>
<td>Secondary Classification</td>
<td>Level</td>
<td>Description</td>
</tr>
<tr>
<td>--------------------------</td>
<td>---------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Debt Collection Improvement Act</td>
<td>Federal</td>
<td>Federal agencies are given authority to administratively garnish for debts owed to the US government. Examples of federal debts collected under this federal process are defaulted loans administered by:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Federal Housing Administrations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Veterans Housing Administration</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Housing and Urban Development</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Student loans administered directly by the US Department of Education</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Social Security Administration</td>
</tr>
<tr>
<td></td>
<td></td>
<td>For further information, see Debt Collection Improvement Act Deductions in the Help Center.</td>
</tr>
<tr>
<td>Educational Loan</td>
<td>Federal</td>
<td>Delinquent loan for education granted under the Federal Direct Loan Program or Federal Family Education Loan Program.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>For further information, see Educational Loan Deductions in the Help Center.</td>
</tr>
<tr>
<td>Employee Requested</td>
<td>Regional</td>
<td>Agreement made between the employee and creditor after a debt was incurred. Not all states allow this.</td>
</tr>
<tr>
<td>Garnishment</td>
<td>Regional</td>
<td>Wage garnishment occurs when an employer is required to withhold the earnings of an employee for the payment of a debt. The garnishment is in accordance with a court order or other legal or equitable procedure.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>For further information, see Garnishment Deductions for the US in the Help Center.</td>
</tr>
<tr>
<td>Regional Tax Levy</td>
<td>Regional</td>
<td>Legal seizure of taxpayers’ assets to satisfy back taxes owed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>For further information, see State Tax Levy Deductions in the Help Center.</td>
</tr>
<tr>
<td>Spousal Support</td>
<td>Regional</td>
<td>Court-ordered payment for support of a former spouse or a spouse while a divorce is pending.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>For further information, see Spousal Support Deductions for the US in the Help Center.</td>
</tr>
</tbody>
</table>
Chapter 3
Understanding Payroll Concepts

Secondary Classification | Level | Description
--- | --- | ---
Tax Levy | Federal | Under United States federal law, a tax levy is an administrative action by the IRS under statutory authority. This authority permits the IRS, without going to court, to seize property to satisfy a tax liability.

For further information, see Federal Tax Levy Deductions in the Help Center.

Related Topics
- Define Involuntary Deductions for the US
- Elements for the US

Pretax Deductions

Pretax deductions are deductions made from a person’s gross income. They reduce the total taxable income of the person and the tax withheld.

When working with pretax deductions, consider the following:
- What secondary classifications you can use
- How wage basis rules work with them
- What are their contribution limits

For further information, see Define Pretax Deduction Elements for the US in the Help Center.

Secondary Classifications

The Pretax Deductions primary classification uses the following secondary classifications.

- Adoption
- Deferred Compensation 401k
- Deferred Compensation 401k Catch-Up
- Deferred Compensation 403b
- Deferred Compensation 457
- Dental Care 125
- Dependent Care 125
- Flexible Spending Account
- Health Care 125
- Health Savings Account
- Health Savings Account Catch-Up
- Nonqualified Deferred Compensation
- Retiree Dental Care 125
• Retiree Flexible Spending Account
• Retiree Health Care 125
• Retiree Health Savings Account
• Retiree Health Savings Account Catch-Up
• Retiree Vision Care 125
• Transportation
• Vision Care 125

Wage Basis Rules
Use wage basis rules to determine how pretax deductions reduce gross wages. A reduction in gross wages results in a reduction of taxable income, thereby allowing a reduction of some taxes and involuntary deductions.

For example, Pretax Healthcare 125 deductions are exempt from medicare and social security taxes. However, 401(k) deductions reduce taxable wages for federal income tax (FIT) only and not for social security and Medicare. In most cases you use the predefined rules and don’t need to do anything.

For further information, see Tax Wage Basis Rules for the US in the Help Center.

Contribution Limits
The predefined contribution limits help ensure the employee is in compliance with statutory limits. However, there are some cases where you need to adjust the limits for individual employees.

For further information, see Compensation Limits for Deferred Compensation Plans in the Help Center.

Related Topics
• Define Pretax Deduction Elements for the US
• Tax Wage Basis Rules for the US

Deferred Compensation Plans
Use deferred compensation plans to allow participants to save for retirement on a pretax or after-tax basis. Employees can choose one or more deductions from wages on a pretax or after-tax basis.

There are two ways of defining the plans. Some plans define elements for deferred compensation plan types using the Manage Elements task. Others use the Benefits and Pensions calculation card.

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Description</th>
<th>To define elements for this plan type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 401 (k)</td>
<td>Type of tax-qualified deferred compensation plan. In this plan an employee can elect to have the employer contribute a portion of their cash wages to the plan on a pretax basis.</td>
<td>To define, use the Manage Elements task, selecting the Pretax Deductions primary element classification and Deferred Compensation 401 (k) secondary element classification.</td>
</tr>
<tr>
<td>Plan Type</td>
<td>Description</td>
<td>To define elements for this plan type</td>
</tr>
<tr>
<td>-----------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Roth 401 (k)</td>
<td>After-tax contributions, often in association with a standard 401 (k) plan but can be stand-alone.</td>
<td>During base contribution element definition, options are offered to create after-tax Roth elements, or they can be created independently through the Voluntary Deductions classification type.</td>
</tr>
<tr>
<td>Section 403 (b)</td>
<td>Type of tax-qualified deferred compensation plan. In this plan, an employee can elect to have the employer contribute a portion of their cash wages to the plan on a pretax basis.</td>
<td>To define the base contribution, use the Manage Elements task, select the Pretax Deductions primary element classification, and the Deferred Compensation 403b secondary element classification. To define catch-up or employee match contributions, use the Benefits and Pensions card. See Considerations for 403 (b) and 457 Deferred Compensation Plans in the Help Center.</td>
</tr>
<tr>
<td>After-Tax 403 (b)</td>
<td>After-tax contributions, using the Voluntary Deductions primary element classification and Pension Plan After Tax 403b secondary element classification.</td>
<td>Using the Manage Elements task, select the Voluntary Deductions primary element classification and Pension Plan After Tax 403b secondary element classification.</td>
</tr>
<tr>
<td>Roth 403 (b)</td>
<td>After-tax contributions, often in association with a standard 403 (b) plan but can be stand-alone.</td>
<td>Use the Manage Elements task to create after-tax Roth elements using the Voluntary Deductions primary element classification and the Deferred Compensation 403b Roth secondary classification.</td>
</tr>
<tr>
<td>Section 457 (b)</td>
<td>Type of tax-qualified deferred compensation plan. In this plan, an employee can elect to have the employer contribute a portion of their cash wages to the plan on a pretax basis.</td>
<td>To define the base contribution, use the Manage Elements task, select the Pretax Deductions primary element classification and the Deferred Compensation 457 secondary element classification. To define catch-up or employee match contributions, use the Benefits and Pensions card. See Considerations for 403 (b) and 457 Deferred Compensation Plans in the Help Center.</td>
</tr>
<tr>
<td>After-Tax 457 (b)</td>
<td>After-tax contributions, using the Voluntary Deductions primary element classification and Pension Plan After Tax 457 (b) secondary element classification.</td>
<td>Using the Manage Elements task, select the Voluntary Deductions primary element classification, and the Pension Plan After Tax 457 secondary element classification.</td>
</tr>
<tr>
<td>Roth 457 (b)</td>
<td>After-tax contributions, often in association with a standard 457 plan but can be stand-alone.</td>
<td>Using the Manage Elements task, select the Voluntary Deductions primary element classification and Deferred Compensation 457 Roth secondary element classification.</td>
</tr>
</tbody>
</table>

When creating deferred compensation plans, you can have the following contribution methods available to you:

- Base contributions and employer match: Regular contributions made during each pay period.
Employees can contribute either a flat dollar amount or a percentage of their earnings per pay period. An employer match is the amount the employer chooses to pay into a retirement account to match the amounts their employees are contributing. Employer base contribution matching is optional and configurable.

- Catch-up contributions: Allows participants nearing retirement age to increase their maximum annual deferral. These pretax payments are in addition to the base contributions, and they are restricted to participants 50 years and older.
- After-tax contributions and employer match: Regular contributions made during each pay period contributed to pretax accounts. Like the base contributions, you define whether deductions are based on a flat dollar amount or percentage of earnings. After-tax elements are subject to the Elective Deferral limit and the Annual compensation limit. After-tax employer contribution matching is optional and configurable.
- Roth contributions. After-tax contributions and employer match: Regular contributions made during each pay period contributed to after-tax accounts. Like the base contributions, you define whether deductions are based on a flat dollar amount or percentage of earnings. Roth catch-up contributions are restricted to participants 50 years and older.

**Note:** An employee’s contribution amount can change an unlimited number of times throughout the year. And an employee can participate in multiple deferred compensation plans in a tax year. The employer is responsible for tracking all elective deferrals contributing to the imposed statutory limit.

### Define Base Contributions

You can define base contributions for the following deferred compensation plans through the Manage Elements task in the Payroll Calculation work area.

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Primary Classification</th>
<th>Secondary Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 401(k)</td>
<td>Pretax Deductions</td>
<td>Deferred Compensation 401k</td>
</tr>
<tr>
<td>Section 403 (b)</td>
<td>Pretax Deductions</td>
<td>Deferred Compensation 403b</td>
</tr>
<tr>
<td>Section 457</td>
<td>Pretax Deductions</td>
<td>Deferred Compensation 457</td>
</tr>
</tbody>
</table>

**Note:** Although Roth 401 (k), Roth 403 (b), and Roth 457 are after-tax contributions, Roth employer-matching contributions must be sent to a third-party pretax account.

### Check Compensation Limits

You may need to make annual compensation limit overrides for some employees. If an employee has a 403 (b) or 457 Deferred Compensation plan, use the Manage Calculation Cards task in the Payroll Calculation work area. You can change the values on an individual employee’s Benefits and Pensions card. See Compensation Limits for Deferred Compensation Plans in the Help Center.
You can also set options to enforce limit checking using the Manage Calculation Values task.

**Tax Exemptions**

In most cases, pretax deferred wages are not subject to federal income tax or state income tax withholding at the time of deferral. However, they are included as wages subject to Social Security, Medicare, and federal unemployment tax (FUTA). Oracle Fusion Human Capital Management for the US takes this into account and automatically deducts the appropriate taxes during payroll calculation.

**Balances for Eligible Earnings**

When you create a 401 (k), 403 (b), and 457 deduction element, the payroll process doesn't take the deduction until you feed the eligible balance. The Manage Elements task doesn't automatically establish this feed for tracking eligible earnings.

Typically, deferred compensation calculations are a percentage of earnings. However, some require eligible earnings, such as 401 (k), 403 (b), and 457.

To identify the earnings to be used in these calculations:

1. Start the Manage Balance Definitions task.
2. Search for and select the appropriate predefined balance:
   - Deferred Compensation 401k Eligible Earnings
   - Deferred Compensation 403b Eligible Earnings
   - Deferred Compensation 457 Eligible Earnings
3. Click **Edit**.
4. Click **Balance Feeds**.
5. Configure the feeds for your eligible earnings results element, and save your work.

**Note:** If you are running multiple plans such as multiple 401 (k) plans, they must use separate balances for each. You can use the predefined Eligible Earnings for Deferred Compensation 401k balance for only one. For any additional plans, you must define and feed a new balance, copying the predefined one, and modify the appropriate fast formulas.

**Third-Party Administrators**

Here's what you must do if you are using a third-party agent to process your deferred compensation plan:

1. Use the Manage Third Parties task to define the agents as third-party payees.
2. Use the Manage Third-Party Payments task, set up the fee payments.

**Reports**

You can view or print these reports about deferred compensation deductions:

<table>
<thead>
<tr>
<th>Report</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deduction Report</td>
<td>View details of payroll deductions processed for the specified period.</td>
</tr>
<tr>
<td>Element Result Register</td>
<td>View a listing of the elements and pay values processed for each payroll relationship action.</td>
</tr>
<tr>
<td>Statement of Earnings</td>
<td>Consolidates all relevant information from a payroll run or a prepayment into a single report, so the results can be easily viewed and verified. Includes information about personal information, payroll information, and tax and employment information, run results, messages, and balances.</td>
</tr>
</tbody>
</table>
Third-Party Payment Register Report | View details on all checks made payable to third parties over a given period.

**Related Topics**
- Define Pretax Deduction Elements for the US
- Contribution Limits for Deferred Compensation Plans

**Section 125 Cafeteria Plans**
You can define a variety of taxable and nontaxable benefits when establishing a Section 125 Cafeteria Plan for your organization using the Manage Elements task.

For the Pretax Deductions primary classification, the following secondary classifications are eligible for section 125 cafeteria plans:
- Dental 125
- Dependent Care 125
- Flexible Spending Account
- Health Care 125
- Health Savings Account
- Health Savings Account Catch-Up
- Vision 125

**Iterative Processing for Pretax Deductions**
Sometimes a pretax deduction is equal to or higher than the person’s gross pay. When this happens, the payroll process can withhold it iteratively. This makes sure it properly withholds higher priority deductions, like taxes and involuntary deductions.

**How you can configure your pretax elements**
To turn this on for existing elements, use the Element Upgrade Process. For further information, see Oracle Human Capital Management for the US: Element Upgrade (2458385.1) on My Oracle Support.

For new elements, there is a prompt you can select in the Element Template.

**Here’s an Example**
Consider a case where your employee has elected for 100 percent of their salary be deferred for pretax 401 (k). Although they are deferring their entire salary, that deferral is still subject to Social Security and Medicare taxes and certain state and local taxes. In this case, you would enable iteration for your 401 (k) element. When you run your payroll, the process withholds the required taxes before taking the 401 (k) deduction, up to the maximum limit.
How the payroll process calculates the earnings

For those pretax elements where iteration has been enabled, the payroll process handles them in the following order, according to their secondary classification:

1. Nonqualified Deferred Compensation
2. Deferred Compensation 401k Catch-Up
3. Deferred Compensation 401k
4. Deferred Compensation 403b
5. Deferred Compensation 457
6. Health Savings Account Catch-Up
7. Flexible Spending Account
8. Dependent Care 125
9. Vision Care 125
10. Dental Care 125
11. Health Savings Account
12. Health Care 125

Related Topics
- Define Pretax Deduction Elements for the US

Voluntary Deductions

Use voluntary deductions to identify 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.

Use secondary classifications to determine how the deduction is calculated. These are the available voluntary deduction secondary classifications:

- Benefits After Tax
- Deferred Compensation 401k Roth
- Deferred Compensation 401k Roth Catch-Up
- Deferred Compensation 403b Roth
- Deferred Compensation 457 Roth
- Employer Reimbursements
- Life Insurance
- Loans
- Pension Plan After Tax
- Pension Plan After Tax 403b
- Pension Plan After Tax 457
- Union Deductions

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

• Restricting Payroll Processing: Critical Choices
4 Understanding Geographies and Address Styles

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: Countries and Costing

As part of feature choices for payroll processing you:

- Select the correct product for each of your legislations and ensure that the appropriate features work correctly in your implementation
  Use the Define Features by Country or Territory task.
  The country extension setting ensures that certain payroll-related features, such as element templates, work correctly in your implementation.
  For further information, see Select Country Extensions for the US in the Help Center.
- Select the Payroll Costing Options to cost your payroll and the appropriate subledger accounting rules.
- Select the appropriate precision for the currency of each country or territory where you are processing payroll.
- Set the currency of each country or territory where you are sending payroll data to a third-party payroll provider.
  However, don't select that country or territory as a feature choice. Select the Payroll Interface extension on the Manage Features by Country or Territory page.

Related Topics
- Country Extension Options for the US

Geographies

Geographies

You use geography information for address entry and geography-based business processes. Jurisdiction codes help identify your state, city, ZIP Code, and so on. Use them for:

- Address validation
- Taxation
Before defining enterprise structures, your implementation team will verify the predefined geographies and load any additionally required local geographies. This includes:

- Geography Structure
- Geography Hierarchy
- Geography Validation

A geocode is a 9-digit numeric code used to identify specific legal jurisdictions accurately. A geocode is assigned to all US states and all cities with a population of over 250.

Use the Manage Geographies task in the implementation project checklist to:

- Verify geography information
- Changing the primary display of province names
- Define address style format mapping
- View geocode information for a geography
- Manually add a geography

Related Topics
- Geography Validation
- Manage Geography Information for the US

Geography Structures

You use geography information for address entry and geography-based business processes. Jurisdiction codes help identify your state, city, ZIP Code, and so on.

Use them for:

- Address validation
- Tax validation
- Geography-based business processes

A geography structure is a hierarchical grouping of geography types for a country. For example, the United States uses the following geography structure:

<table>
<thead>
<tr>
<th>Level</th>
<th>Geography Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>State</td>
</tr>
<tr>
<td>2</td>
<td>County</td>
</tr>
<tr>
<td>3</td>
<td>City</td>
</tr>
<tr>
<td>4</td>
<td>ZIP Code</td>
</tr>
</tbody>
</table>
Use the geography structure to relate geography types for the US.

Related Topics

- Geography Validation
- Manage Geography Information for the US

Geography Validation

Geography validation determines the geography mapping and validation for the US’s address styles, as well as its overall geography validation control.

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

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

<table>
<thead>
<tr>
<th>What you can set</th>
<th>What it does for you</th>
</tr>
</thead>
<tbody>
<tr>
<td>Map to attribute</td>
<td>For every address style format, you map each geography type to an address attribute. For example, you can map the State geography type to the State address attribute. Which geography types you can select are based on how you defined the country structure. The list the address attributes that appear are based on either the predefined or user-defined address formats.</td>
</tr>
</tbody>
</table>

**Note:** Map only the geography types that you want to use for geography or tax validation purposes.

| Enable list of values  | Once you mapped a geography type to an attribute, specify if it appears in a list of values during address entry in user interfaces. Enable a list of values only if you have sufficient geography data imported or created for that geography. |

**Note:** 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. If a specific geography value is not available in the geography hierarchy, you cannot create an address with a different geography value.

<table>
<thead>
<tr>
<th>Tax validation</th>
<th>Do not change the default Tax Validation settings. Oracle Fusion HCM applications do not use this functionality.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geography validation</td>
<td>Do not change the default Geography Validation settings. Oracle Fusion HCM applications do not use this functionality.</td>
</tr>
<tr>
<td>What you can set</td>
<td>What it does for you</td>
</tr>
<tr>
<td>------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>Geography validation control</td>
<td>You can select the geography validation level for the US. The validation checks if the address you entered maps to the available geography hierarchy data. 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 you cannot save an address if the values do not match the geography hierarchy data. You can choose the following the geography validation levels.</td>
</tr>
<tr>
<td>• Error</td>
<td>You can save completely valid addresses only, with all mandatory address elements entered.</td>
</tr>
<tr>
<td>• No Validation</td>
<td>You can save all addresses, including incomplete and invalid addresses. Regardless of the result of validation, the validation process tries to: 1. Map any address attribute to a geography of the country. 2. 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. Several business processes use the result of this referencing 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 ZIP 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: 1. Enable at least one level in the geography hierarchy for geography validation. 2. Enable geography validation for all geography levels that you intend to use for territory definition for each country. 3. If needed, enable a list of values containing specific geography elements. This helps you 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 task. This ensures that users can only use valid geography elements in addresses.</td>
</tr>
</tbody>
</table>

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

**Related Topics**
- Manage Geography Information for the US
How Geography Structure, Hierarchy, and Validation Fit Together

There are three related components that help you define a country. You define them in this order:

1. Geography structure
2. Geography hierarchy
3. Geography validation

Geography Structure

You first create a geography structure. This defines which geography types are part of the country structure, and how the geography types are hierarchically related within the country structure.

For example, you can create geography types called State, City, and ZIP Code. Then you can rank the State geography type as the highest level within the country, the City as the second level, and the ZIP Code as the lowest.

You can define geography structure using the Manage Geographies task or import them using tasks in the Define Geographies activity.

Geography Hierarchy

Once you have defined the geography structure, add the geographies for each geography type to the hierarchy.

For example, below United States you can create a geography called Nebraska using a State geography type.

As part of managing the geography hierarchy, you can view, create, edit, and delete the geographies for each geography type in the country structure. You can also add a primary and alternate name and code for each geography. You can create a geography hierarchy using the Manage Geographies task, or you can import it using tasks in the Define Geographies activity.

Geography Validation

After defining the geography hierarchy, you specify the geography validations for the country. You can choose which address style formats you would like to use, and for each selected address style format, you can map geography types to address attributes.

You can also select which geography types should be included in geography or tax validation, and which geography types display in a list of values during address entry in other user interfaces. The geography validation level for the country, such as error or warning, can also be selected.

Related Topics

- Geography Validation

Vertex

Vertex Data

If you are going to use the Payroll and Payroll Interface product extensions, you must also use Vertex. You cannot process payroll without the features Vertex provides.
### Vertex feature

<table>
<thead>
<tr>
<th>What it does for you</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address validation</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Payroll Tax Calculation Rules and Tax Data</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Update notifications</td>
</tr>
</tbody>
</table>

**How You Get a Vertex License**

If you are a SaaS customer, you receive a Vertex license as part of your service offering.

If you are an On-Premise and On-Demand customer, you must acquire a Vertex license yourself and pay the associated fees.

**How You Get Address Validation**

If you are a SaaS customer, address validation is included with all product extensions. The Payroll and Payroll Interface extensions automatically enforce this validation.

If you are an On-Premise and On-Demand customer with HR or Payroll Interface products, you must get a Vertex license separately.

If you are an On-Premise or On-Demand customer with an HR-only product extension, and you want the same address restrictions as provided by the Payroll product (one home address per employee), you can:

1. Purchase a Vertex license.
2. Switch the product extension to Payroll Interface.
3. Install the Vertex files.

For further information, see the Manage Geography Information for the US topic in the Help Center.

**How to Maintain Your Vertex Information**

For information about maintaining your Vertex geography and tax data, see the following topics in the Help Center:

- Manage Geography Information for the US
- Load Payroll Tax Information for the US

For further information, see Oracle Fusion HCM and Payroll (US/CA) Vertex Frequently Asked Questions (1613196.1) on My Oracle Support.

**Vertex Tax Calculation Reference Material**

If you are a non-SaaS customer with a Vertex license, you have on-line access to the latest Vertex tax documentation using My Vertex.
If you are a SaaS user, you receive Cloud Notifications informing you of Vertex updates. These notifications include a Here link to the Cloud Portal website. Click the link to view the current and previous month’s Vertex Payroll Tax Calculation Guide for the United States. If you do not see the documents for download, you may not have the correct privileges. If this happens, and you believe you should have access, contact your company’s System Administrator and request they grant you Service Administrator responsibility.

⚠️ **Note:** Vertex documents are published by the 18th of the month.

To access this documentation, your Oracle Cloud System Administrator must have added you to the Cloud Portal site with a role of Service Administration and granted at least Document Viewer privileges. You may download documents if you have Account Administrator or Document Viewer roles. If your access is Contact Viewer, you do not have access to the files. If you are not sure who the system administrator is for your company, contact Oracle Support.

⚠️ **Note:** Because the Vertex user guides are proprietary to Vertex, Oracle can only distribute them on a need-to-know basis. Share these documents only with authorized personnel, such as your Payroll Department.

**Related Topics**
- Load Payroll Tax Information for the US
- Manage Geography Information for the US
- Troubleshoot Vertex and Tax Issues for the US

**State Tax Withholding Rules**

The tax data provided by Vertex determines what resident state taxes the payroll process withholds for employees and when. Each state has its own withholding and reciprocity rules. For further information about each state’s default behavior, see Calculation Guide for the United States Vertex Payroll Tax Q Series.

There are cases where you change these rules, such as courtesy tax withholding:

- To change the values for a payroll statutory unit (PSU), use the Manage Legal Entity Calculation Cards task.
- To change the values for a tax reporting unit (TRU), use the Manage Legal Reporting Unit Calculation Cards task. This overrides any values on the parent PSU.
- To change the values on an individual employee’s Tax Withholding card, use the Manage Calculation Cards task. This overrides any values on the PSU or TRU.

The tax withholding rules determine the resident wage accumulation rules available to you.

Select Create Default State and Local Withholding under Withholding Details on the Tax Withholding card. This task creates regional components based on the work and resident address defined by the federal and state withholding forms.

The Create Default State and Local Withholding task uses these fields to configure or override the default withholding values:

- Override Resident Address
- Resident Address
- Work Tax Address
- Work Location
Tagged Entries

Use the Add Withholding Information task to manually add the appropriate State, County, and City components. These components identify and configure the relevant states in the Calculation Card Overview region of the card.

Based on the federal tax withholding rule you choose, you can select from these state resident wage accumulation options:

<table>
<thead>
<tr>
<th>Federal tax withholding rule</th>
<th>Description</th>
<th>State resident wage accumulation rule</th>
</tr>
</thead>
<tbody>
<tr>
<td>All states</td>
<td>Default withholding rule for all states.</td>
<td>Leave this blank.</td>
</tr>
</tbody>
</table>

The payroll process automatically withholds for all states using the default action for each state. This is described in the Calculation Guide for the United States Vertex Payroll Tax Q Series.

<table>
<thead>
<tr>
<th>Only states under state tax rules</th>
<th>This identifies the resident states that require special withholding rules.</th>
<th>Select one:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>- Calculate tax independent of all other jurisdictions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Credit resident tax by work tax, accumulate wages if taxed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Credit resident tax by work tax, always accumulate wages</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- No resident tax if work or residence mismatch, accrue if taxed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- No resident tax if work tax greater than zero, always accrue</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- No resident tax if work tax greater than zero</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- No resident tax if work tax on nonresident, accrue if taxed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- No resident tax if work tax on nonresident, always accrue</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Use default action</td>
</tr>
</tbody>
</table>

For further information, see Calculation Guide for the United States Vertex Payroll Tax Q Series.

Related Topics

- Courtesy Withholding Taxes
- Overriding Vertex Rules for State Courtesy Taxes: Worked Examples
- Wage Accumulation Rules for Vertex

Addresses
Configure Addresses

Here are some tools you can use to configure addresses.

<table>
<thead>
<tr>
<th>Tool</th>
<th>What it does</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manage Address Formats task</td>
<td>Configures address styles and fields. Use this task to:</td>
</tr>
<tr>
<td></td>
<td>• Hide fields</td>
</tr>
<tr>
<td></td>
<td>• Rename fields</td>
</tr>
<tr>
<td></td>
<td>• Change field layout</td>
</tr>
<tr>
<td></td>
<td>Your changes affect all UI pages.</td>
</tr>
<tr>
<td></td>
<td>You can find this task in the Setup and Maintenance work area.</td>
</tr>
<tr>
<td>Application Composer</td>
<td>Hides the Primary Address region in the Edit Account page.</td>
</tr>
<tr>
<td>Page Composer</td>
<td>Use this to change the prompts on address fields on individual UI pages. Do not use it to hide address regions.</td>
</tr>
</tbody>
</table>

To simplify data entry for addresses, you can:

<table>
<thead>
<tr>
<th>What do you want to change</th>
<th>How you change it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control what address fields are visible</td>
<td>Use the Manage Address task from your implementation project.</td>
</tr>
<tr>
<td>Change the field sequence so users can enter the ZIP Code before the city, state, and county</td>
<td>Use the Manage Address Formats task from your implementation project.</td>
</tr>
<tr>
<td>Hide the Primary Address region on the Edit Account Profile page</td>
<td>Use the Application Composer.</td>
</tr>
</tbody>
</table>

For detailed instructions, see the following sections.

How You Control What Address Fields Are Visible

To set what address fields are visible:

1. Sign in as a Setup user.
2. Start the Manage Address Formats task from your implementation project.
3. Search for and select United States as the country name.
4. Select the address format to modify, and click Edit.
5. From the Action menu, select either Add or Delete.
6. If adding fields:
   a. From the Action menu, select Add.
   b. Specify the following.
### Field | Description
--- | ---
Line | Sequence of where you want to display the field.
Position | Position on the line for that field.
Prompt | Name of the field.
Address Element | Type of field.

- c. Indicate if the field is required.
- d. Indicate if it should appear as upper case.

If deleting fields:
- a. Select the line you want to remove.
- b. From the Action menu, select Delete.

**Note:** If you are a Payroll or Payroll Interface customer, or a HR-only customer using address validation, you may need to enable Tax District for display. This field identifies townships and other special taxing districts and is listed under Address Element as Additional address attribute 4. When you enter the ZIP Code for an address, and Vertex populates the city, state, and county (or you select them), you can select the appropriate tax district from the list of values. For example: Rosewood, OH, 43070 would belong to the Adams Township.

7. Click **Preview Layout** to review your changes.

### How You Change the Field Sequence

You can change the field sequence so users can enter the ZIP Code before the city, state, and county. With this enabled, when a user enters the ZIP Code, other fields are automatically populated, like the state and county.

To enable this:

1. Sign in as a Setup user.
2. Start the Manage Address Formats task from your implementation project.
3. Search for and select United States as the country name.
4. Select the address format you want to modify, and click Edit.
5. Starting at the bottom with the Country field, update the line number to be one greater than the current line number. For example: Assign Country to line 8, County to line 7, and so on.
6. Click Save after each line number update.
8. Change the position to 1, and click Save.
9. To view your changes, click **Preview Layout**.
10. Click Save and Close.
11. Click Done.

### How You Can Hide the Primary Address Region

Use Application Composer to hide the entire Primary Address region on the Edit Account Profile page.
To hide the region:

1. From the Navigator, select Application Composer under the Tools heading. Application Composer appears.
2. Make sure Common is selected from the Application list.
3. Expand the Standard Objects and Account nodes in the left side of the page.
5. In the Details Page Layouts region, select the layout you want to configure. You can create a new layout by duplicating an existing one.
6. Select Edit Layout from the Actions menu. The Details Layout: Default Layout page appears.
7. Select the Profiles tab on the left side of the page.
8. Click the Hide link.
9. Click Done.

Related Topics
- Disable Address Validation for the US
- Manage Geography Information for the US

Change Address Style and Address Validation Settings

Use the Manage Features by Country or Territory task to control address style and level of address validation for your US organization. The values available to you depend your implementation strategy.

For example, HR-only implementations with no address validation must select the United States Postal Address Format. All other implementations must use the Supplemental Taxation and Reporting Address format.

Address Styles

The address style you select determines which address attributes you can use. The combination of address style and address validation determines the level of validation.

You have the following address style options. Each address style provides its own validation.

<table>
<thead>
<tr>
<th>This address style</th>
<th>Does this</th>
</tr>
</thead>
<tbody>
<tr>
<td>Postal Address</td>
<td>Provides the fundamental set of address attributes for a country or territory. In some cases, this style adds supplemental attributes.</td>
</tr>
<tr>
<td>Supplemental Taxation and Reporting Address</td>
<td>Enforces validation to attribute changes. For example, this would provide ZIP Code validation. You would not be able to enter a California ZIP Code, such as 94065, for a Columbus Ohio address.</td>
</tr>
</tbody>
</table>

Use the Manage Features by Country or Territory task to view these address styles. The US provides a default address style, and your choice of country extension determines whether you can change this default.
Address Validation

Address validation is the validation of county, city, state, and ZIP Code combinations.

Employees must have a valid address in order for them to receive their tax card and to ensure the accuracy of their tax calculations.

Note: Address validation is automatically enabled for some license and product extension combinations. For others, you must enable it manually, or it is not available at all. For further information, see Select Country Extensions for the US in the Help Center.

If you using the Human Resources or None extension, you can modify the value for the Address Style to either format. If you selected either Payroll Interface or Payroll, you must set Address Style to Supplemental Taxation and Reporting Address. Do not modify that setting.

Address Validation by Customer Type

How address validation works depends on your customer type.

<table>
<thead>
<tr>
<th>If you are this kind of customer</th>
<th>This is what you get</th>
</tr>
</thead>
<tbody>
<tr>
<td>SaaS</td>
<td>A Vertex license and address validation is included for all product extensions. For the Payroll and Payroll Interface products, address validation is enforced automatically. You must run the Load Geographies for US task for all product extensions using address validation. Run this process frequently, as geographies can be added at any time.</td>
</tr>
</tbody>
</table>

On-Premise or On-Demand

Address validation is included with the Payroll product extension only. For other extensions, you must acquire a Vertex license separately in order to get the functionality. If you are an On-Premise or On-Demand customer with an HR-only product extension, and you want the same address restrictions as provided by the Payroll product (one home address per employee), you can:

1. Purchase a Vertex license.
2. Switch the product extension to Payroll Interface.
3. Install the Vertex files.

For further information, see Manage Geography Information for the US in the Help Center.

Enable Address Validation

To manually enable or disable address validation:

1. Search for and start the Manage Features by Country or Territory task.
2. Select the Address Validation box.
3. Click Save and then Done.

Caution: If you do not have address validation enabled, then you must take care when switching product extensions, as any address you previously defined may be missing required values, such as county and tax district. There is also the possibility of invalid address combinations, such as mismatched city and ZIP Code combinations.
Maintain Geographies with Address Validation

You must run the Load Geographies process for all product extensions using address validation. Run this process frequently, as geographies can be added at any time.

For further information, see Manage Geography Information for the US in the Help Center.

Validate Address Changes

An employee must have a valid address in order for them to receive their tax card and to ensure the accuracy of their tax calculations. If you have done any of the following, you must manually validate the address data prior to using any payroll features:

- Switched the product setting from **Human Resources or None** to **Payroll**
- Made changes to addresses while address validation was not turned on
- Never activated address validation

For further information, see Oracle Cloud Payroll: Types of License in Cloud Payroll (1611941.1) on My Oracle Support.

Change Address Styles

The US product extension enforces its default address style, preventing you from making changes. However, when the address style is not enforced, such as a customer-configured legislation, changing address styles can affect validation rules. This might lead to address data integrity and validation issues.

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

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

Use the Manage Address Formats task to review and configure how addresses appear.

For further information, see Configure Addresses for the US in the Help Center.

Validate Addresses

You must validate your address data prior to using any payroll features if you have:

- Switched the product extension from **Human Resources or None** to **Payroll** or **Payroll Interface**
- Made changes to addresses while address validation was not turned on
- Never activated address validation

For further information, see Oracle Cloud Payroll: Types of License in Global Payroll (1611941.1) on My Oracle Support.

For information on disabling address validation, see Disable Address Validation for the US in the Help Center.

**Related Topics**

- Disable Address Validation for the US
- Geography Validation
• Manage Geography Information for the US

• Country Extension Options for the US
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 Understanding Prerequisite Payroll Setup Tasks

Prerequisite Tasks for Payroll Setup

The Define Payroll task list in the Setup and Maintenance work area contains most of the set up tasks required for payroll processing. However, you must first complete the required common application configuration tasks.

Note: You may have already done some of these tasks because other HCM applications require them. Revisit these tasks to address any 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:

<table>
<thead>
<tr>
<th>What you need to do</th>
<th>How you do it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Select the correct product for each of your legislations and ensure that the</td>
<td>Use the Define Features by Country or Territory task.</td>
</tr>
<tr>
<td>your legislations and ensure that the appropriate features work correctly in your</td>
<td></td>
</tr>
<tr>
<td>implementation</td>
<td></td>
</tr>
<tr>
<td>Install and load Vertex geography and tax information data files</td>
<td>Run the following tasks:</td>
</tr>
<tr>
<td></td>
<td>• Load Geographies for US</td>
</tr>
<tr>
<td></td>
<td>• Load Payroll Tax Information for US</td>
</tr>
<tr>
<td></td>
<td>For further information, see the following in the Help Center:</td>
</tr>
<tr>
<td></td>
<td>• Manage Geography Information for the US</td>
</tr>
<tr>
<td></td>
<td>• Load Payroll Tax Information for US</td>
</tr>
<tr>
<td>Verify predefined geographies, and define any additionally required local</td>
<td>Use the Manage Geographies task.</td>
</tr>
<tr>
<td>geographies</td>
<td>For further information, see the following in the Help Center:</td>
</tr>
<tr>
<td></td>
<td>• Geography Validation for the US</td>
</tr>
<tr>
<td></td>
<td>• Manage Geography Information for the US</td>
</tr>
<tr>
<td></td>
<td>• Load Payroll Tax Information for US</td>
</tr>
<tr>
<td>Define your HCM enterprise structures</td>
<td>This includes defining your legal jurisdictions, payroll statutory units, tax</td>
</tr>
<tr>
<td></td>
<td>reporting units, and so on.</td>
</tr>
</tbody>
</table>

For further information, see the following sections.
Define Features by Country or Territory

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

For further information, see Select Country Extensions for the US in the Help Center.

Define Enterprise Structures for HCM

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

<table>
<thead>
<tr>
<th>What you need to run</th>
<th>What it does</th>
</tr>
</thead>
</table>
| Define Legal Jurisdictions and Authorities for HCM       | • Several predefined jurisdictions are provided for your use including:  
  ◦ United States Federal Tax  
  ◦ <state> Disability Insurance  
  ◦ <state> Income Tax  
  ◦ <state> Unemployment Insurance  
  Define other jurisdictions as required, depending on the states in which you operate.  
  For more information, see Jurisdictions for the US in the Help Center.  
  • Create a legal authority for each government body you interact with.  
  • Create addresses for legal entities and legal authorities.  
  For more information, see Overview of Legal Reporting Unit Configuration for the US in the Help Center. |
| Define Legal Entities for HCM                            | • Create a legislative data group for each country or territory you operate in, to partition your payroll data.  
  For further information, see the Legislative Data Groups: Explained topic in the Help Portal.  
  • Create at least one legal entity designated as a payroll statutory unit (PSU) for each legislative data group.  
  For further information, see the Define Legal Entities for the US in the Help Center.  
  • Associate each PSU with a legislative data group.  
  • Create calculation cards for statutory deductions for each PSU.  
  For further information, see Configure Organization Calculation Cards for the US in the Help Center. |
| Define Legal Reporting Units for HCM                     | • Create any additional legal reporting units that you need under a PSU and designate them as tax reporting units (TRUs).  
  For further information, see Define Tax Reporting Units for the US in the Help Center.  
  • Define the TRUs as reporting establishments as needed.  
  For further information, see Options for Identifying Legal Reporting Units as Reporting Establishments in the Help Center.  
  • Optionally, create calculation cards for statutory deductions for each TRU.  
  For further information, see Overview of Legal Reporting Unit Configuration for the US in the Help Center. |
| Define Business Units for HCM                            | Create business units that you can use to perform one or more business functions.                                                            |
What you need to run | What it does
--- | ---
Define Chart of Accounts for Enterprise Structures | Create business units that you can use to perform one or more business functions.

Define Accounting Configurations for HCM | Create charts of accounts, ledgers, and accounting calendars. When you create a bank for a payment source, you must select a legal entity that’s assigned to a ledger for the associated legislative data group. Payroll costing also requires these financial components.

Related Topics
- Define Organizations for the US
- Legislative Data Groups for the US
- How Payroll Statutory Units, Legal Employers, and Tax Reporting Units Work Together for the US
- Country Extension Options for the US

Payroll Setup Tasks for Financials
Payroll integrates with Oracle Fusion Financials. You must set up components in Financials, such as charts of accounts and ledgers, before you can set up banks to process payments, associate a ledger to a payroll definition, and run processes to distribute costing results.

Complete the following setup tasks in the Setup and Maintenance work area for the chart of accounts and ledgers. The application implementation consultant job role can perform the following tasks.

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

<table>
<thead>
<tr>
<th>Task</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manage Chart of Accounts Value Sets</td>
<td>Create new or review existing value sets, which you will associate with a key flexfield segment.</td>
</tr>
<tr>
<td>Manage Chart of Accounts Structures</td>
<td>Create account structures that specify the segments to include, their order, and the value sets that will validate the data entered in the segments.</td>
</tr>
<tr>
<td>Oracle Fusion General Ledger predefines the Accounting key flexfield.</td>
<td></td>
</tr>
<tr>
<td>Manage Chart of Accounts Structure Instances</td>
<td>Create account structure instances, which you will use to record transactions and maintain account balances.</td>
</tr>
<tr>
<td>Manage Chart of Accounts Value Set Values</td>
<td>Create groups of values, which you will assign to a key flexfield segment.</td>
</tr>
<tr>
<td>Manage Account Hierarchies</td>
<td>Search, create, and edit hierarchical groupings of accounts.</td>
</tr>
</tbody>
</table>
### Chapter 6
Understanding Prerequisite Payroll Setup Tasks

#### 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.

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

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

<table>
<thead>
<tr>
<th>Task</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assign Legal Entities</td>
<td>Add the legal entities that use the ledger.</td>
</tr>
<tr>
<td></td>
<td>The Manage Legal Entity HCM Information task associates the payroll statutory units for legal entities to the legislative data group.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Task</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specify Ledger Options</td>
<td>1. Complete all the fields for the General Information and Accounting Calendar, and Subledger Accounting sections.</td>
</tr>
<tr>
<td></td>
<td>2. In the Period Close section, select the Retained Earnings Account you will use for payroll.</td>
</tr>
<tr>
<td></td>
<td>3. In the Journal Processing Intercompany subsection, select the option to launch AutoReverse after the open period.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Task</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assign Balancing Segment Values to Legal Entities</td>
<td>Assign specific balancing segment values to each legal entity before assigning values to the ledgers.</td>
</tr>
<tr>
<td></td>
<td>By specifying this information, you can more easily identify legal entities during transaction processing and reporting</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Task</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assign Balancing Segment Values to Ledger</td>
<td>Optionally, assign specific primary balancing segment values to the primary and secondary ledgers to represent transactions for nonlegal entities, such as adjustments.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Task</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manage Reporting Currencies</td>
<td>Review and update reporting currencies.</td>
</tr>
<tr>
<td></td>
<td>Reporting currencies maintain and record subledger and general ledger journal entries in additional currencies.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Task</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review and Submit Accounting Configuration</td>
<td>Submit your configuration.</td>
</tr>
</tbody>
</table>

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

Payroll Cost Allocation Key Flexfield Setup

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

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

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

Structure of the Cost Allocation Key Flexfield

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

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

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

**Tip:** As a best practice, create a structure based on the structure of the Accounting flexfield used for the chart of accounts that receives the payroll costing entries. Use a similar sequence of segments and naming conventions to facilitate setup.
The structure you deploy generates a reference table on the costing setup pages. The following figure illustrates how the column heading and segment label make the company account information available for entry on the Manage Costing of Payroll page.

### Cost Allocation Key Flexfield

<table>
<thead>
<tr>
<th>Column Headings</th>
<th>Segment Labels</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Example: Company)</td>
<td>(Example: Payroll)</td>
</tr>
</tbody>
</table>

### Manage Costing of Payroll

<table>
<thead>
<tr>
<th>Segments Available for Entry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company</td>
</tr>
<tr>
<td>Cost Center</td>
</tr>
<tr>
<td>Payroll</td>
</tr>
<tr>
<td>Element</td>
</tr>
<tr>
<td>Department</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Decision</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>How many cost allocation key flexfield 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>Value Sets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company</td>
<td>102</td>
</tr>
<tr>
<td>Account</td>
<td>00251</td>
</tr>
<tr>
<td>Cost Center</td>
<td>452</td>
</tr>
<tr>
<td>Product</td>
<td>5841</td>
</tr>
<tr>
<td>Project (extra segment)</td>
<td>000</td>
</tr>
</tbody>
</table>

**Delimiter**

---

**Cost Hierarchy Levels**

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

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

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

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

<table>
<thead>
<tr>
<th>Element Eligibility</th>
<th>Select Element Eligibility for natural accounts.</th>
</tr>
</thead>
<tbody>
<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>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Department</th>
<th>Select Department for cost centers.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Job or Position</th>
<th>Select Job to compare and roll-up costs based upon job category.</th>
</tr>
</thead>
<tbody>
<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>

| Person               | Select Person to cost at the payroll relationship and assignment level, and for elements at each of these levels. |
### Required and Optional Segments

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

- Segment is required or optional
- Suspense account is defined

If you define a segment as:

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

### Segments Required for the Offset Account

Decide which segments of the offset account require costing.

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

### Number of Structure Instances

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

### Related Topics

- Payroll Setup Tasks for Costing Accounts: Critical Choices
- Costing of Elements: Critical Choices
- Payroll Costing Components: How They Work Together
- Cost Hierarchy: Explained
- Overview of Generating Flexfield Database Items
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>
</tbody>
</table>
| Cash Management | Set up transaction codes that map to the payment method transaction codes used in payroll. | • Manage Cash Transaction Type Mapping  
                      |                                                                              | • Manage Bank Statement Transaction Codes |
| Cash Management | Create reconciliation rules.                                                | • Manage Bank Statement Reconciliation Tolerance Rules  
                      |                                                                              | • Manage Bank Statement Reconciliation Matching Rules  
                      |                                                                              | • Manage Bank Statement Reconciliation Rule Sets |
| Payroll         | 1. Create liability, cash clearing, and cash accounts for your payment sources.  
                      | 2. Specify the option Transfer to General Ledger.                           | Manage Costing of Payment Sources |

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 Tolerance Rules</td>
<td>Create tolerance rules based on date, amount, or percentage that prevent or warn you when reconciliation exceeds a defined tolerance.</td>
</tr>
<tr>
<td>Manage Bank Statement Reconciliation Rule Sets</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>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
• Payroll Setup Tasks for Subledger Accounting: Procedure

• Reconciling Payroll Payments: Procedure
## Define Organizations

Before you begin creating organizational units, it’s helpful to understand the organization hierarchy models supported by the US localization.

Defining and configuring organizations for the US consists of multiple steps, which you must complete in the correct order. All of the following tasks are located in your implementation project.

> **Note:** You can amend these steps to suit your specific organization requirements.

For information about Oracle Fusion Human Capital Management for the United States white papers, see the United States Information Center (2063588.2) on My Oracle Support.

<table>
<thead>
<tr>
<th>What you want to do</th>
<th>How you do it</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Before you begin</strong></td>
<td>Make sure you have:</td>
</tr>
<tr>
<td>1. Defined the legal address for your enterprise using the Manage Legal Addresses task.</td>
<td></td>
</tr>
<tr>
<td>2. Set up your legislative data group (LDG) using the Manage Legislative Data Groups task. Or, it is automatically created when you define your first legal entity.</td>
<td></td>
</tr>
<tr>
<td><strong>Define your legal entities</strong></td>
<td>Use the Manage Legal Entities task. For further information, see the Define Legal Entities for the US topic in the Help Center.</td>
</tr>
<tr>
<td><strong>Configure your legal entities</strong></td>
<td>Use the Manage Legal Entity HCM Information task.</td>
</tr>
<tr>
<td>1. Select and add a legal entity.</td>
<td></td>
</tr>
<tr>
<td>2. If the legal entity is also a PSU, enter the fiscal year start date.</td>
<td></td>
</tr>
<tr>
<td>For further information, see the Define Legal Entities for the US topic in the Help Center.</td>
<td></td>
</tr>
<tr>
<td><strong>Create organization calculation cards for your legal entities</strong></td>
<td>Use the Manage Legal Entity Calculation Cards task to:</td>
</tr>
<tr>
<td>• Define federal and regional tax rules.</td>
<td></td>
</tr>
<tr>
<td>• Configure the reporting establishment.</td>
<td></td>
</tr>
<tr>
<td>For further information, see the Configure Organization Calculation Cards for the US topic in the Help Center.</td>
<td></td>
</tr>
<tr>
<td><strong>Define your legal reporting units (LRUs)</strong></td>
<td>Use the Define Legal Reporting Units for Human Capital Management task. For further information, see the Overview of Legal Reporting Unit Configuration for the US topic in the Help Center.</td>
</tr>
</tbody>
</table>
### What you want to do | How you do it
--- | ---
**Configure your LRUs** | Use the Manage Legal Reporting Unit HCM Information task to:
- Identify an LRU as a tax reporting unit (TRU).
- Specify information required for year-end and quarterly filings, as well as various reports and processes for the US.
- Override any values you may have entered for the PSU.
- Specify third-party identifier information.
- Specify additional EEO and VETS information.

For further information, see the Overview of Legal Reporting Unit Configuration for the US topic in the Help Center.

**Create organization calculation cards for your LRUs** | Use the Manage Legal Reporting Unit Calculation Cards task to:
- Define LRU calculation cards as needed.
- Provide additional information about federal and regional tax rules, such as self-adjustment methods and SUI Employer rates. Entering this data for the LRU overrides any data entered at the PSU level.

For instructions on defining courtesy tax withholding rules, see Oracle Fusion HRMS (US): Courtesy Tax Implementation (2138998.1) on My Oracle Support.

For further information, see the Configure Organization Calculation Cards for the US topic in the Help Center.

**Configure your LRU registrations** | Use the Manage Legal Reporting Unit Registrations task to:
- Define legal entity registrations as needed
- Register all legal entities against a jurisdiction governed by a legal authority. You can use preexisting legal jurisdictions or create a local tax jurisdiction.
- Connect your LRU to a legal authority, if needed.
- Verify a registration for the United States Federal Tax jurisdiction exists, or create one if needed. Use it to enter the employer federal Employer Identification Number (EIN).
- If the LRU interacts with other legal authorities, you must create additional registrations.
- Ensure that employee W-2 forms are populated with correct and complete information. Federal registrations need the **Registration Number** field and state registrations need the **Legal Entity Registration Number** field populated for each TRU.

For further information, see the Overview of Legal Reporting Unit Configuration for the US topic in the Help Center.

**Define the contacts for your legal entities** | Use the Manage Legal Reporting Units task.

Different contact types are used for different purposes.

For example, HR report processes use the contact details for a person with HR representative role. Payroll report processes use the Payroll Tax representative or Payroll representative roles. The HR Reporting processes use contact details for reporting from the TRU associated with a legal employer.

For further information, see the Overview of Legal Reporting Unit Configuration for the US topic in the Help Center.
What you want to do | How you do it
---|---
Identify reporting establishments | Identify an existing TRU as a reporting establishment using the Manage Reporting Establishments task.

You can also identify an LRU as a reporting establishment as you define it through the Manage Legal Reporting Unit HCM Information task.

For further information, see the Options for Identifying Legal Reporting Units as Reporting Establishments topic in the Help Center.

Related Topics
- Create Legal Entities, Registrations, and Reporting Units
- Jurisdictions for the US
- Guidelines for Loading Organizations

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 States 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. If you plan to use payroll or any predefined payroll interface extracts, you must set the extension to the appropriate payroll setting.

   For further information, see Oracle Cloud Payroll: Types of License In Oracle Cloud Payroll (1611941.1) on My Oracle Support.
3. Make any necessary changes, and click Save.
4. Click Done.

Features by Extension

The following tables illustrate the offerings for each product extension, depending upon user selections:

SaaS Feature Support by Product Extension
### On-Premise and On-Demand Feature Support by Product Extension

<table>
<thead>
<tr>
<th>Feature</th>
<th>HR or None</th>
<th>Payroll</th>
<th>Payroll Interface</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vertex License</td>
<td>Included</td>
<td>Included</td>
<td>Included</td>
</tr>
<tr>
<td>Address Validation</td>
<td>Included but not enabled</td>
<td>Included and enabled</td>
<td>Included and enabled</td>
</tr>
</tbody>
</table>

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

### 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 Tax Withholding 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.

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

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

Related Topics
- Change Address Style and Address Validation Settings for the US
- Payroll Legislative Data

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.
Decisions to Consider | In This Example
--- | ---
Do your plans include processing payrolls within Oracle Fusion for any country? | Yes, using Global Payroll in the US and UK

Do your plans include extracting or transferring payroll-related data to a third-party provider for any country? | Yes, using Payroll Interface extracts in France

Do your plans include processing only HR details? | Yes, using Global HR in China

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**.

**Related Topics**
- How Address Style and Address Validation Settings are Changed

**Legal Entities**

**Define Legal Entities**

To add a legal entity to your organization, you first define it using the Manage Legal Entities task in the Setup and Maintenance work area. You define separate legal entities for employees and retirees.

Defining legal entities includes doing the following:
Chapter 7
Setting Up Enterprises and Workforce Structures

Want you want to do | How you do it
--- | ---
Before you begin | Make sure you have:
  1. Defined the legal address for your enterprise using the Manage Legal Addresses task.
  2. Set up your legislative data group (LDG) using the Manage Legislative Data Groups task.
Or, it is automatically created when you define your first legal entity.

Create your legal entities | Use the Manage Legal Entities task.

Confirm the legislative data group (LDG) | Confirm the correct LDG is associated with your payroll statutory units (PSUs).

Configure your legal entities for HR reporting and payroll processing | After creating the legal entities, use the Manage Legal Entity HCM Information task to configure them for the following:
  - Equal Employment Opportunity (EEO) reporting
  - New Hire reporting
  - Veterans’ Employment & Training Service (VETS) reporting
  - Payroll processing
  - Third-party tax filing

Configure your legal entities and PSUs for retirees | If you have retirees in your organization, you must create separate legal entities and PSUs for them. Do not assign both employees and retirees to the same PSUs or to the same legal employers.

Define organization calculation cards for your legal entities | Use the Manage Legal Entity Calculation Cards task from your implementation project.

For further information on these steps, see the following sections.

For information about Oracle Fusion Human Capital Management for the United States white papers, see the United States Information Center (2063588.2) on My Oracle Support.

Before You Begin
Be sure you have already defined any associated legal addresses through the Manage Legal Addresses task.

Consider defining your US LDG before identifying your legal entities as PSUs. If you don’t, the Manage Legal Entities task automatically creates the LDG for you and associates it with the PSU.

If you have already defined a US LDG, you can manually associate it with the PSU.

How You Create Legal Entities
To create a legal entity:
  1. Start the Manage Legal Entities task and click Create.
  2. On the Create Legal Entity page, provide the name, identifier, and country.
  3. If you do not designate this legal entity as a PSU, assign an existing PSU to it. Choose one from the Payroll Statutory Unit field.
  4. Provide any other required information.
  5. Click Save and Close.
How to Identify the LDG

To view the LDG associated with a PSU:

1. Start the Select Manage Legal Entity HCM Information task from your implementation project.
2. Search for the PSU or legal entity.
3. Select the PSU tab. This displays general information for the PSU, including the LDG.
4. If the LDG has not automatically been associated, select one from the menu.

How to Configure Your Legal Entities

Your legal entities require some configuration before you can perform HR reporting and payroll processing.

Note: Electronic year-end and quarterly filings processes are not available in Oracle Cloud HCM. You must perform these filings through the US Third-Party Tax Filing interfaces. For further information, see Oracle Cloud HCM for the US: Third-Party Tax Filing Interface white paper (1594079.1) on My Oracle Support.

To enter this information:

1. Start the Manage Legal Entity HCM Information task.
2. Search for and choose the legal entity you want to modify.
3. If the legal entity is a legal employer:
   a. Select the Legal Employer tab.
   b. In the left pane, click Legal Employer Details and enter the necessary values in the Work Day Information and Legal Employer Information sections.
      For retiree legal entities, select the 2 Tier - Multiple Assignment employment model.
   c. Click Federal, and define the EEO, New Hire, and VETS reporting rules.
   d. Enter the company identifier.
   e. Indicate if the company employs more than 100 employees in a pay period.
   f. Indicate if the employer is a government contractor.
   g. In the New Hire Reporting Rules region, associate a default tax reporting unit (TRU) to a legal employer. Select one in the TRU for the New Hire Report field.
      HR reports use the employer federal employer identification number (EIN), registered name, contact details, and registration details of the TRU associated with the legal employer.
   h. In the VETS Reporting Rules region, enter the reporting name, parent company, company number, and type of reporting organization.
   i. In the EEO and VETS Reporting Information region, choose the employment categories you want to include in the reports.
   j. Select the Single or Multiple establishment employer type.
   k. Identify whether your legal entity is affiliated with an enterprise of 100 or more employees.
   l. In the United States Reporting Entity Data section, identify each legal employer as either a parent or child.
   m. In the EEO and VETS Assignment Category region, choose the assignment categories to include or exclude from the EEO-1 report.
4. If the legal entity is also a PSU:
   a. Select the PSU tab. This tab lists the associated PSU, including the LDG.
   b. Enter the fiscal year start date.
   c. Select Federal, and enter any additional information to support electronic year-end filings for the US.
5. Click **Submit**.

The details you specify apply to all legal reporting units (LRUs) associated with the PSU.

**Note:** The TRU you select in the New Hire Reporting Rules requires additional EEO and VETS reporting information. Use the Manage Legal Reporting Unit HCM Information task to set these values for the TRU in the EEO and VETS Reporting Rules region. For further information, see the Legal Entities for the US topic in the Help Center.

### Define Organization Calculation Cards

To define a calculation card for a legal entity:

1. Start the Manage Legal Entity Calculation Cards task from your implementation project.
2. On the Payroll Statutory Unit page, click **Create**.
3. Provide an effective date, and select **Calculation Rules for Tax Reporting and Payroll Statutory Unit**.
4. Click **Continue**.
5. Enter the federal income tax (FIT) calculation rules for the card.
   a. Select the appropriate row under Calculation Components.
   b. Enter the appropriate data in the Calculation Component Details section, including the employer self-adjustment method, if applicable.
   c. Repeat to add calculation rules for Social Security, Medicare, and federal unemployment tax (FUTA).
   d. Click **Save**.
6. Create regional calculation rules for the card.
   a. Select **Regional** in the Calculation Card Overview section.
   b. Under the Actions menu, select **Create**.
   c. Select the appropriate state, and click **OK**.
   d. Select **State Unemployment** in the Calculation Components table.
   e. In the Calculation Component Details tab of the State Income Tax: Details section, click **Add Row**.
   f. Select **State Unemployment Organization Information**, and click **OK**.
   g. Select the self-adjustment method.
      For further information, see the Self-Adjustment Methods for Tax Withholding topic in the Help Center.
   h. To define state unemployment (SUI) employer experience rates for your PSU, select the **Enterable Calculation Values on Calculation Cards** tab and click **Create**.
   i. Repeat these steps to enter the self-adjustment method for state disability.
   j. Define any appropriate courtesy tax withholding rules.
      For further information, see Oracle Cloud HCM for the US: Courtesy Tax Implementation (2138998.1) on My Oracle Support.

The settings you make on subordinate LRU calculation cards override values on this card.

### Related Topics
- Create Legal Entities, Registrations, and Reporting Units
- Legal Entities for the US
- Model Legal Entities
Legal Reporting Units

Overview of Legal Reporting Unit Configuration

Use the Manage Legal Reporting Units task in the Define Legal Reporting Units for Human Capital Management work area to define and configure a legal reporting unit (LRU).

<table>
<thead>
<tr>
<th>What you need to do</th>
<th>How you do it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Define the legal reporting unit</td>
<td>The first time you create a legal entity as a payroll statutory unit (PSU), the task creates the first LRU for you.</td>
</tr>
<tr>
<td></td>
<td>If you want more LRUs for that PSU, use the Manage Legal Reporting Units task in the Define Legal Reporting Units for Human Capital Management work area.</td>
</tr>
<tr>
<td></td>
<td>Use this task to also configure your LRU, such as to identify it as a tax reporting unit (TRU) or reporting establishment.</td>
</tr>
<tr>
<td>Define contacts for the LRU</td>
<td>Use the Manage Legal Reporting Unit task to specify employer contact details at the LRU level.</td>
</tr>
<tr>
<td>Define the legal addresses</td>
<td>Use the Manage Legal Addresses task in the Workforce Deployment work area.</td>
</tr>
<tr>
<td>Specify registrations for the LRU</td>
<td>Use the Manage Legal Reporting Unit Registrations task in the Setup and Maintenance work area.</td>
</tr>
<tr>
<td>Set up the calculation card for the LRU</td>
<td>Use the Manage Legal Reporting Unit Calculation Cards task.</td>
</tr>
</tbody>
</table>

For details on these steps, see the following sections.

Define the Legal Reporting Unit

Use the Manage Legal Reporting Unit task in the Define Legal Reporting Units for Human Capital Management work area to define and configure LRUs.

> **Note:** When you define a legal entity as a payroll statutory unit (PSU), the task creates the first child LRU for you. It gives this LRU the same name as the legal entity. Unless you assign a new one, this is the main LRU for the legal entity.

To create the LRU:

1. Start the Manage Legal Reporting Unit task.
2. Select **Create** in the Select Scope window, and click **Apply and Go to Task**.
3. Select **Create** from the Actions menu.
4. Define the values required for the LRU.

This includes:

- Identifying the LRU as a TRU
Identifying the LRU as a reporting establishment
- Providing additional information required for year-end and quarterly tax filing
  Entry in these fields overrides any values you may have entered for the PSU.

For further information, see the following topics in the Help Center:
- Configure the Form W-2
- Configure the US Territorial Year-End Tax Forms
- Define Tax Reporting Units for the US
- Options for Identifying Legal Reporting Units as Reporting Establishment

5. Click **Save and Close**.

**Define Contacts for the Legal Reporting Unit**

Use the Manage Legal Reporting Unit task to enter employer contact details at the LRU level. This information is required by these HR reports:
- EEO-1 reports
- VETS-4212 reports
- New Hire reports

*Note:* For retiree reporting, this content is for informational purposes only.

The HR reporting processes use these details from the TRU you associated with the legal employer. For further information, see the following in the Help Center:
- Equal Employment Opportunity Reporting
- New Hire State Report
- Veterans’ Employment and Training Service Reporting

The contact details you provide need to include addresses, contact points, and roles.

To define contacts:

1. Start the Manage Legal Reporting Unit task.
2. Search for and select the LRU you want to update.
3. In the Contact Roles tab of the Contact information region, specify the following:
   - Role of the employee contact
   - First and last names of the employee contact
   - Job title code of the employee contact
   - Date the employee became the contact
4. On the Contact Points tab, define the contact points.
   For example, to define the contact point type as **Phone**, provide the area code, phone, extension, and date from which the phone information is valid.
5. Create other contact points by specifying their details.
6. On the Contact Roles tab, select the Legal Role column, and choose a legal role.
Define the Legal Addresses

A legal address is the address of record for an entity. For example, the legal address of a legal authority is used in communications with that authority.

No legal addresses are predefined. Use the Manage Legal Addresses task in the Workforce Deployment work area to specify the address of record for all organizational units of the enterprise.

To define legal addresses:

1. Start the Manage Legal Addresses task from your implementation project.
2. On the Manage Legal Addresses page, click Create.
3. Define your addresses as needed.
4. Click Save and Close.

Specify Registrations for the Legal Reporting Unit

When you create an LRU, the Manage Legal Reporting Units task automatically creates a registration for the selected identifying jurisdiction. This task lists all registrations for an LRU.

Note: When creating registrations, be careful to capture the correct federal or state employer identification number (EIN) for federal and state registrations. Otherwise, your employee Form W-2 may be incomplete or incorrect.

To define an LRU registration:

1. Start the Manage Legal Reporting Unit Registrations task in the Setup and Maintenance work area.
2. Create registrations for the following jurisdictions, and populate their key fields:

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Field Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States Federal Tax</td>
<td>EIN or TIN</td>
<td>Employer’s federal EIN. Required for the proper function of some payroll processes, such as Active Periodic Payroll Results.</td>
</tr>
<tr>
<td>&lt;state&gt; Income Tax</td>
<td>Legal Reporting Unit Registration Number</td>
<td>Employer’s state EIN.</td>
</tr>
<tr>
<td>&lt;state&gt; Unemployment Insurance</td>
<td>Unit Registration Number</td>
<td>Employer’s state unemployment account number.</td>
</tr>
</tbody>
</table>

3. Provide any other required registration details.

You must capture the correct federal and state EIN for your federal and state registrations. If you do not, your employee Forms W-2 and retiree Forms 1099-R may be incomplete or incorrect.

The jurisdiction determines the default Territory value.
The Issuing Legal Authority field displays a list of all legal authorities associated with the selected jurisdiction. For further information, see the Jurisdictions for the US: Explained topic in the Help Center.

The Registered Address field displays a list of all predefined legal addresses.

4. If the LRU interacts with other legal authorities, create additional registrations as appropriate.
5. Click **Save and Close**.

Set Up the Calculation Card

To properly calculate tax withholding, the payroll processes require some additional tax information.

<table>
<thead>
<tr>
<th>Tax information</th>
<th>Such as</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal tax rules</td>
<td>• Supplemental calculation method for federal income tax (FIT)</td>
</tr>
<tr>
<td></td>
<td>• Withholding rules for FIT</td>
</tr>
<tr>
<td></td>
<td>• Period-to-date calculation method for FIT</td>
</tr>
<tr>
<td></td>
<td>• Self-adjustment methods for federal unemployment tax (FUTA), Social Security, and Medicare</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Federal tax overrides</th>
<th>Flat tax rate overrides for retirees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional tax rules</td>
<td>• Supplemental calculation method for state income tax (SIT)</td>
</tr>
<tr>
<td></td>
<td>• Resident wage accumulation for SIT</td>
</tr>
<tr>
<td></td>
<td>• County and city tax withholding rules for SIT (courtesy tax withholding)</td>
</tr>
<tr>
<td></td>
<td>• Self-adjustment methods for state unemployment (SUI) and disability insurance (SDI)</td>
</tr>
<tr>
<td></td>
<td>• SUI and SDI employee and employer rates</td>
</tr>
<tr>
<td></td>
<td>• Pennsylvania residence tax information for out-of-state work locations</td>
</tr>
<tr>
<td></td>
<td>• California Voluntary Insurance Disability Plan (VPDI) implementation</td>
</tr>
<tr>
<td></td>
<td>• Washington state family leave insurance (FLI)</td>
</tr>
</tbody>
</table>

Use the Manage Legal Reporting Unit Calculation Cards task to provide this information for your LRU cards. Entering this data for these cards overrides any data you specified on the PSU card.

For further information, see Configure Organization Calculation Cards for the US in the Help Center.

**Related Topics**

- Legal Reporting Units for the US

Options for Identifying Legal Reporting Units as Reporting Establishments

A reporting establishment is an organization used for HR statutory reporting. You can identify a reporting establishment when you create a legal reporting unit (LRU) or identify an existing tax reporting unit (TRU) as one.

**Note:** Reporting establishments are required for nonpayroll implementations if you want the HR statutory report processes to choose employees for reporting. For payroll implementations, specifying a reporting establishment is optional, but they are recommended for retiree TRUs.
If you are identifying an existing TRU as a reporting establishment

1. Start the Manage Reporting Establishments task from your implementation project.
2. Click Create.
3. Indicate you want to select an existing TRU to define as a reporting establishment.
4. In the Reporting Establishment Description section, provide the required information.
5. Click Next to provide additional details, and then review and submit it.

If you are identifying a new TRU as a reporting establishment

1. Use the Manage Legal Reporting Unit HCM Information task to define the legal reporting unit (LRU) and mark it as a TRU.
2. When you have finished defining the LRU, start the Manage Legal Reporting Unit HCM Information task.
3. Select your TRU for editing.
4. Select appropriate the Tax Reporting Unit and Reporting Establishment check boxes.
5. Provide any other details necessary for the TRU, and submit your work.

Defining LRUs for a nonpayroll implementation

- Identify each of your LRUs as a TRU.
- If you have multiple LRUs, each must also be a reporting establishment.
- If you have a single LRU, specifying the reporting establishment is optional. However, you must associate the TRU to a legal employer at the legal entity level.

To associate the TRU to a legal employer, use the TRU for the New Hire Report field in the Manage Legal Entity HCM Information task.

Related Topics
- What’s a reporting establishment

Define Tax Reporting Units

Tax reporting units (TRUs) are a necessary component of your organization. As you define your legal reporting units (LRUs), you must be sure you designate them as TRUs and configure them correctly.

There are several steps to defining and configuring a TRU.

<table>
<thead>
<tr>
<th>What you want to do</th>
<th>How you do it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Designate an LRU as a TRU</td>
<td>Use the Manage Legal Reporting Unit task in the Define Legal Reporting Units for Human Capital Management work area.</td>
</tr>
<tr>
<td>Configure a TRU for retiree support</td>
<td>A TRU cannot represent both employees and retirees. If you have retirees in your organization, you have to define separate TRUs for them.</td>
</tr>
<tr>
<td>Configure a TRU for territory support</td>
<td>A TRU cannot represent both continental US and territorial workers. If you have both in your organization, you have to define separate TRUs for them.</td>
</tr>
</tbody>
</table>
Recognize balances across multiple TRUs

If you have more than one TRU associated with a payroll statutory unit (PSU), the amounts the payroll process calculates toward maximum wage and tax limits are recognized across all of them. However, you need to perform some special setup steps if:

- There are federal limits that must be observed across your TRUs, such as Social Security wage limits.
- You have employees that work in multiple TRUs, and you regularly have to use person-level balances.

Configure the TRU for payroll and HR reporting

Make sure you have provided all the information required for VETS, EEO, and New Hire reporting.

Configure the TRU for payroll processing by a third-party

If you are using a third party to help with payroll processing, you need to provide some additional information on the TRU. Use the Manage Legal Reporting Units task.

Specify details required by the Affordable Care Act (ACA)

For detailed instructions on configuring a TRU for ACA reporting, see Oracle Cloud HRMS (US): ACA Implementation and Use (2067360.1) on My Oracle Support.

See the sections below for details on these steps.

**How to Designate an LRU as a TRU**

Identifying LRUs as TRUs is necessary for payroll processing, HR reporting, and electronic year-end and quarterly filings. This is because they define:

- Person type for payroll processing
- Federal tax rules
- Regional tax rules
- State unemployment insurance (SUI) rates
- State disability insurance (SDI) rates
- Federal employer identification number (EIN)
- Registered name
- Contact details
- Other details of the TRU associated with the legal employer

To define a TRU, use the Manage Legal Reporting Unit task in the Define Legal Reporting Units for Human Capital Management work area:

1. To identify the LRU as a TRU, on the Manage Legal Reporting Unit HCM Information: Legal Reporting Unit Classification page, select the **Tax Reporting Unit** check box.
2. If the TRU’s legal employer isn’t a PSU, choose a parent PSU. In this way, it is indirectly associated with a legal employer through the association with a PSU.
   
   If the legal employer is a PSU, this association happens automatically.

**Special Steps for Defining Retiree TRUs**

You cannot assign retirees and employees to the same TRU. They must have separate TRUs. A retiree TRU must be:

- Associated with a payroll statutory unit (PSU) designated only for retirees
Unique to a 1099-R distribution code or combination of codes that your organization uses. Retirees you add to this TRU receive the associated distribution code on their Form 1099-R.

To define a TRU for retirees, use the Manage Legal Reporting Unit task in the Define Legal Reporting Units for Human Capital Management work area:

1. When configuring the TRU, on the Tax Reporting Unit tab, click **Federal**.
2. Enter the following values.

<table>
<thead>
<tr>
<th>Section</th>
<th>Field Name</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Year-End Reporting Rules</td>
<td>Person Type for Payroll Process</td>
<td>Select <strong>Retiree</strong>.</td>
</tr>
<tr>
<td>Third-Party Interfaces</td>
<td>Form 1099-R Client Identifier</td>
<td>Used by the Third-Party Tax Filing Interface.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The Periodic Tax Filing Interface is the only tax filing interface available for retirees. For further information, see the Oracle Fusion HRMS (US): Third-Party Tax Filing Interface white paper (1594079.1) on My Oracle Support.</td>
</tr>
<tr>
<td>Form 1099-R Distribution Code</td>
<td>Form 1099-R Distribution Code</td>
<td>Select the appropriate distribution code for this TRU. All people assigned to this TRU are assigned this code.</td>
</tr>
<tr>
<td>Form 1099-R Distribution Code</td>
<td>Total Distribution</td>
<td>Select <strong>Yes</strong> if all payments made from this TRU are total distributions.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To identify specific payments as total distributions, use the <strong>Total Distribution</strong> field on the TRU’s Retiree Reporting Information section of the retiree’s Reporting Information card.</td>
</tr>
</tbody>
</table>

**Special Steps for Defining TRUs for US Territories**

Do not assign both US and territorial workers to the same TRU. You have to set up one or more TRUs for each territory. Each territorial TRU must be specific to a single US territory. If you have retirees in US territories, you must assign them to a separate TRU from the regular employees.

This configuration is similar to state configurations. However, there are additional steps you must perform for US territories. For further information, see Setting Up US Territories in the Help Center.

**Special Steps to Recognize Balances Across Multiple TRUs**

If you have more than one TRU associated with a PSU, the amounts the payroll process calculates toward maximum wage and tax limits are recognized across all of them. However, you need to perform some special set up steps if:

- There are federal limits that must be observed across your TRUs, such as Social Security wage limits.
- You have employees that work in multiple TRUs, and you regularly have to use person-level balances.

**Note:** This doesn’t apply to TRUs you set up for retirees.
If this is the case, you have to configure your organization to recognize balances across the TRUs:

1. Identify each company as a separate TRU.
2. Assign each TRU to the same PSU. Payroll relationships represent the highest level of balance aggregation. Employees working in multiple TRUs under the same PSU would have one payroll relationship.
   The payroll process includes person-level balances that span multiple TRUs. However, when an employee is in multiple PSUs, they have multiple payroll relationships. The person-level balances won’t span across the different PSU payroll relationships.

   **Note:** If you must have multiple PSUs and still need to access person-level balances across these PSUs, you can import previous PSU balances to the new PSU. For further information, see Oracle Cloud Human Capital Management for United States: Balance Adjustments (1600728.1) on My Oracle Support.

Configure the TRU for Payroll and HR Reporting

Follow these steps to make sure you have provided all the information required for end-of-year, New Hire, EEO, and VETS reporting:

1. For New Hire Reporting, you associate a default TRU with a legal employer:
   a. Start the Manage Legal Entity HCM Information task.
   b. Select the legal employer.
   c. In the Legal Employer tab, click Federal.
   d. In the New Hire Report field, select your TRU.
   e. Submit your work.

2. For New Hire, EEO, and VETS reporting:
   a. Start the Manage Legal Reporting Unit HCM Information task, and open the TRU you identified as the default for New Hire reporting.
   b. Select the **Tax Reporting Unit** tab.
   c. Click **Federal**.
   d. In the Federal Year-End Reporting Rules section, specify the person type for payroll processing, either **Employee** or **Retiree**.
   e. Specify the following in the EEO and VETS Reporting Rules section.

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment Category</td>
<td>Each employee to be included in HR reporting must have an employment category. Select the employment categories to be included in the report.</td>
</tr>
<tr>
<td>Establishment Employer Type</td>
<td>Select <strong>Multiple</strong> if you are a multiple establishment employer.</td>
</tr>
<tr>
<td></td>
<td>Select <strong>Single</strong> if you are a single establishment employer.</td>
</tr>
<tr>
<td>Headquarters Establishment</td>
<td>Select your headquarters location.</td>
</tr>
</tbody>
</table>

   **Note:** The report processes ignore these values set for any other TRU.
f. Specify the following in the EEO Reporting Information section.

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affiliated with Enterprise of 100 Employees or More</td>
<td>Select Yes to indicate that your entire company employs 100 or more employees. Select No if your entire company employs fewer than 100 employees.</td>
</tr>
<tr>
<td>Company Number</td>
<td>Enter the unique company identifier assigned by the EEOC.</td>
</tr>
<tr>
<td>Company Employs More than 100 Employees</td>
<td>Select Yes to indicate that your company employs more than 100 employees. Select No if your company employs fewer than 100 employees.</td>
</tr>
<tr>
<td>Government Contractor</td>
<td>Indicate whether or not you are a government contractor.</td>
</tr>
</tbody>
</table>

g. Specify the following in the VETS Reporting Rules section.

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parent Company</td>
<td>Specify your parent company headquarters.</td>
</tr>
<tr>
<td>Type of Reporting Organization</td>
<td>Select Prime Contract, Subcontractor, or Both.</td>
</tr>
<tr>
<td>Company Number</td>
<td>Enter your unique company identifier.</td>
</tr>
</tbody>
</table>

h. Specify the information required for year-end and quarterly filings. On the Tax Reporting Unit tab, click Federal.

For further information, see Oracle Cloud Human Capital Management for United States: End-of-Year Processing Guide (1944400.1) on My Oracle Support.

i. Click Submit.

3. Click the appropriate regional link to enter additional information to support your year-end and quarterly filings.

Entry in these fields overrides any values entered for the PSU.

Configure LRU Information for Third-Party Applications

You can use different third-party applications to help you in a variety of ways, including involuntary payments, year-end and quarterly tax data, and payment data.

- Use the Third-Party Tax Filing Interface to submit your year-end and quarterly tax data to a third-party provider for processing and submission. Examples of a provider include ADP or MasterTax.
- Use the Third-Party Involuntary Payment Interface to submit payment data to a third party for processing.

For further information, see the following on My Oracle Support:

- Oracle Cloud Human Capital Management for the United States: Third-Party Tax Filing Interface (1594079.1)
- Oracle Cloud Human Capital Management for United States: Third-Party Involuntary Payments Interface (2043941.1)
To define information required by your third-party providers, use the Manage Legal Reporting Units task:

1. Provide information required for third-party applications, as well as reports and processes for the US. Open the Manage Legal Reporting Unit HCM Information: Legal Reporting Details page. In the Tax Reporting Unit tab, click Federal.
2. In the Third-Party Interfaces section, enter the following.

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Identifier</td>
<td>Employer client ID as provided by ADP. This ID cannot be more than 14 characters long. Used with the Third-Party Tax Filing Interface and Third-Party Involuntary Payment Interface.</td>
</tr>
<tr>
<td>Branch Identifier</td>
<td>Value assigned to the branch by ADP. Used with the Third-Party Involuntary Payment Interface.</td>
</tr>
</tbody>
</table>

**Related Topics**
- Oracle Cloud Human Capital Management for United States: Balance Adjustments
- What’s a reporting establishment

## Workforce Structures

### Configure Workforce Structures

You set up your workforce structures after you have finished setting up your organization structures. You use workforce structures to:

- Define additional partitioning of the workers within the organization, including divisions, departments, locations, and reporting establishments
- 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 and retirees

There are no predefined workforce structures. Your Implementation Team is responsible for defining all the workforce structures that apply to your enterprise. That means some workforce structures do not apply to every enterprise.

Workforce structure configuration includes:

<table>
<thead>
<tr>
<th>What you need to do</th>
<th>How you do it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create and manage locations</td>
<td>Use the Manage Locations task from the Workforce Structures work area.</td>
</tr>
<tr>
<td></td>
<td>Be sure to enter all the information you need for HR and payroll reporting.</td>
</tr>
<tr>
<td>Define departments</td>
<td>Use the Manage Departments task from your implementation project.</td>
</tr>
<tr>
<td>Define grades</td>
<td>Use the Manage Grades task from your implementation project.</td>
</tr>
</tbody>
</table>
What you need to do | How you do it
---|---
Define jobs | Use the Manage Jobs task from your implementation project. Be sure to enter all the information you need for HR and payroll reporting.
Upload workforce structures using a spreadsheet | Rather than define locations, grades, or jobs manually, you can upload them from a spreadsheet.

For further information, see the following sections.

**Create and Manage Locations**

All of your workers must have a work location, including the ones with work-at-home status.

> **Note:** This includes retirees, even though they are not active workers. You assign them a work location to identify the location from which they retired. If you haven’t tracked this information, define a generic location to assign to them.

To create locations:

1. Start the Manage Locations task from the Workforce Structures work area.
2. Click **Create**.
3. Enter an effective start date.

   When editing the location record, use the **Correct** option to make the changes effective to the start of the existing record. Otherwise use **Update**.
4. Define the required fields in the following sections:
   - Basic Details
   - Location Information
   - Main Address
5. In the United States Multiple Worksite Reporting Information section, define the following.

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade Name</td>
<td>Name of the client establishment at this location. This is required if you want to include this location in Multiple Worksite Reporting (MWR).</td>
</tr>
<tr>
<td>Worksite Description</td>
<td>Meaningful, unique description of the client establishment, such as store number or plant name. This is required if you want to include this location in MWR.</td>
</tr>
<tr>
<td>Unit Number</td>
<td>Five-digit number used in conjunction with the state unemployment insurance account number to uniquely identify a location at its address. This field is informational only.</td>
</tr>
<tr>
<td>Comment Code 1, 2, 3</td>
<td>These fields are informational only.</td>
</tr>
</tbody>
</table>
### Oracle Human Resources Cloud Implementing Payroll for the United States

**Chapter 7**

**Setting Up Enterprises and Workforce Structures**

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comment</td>
<td>Additional information about any recent changes in your company that may have impacted employment, wages, and locations, such as changes in business activities, acquisitions, mergers, and sales. For further information, see the Bureau of Labor Statistics website.</td>
</tr>
</tbody>
</table>

**Include for Reporting**

Select **Yes** if this location is eligible for MWR reporting. When you run the MWR process, it includes all employees assigned to this location in the report. Select **No** to exclude this location from the report.

---

6. In the United States Reporting Information section, define the following.

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field Name</td>
<td>Description</td>
</tr>
<tr>
<td>D-U-N-S Number</td>
<td>Nine-digit business identifier assigned by Dun and Bradstreet.</td>
</tr>
<tr>
<td>NAICS Number</td>
<td>Six-digit North American Industry Classification System (NAICS) code. This number is used by federal statistical agencies in classifying business establishments.</td>
</tr>
</tbody>
</table>

---

7. In the United States Veteran Reporting Information section, define the following.

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting Name</td>
<td>Location name for VETS reporting.</td>
</tr>
<tr>
<td>Hiring Location Number</td>
<td>Hiring location number for VETS reporting.</td>
</tr>
<tr>
<td>Maximum Number of Employees</td>
<td>Greatest number of employees currently hired during the 12-month period covered by this report.</td>
</tr>
<tr>
<td>Minimum Number of Employees</td>
<td>Fewest number of employees currently hired during the 12-month reporting period.</td>
</tr>
</tbody>
</table>

**Note:** The Run VETS-4212 Establishment Electronic Report process uses the values you enter in the Maximum and Minimum Number of Employees fields for employee counts. If you leave these fields blank, the process derives the employee counts based on the reporting period start and end dates.

---

8. In the United States EEO-1 Reporting Information section, define the following.

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting Name</td>
<td>Location name for EEO reporting.</td>
</tr>
<tr>
<td>Unit Number</td>
<td>Unit number applicable to the establishment or location.</td>
</tr>
<tr>
<td>Reported Last Year</td>
<td>Indicates if you included this location in EEO reporting the previous year.</td>
</tr>
</tbody>
</table>

---

9. In the United States Unemployment Reporting Information section, define the following.
For New Mexico, Massachusetts, Minnesota, Iowa, and Michigan, enter a 3, 4, or 5-digit number, depending on the state.

For Indiana, enter a 3-digit code if:
- You are assigned a single enterprise filing status by the Indiana Department of Workforce Security
- You elected to report multiple locations with the Department of Workforce Security

10. For locations in Pennsylvania, in the Pennsylvania Work Location PSD Information section, enter the Political Subdivision code (PSD) for the work location.

Every employee assigned to this location inherits this value defaults in the Work PSD Code field of their Residency Certificate.

11. Do not enter a value in the Non-Resident EIT Rate for Pennsylvania Work Location field. This field is not used for tax calculation.

12. In the United States EEO and Veteran Reporting Information section, identify the HR reporting locations.

A location is identified as a reporting location when the HR Reporting Location field is set to Yes.

For example, an employer may have multiple physical locations that are in close proximity to each other and are therefore reported under a single HR Reporting Location. To represent this, use the following configuration:

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR Reporting Location</td>
<td>No</td>
</tr>
<tr>
<td>HR Reporting Proxy</td>
<td>Reporting location</td>
</tr>
</tbody>
</table>

13. Click Submit.

Note: When you change a location's address, the HR Sync process does not apply that change to any employees already assigned to the location. You must make the applicable updates to the employees' records manually.

Define Departments

To create departments:

1. Start the Manage Departments task from your implementation project.
2. Click Create.
3. Define the information required for this department.
4. Click Next to provide additional department details.
5. Click Next.
6. Review your data, and click Submit.
Define Grades
To create grades:

1. Start the Manage Grades task from your implementation project.
2. Click Create.
3. Define the information required for this grade.
4. Click Next, and define the order of progression between grades.
5. Click Next, and define the grade rates.
   You can add a rate you have previously defined or create one. Grade rates are optional.
6. Click Next.
7. Review your data, and click Submit.

Defining Jobs
To create jobs:

1. Start the Manage Jobs task from your implementation project.
2. Click Create.
3. Define the information required for this job.
4. Click Next, and enter the job details.
   This information is used in HR reporting and payroll processing.
5. Enter the following information in the United States Job Information section.

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>FLSA Status</td>
<td>Select a code to indicate whether this job is exempt or nonexempt according to the Fair Labor Standards Act Status.</td>
</tr>
<tr>
<td>EEO-1 Category</td>
<td>To report valid job codes for EEO-1 and VETS reporting, select an EEO-1 category to which this job belongs.</td>
</tr>
<tr>
<td>Job Group</td>
<td>Used to store jobs of a similar type together in one group. To further classify the job categories, select the job group to which this job belongs.</td>
</tr>
</tbody>
</table>

6. Click Submit.

Uploading Workforce Structures Using a Spreadsheet
If you have a list of locations, grades, or jobs already defined for your enterprise, you can upload them from a spreadsheet.
To use this option:

- Download a spreadsheet template
- Add your location information to the spreadsheet
- Upload directly to your enterprise configuration

You can upload the spreadsheet multiple times to accommodate revisions.

For further information, see the Uploading Workforce Structures Using a Spreadsheet: Explained topic in the Help Center.

Related Topics
- Departments for the US
• Grades for the US
• Jobs for the US
• Locations for the US
• Uploading Workforce Structures Using a Spreadsheet: Explained

Geography Information

Manage Geography Information

Vertex provides jurisdiction codes that help determine tax information for your state, county, city, and so on. Periodically, these codes require updating, such as when two cities merge, and Vertex publishes a geocodes file reflecting that change. To make sure the payroll process has the latest information, you need to:

<table>
<thead>
<tr>
<th>What you want to do</th>
<th>This involves</th>
</tr>
</thead>
<tbody>
<tr>
<td>Update your US geography information</td>
<td>1. Installing the geography data files</td>
</tr>
<tr>
<td></td>
<td>2. Loading the geographies</td>
</tr>
<tr>
<td></td>
<td>3. Resolving upload errors</td>
</tr>
<tr>
<td></td>
<td>4. Reviewing the Load Geographies log file</td>
</tr>
<tr>
<td>Manage the geographies</td>
<td>• Verifying geographies</td>
</tr>
<tr>
<td></td>
<td>• Viewing geocodes for a geography</td>
</tr>
<tr>
<td></td>
<td>• Restoring geographies</td>
</tr>
<tr>
<td></td>
<td>• Configuring state display properties</td>
</tr>
<tr>
<td></td>
<td>• Configuring city display properties</td>
</tr>
</tbody>
</table>

For further information, see the following sections.

Update Your US Geography Information

Updating and maintaining your US geocode information involves:

1. Installing the geography data files
2. Loading the geographies
3. Resolving upload errors
4. Reviewing the Load Geographies log file

Perform these operations on a monthly basis.

How You Install the Geography Data Files

Vertex publishes monthly updated files that contain geography data changes (ORAMAST.txt file).

If you are a SaaS customer, Oracle Cloud Operations installs these files for you. You automatically receive a notification when the file is available for installation, you can select a link in the notification to get the latest Vertex Payroll Tax Calculation Guide for the United States.
If you are an On-Demand customer, you must purchase your own Vertex license. The On-Demand team installs the files for you upon submission of a service request.

If you are an On-Premise customer, you must purchase your own Vertex license and install the files yourself.

> **Note:** Pennsylvania political subdivision codes, school districts, and townships are stored in a data table that is not accessible through the Manage Geographies task. You load this data only through the Load Payroll Tax Information for US process. You cannot otherwise change the values.

### How You Load the Geographies

After the geography data files are installed, use the Load Geographies for US task to incorporate the new data into your installation:

1. Run the Load Geographies for US task from your implementation project.
2. Set the required values in the Parameters section.

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Source</td>
<td><strong>Vertex</strong> is the default and only option.</td>
</tr>
<tr>
<td>File Location</td>
<td>Enter the path to the geography file if you have stored it in a location other than the default.</td>
</tr>
<tr>
<td>File Name</td>
<td>Name of the geography file.</td>
</tr>
<tr>
<td>Enable Inactive Geographies</td>
<td>Indicate if you want to enable inactive geographies.</td>
</tr>
<tr>
<td></td>
<td>If you disabled a Vertex-delivered geography, use this field to reactivate it.</td>
</tr>
</tbody>
</table>

> **Note:** This does not apply to geographies you configured yourself. If you removed a user-defined geography, you must redefine it.

3. Click **Submit**.

### How to Resolve Upload Errors

If you receive errors when you run the Load Geographies for US task, you can use diagnostic tests from the Diagnostic Dashboard to help identify the problem.

- US HR and Payroll Geography Loader Details Test
- US HR and Payroll Geography Diagnostics Details
- US HR and Payroll Geography Setup and Health Check Report
- US HR and Payroll Geography Type Validity

For further information, see the Diagnostic Tests for the US topic in the Help Center.

If you are unable to resolve the issue, log a service request with Oracle Support.
How to Review the Load Geographies Log File

The log file for the Load Geographies for US task contains important and helpful information, such as error messages, informational messages, and your geocode file version number. Check the log if you experience any problems with the upload process.

To view the log:

1. Query for the ESS job in the Scheduled Processes page.
2. Select the appropriate row.
3. Click View Log.

Manage Your Geography Information

Once you have uploaded your geography data, you can:

- Verify the geographies
- View their geocodes
- Restore any geographies you may have removed
- Configure state display properties
- Configure city display properties

How to Verify the Geographies You Loaded

To verify the geographies delivered by Vertex:

1. Start the Manage Geographies task from your implementation project.
   
   The predefined entry for United States displays.

3. Select the green check for each type of geography data you want to verify.

<table>
<thead>
<tr>
<th>Definition Data</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geocoding Defined</td>
<td>This is the location’s latitude and longitude coordinates.</td>
</tr>
<tr>
<td>Address Cleansing Defined</td>
<td>Not used by Oracle Cloud Human Capital Management. For further information, see the Defining Address Cleansing: Explained topic in the Help Center.</td>
</tr>
<tr>
<td>Structure Defined</td>
<td>The hierarchical grouping of geography types for the US.</td>
</tr>
<tr>
<td>Hierarchy Defined</td>
<td>This displays the primary and alternate names for all US geographies. Selecting a state’s link displays its primary and alternate names and codes. Ensure you have marked the proper name as primary. When you load the state geographies, they include both 2-character state abbreviations and full state names. For information about configuring your state display properties, see the Configure State Style Formats topic in the Help Center.</td>
</tr>
<tr>
<td>Validation Defined</td>
<td>This is the geography mapping and validation for a country’s address styles, as well as its overall geography validation control.</td>
</tr>
</tbody>
</table>
4. If a locale is missing, such as a city or county:
   - If no local taxes are associated with the missing locale, you can create an entry for it in the geography table.
   - If there is a local tax associated for the missing locale, you must ensure that you have the correct geocode from Vertex. Otherwise you must wait for a Vertex update to populate the missing locale.

For further information, see the Manually Add a Geography for the US topic in the Help Center.

How to View a Geography’s Geocode

A geocode is a 9-digit code that identifies the legal jurisdiction. The first two digits represent the state, the next three represent the county, and the last four represent the city. There are no leading zeroes. The Load Geographies for US task creates this data.

To view the geocode for a particular geography:

1. Start the Manage Geographies task from your implementation project.
2. Perform a search with United States as the country name.
3. Select United States in the search results.
4. Select Manage Geography Hierarchy from the Actions menu.
5. Double-click the appropriate geography name to view its tax geography code.

How You Restore Geographies

When you manually remove a Vertex geography, the data remains in the geography table but is marked as disabled.

To restore a disabled geography:

1. Start the Submit a Process or Report task from the Payroll Checklist work area.
2. Select your US legislative data group, and search for and select the Load Geographies flow pattern.
3. Enter a payroll flow name.
4. Select Yes for the Enable Inactive Geographies parameter. This restores all disabled geographies.
5. Click Submit and then OK.

This does not apply to user-defined geographies. You must manually redefine these geographies.

How You Can Configure State Display Properties

Use the Load Geographies task to determine if addresses use full state names, state abbreviations, or both. For further information, see the Configure State Style Formats topic in the Help Center.

How You Can Configure City Display Properties

Use the Load Geographies task to update the names for a US city. For further information, see the Configure City Display Properties topic in the Help Center.

Related Topics

- Diagnostic Tests for the US
- Geography Validation
Manually Add a Geography

It is very unusual for a geography to be missing, but in these cases, you can manually add it. Before you do it, however, run the Load Geography for US process to make sure it hasn’t already been added by a Vertex update.

To manually add a geography:

1. Start the Manage Geographies task from your implementation project.
2. Perform a search with United States as the country name.
3. Select United States in the search results.
4. Select Manage Geography Hierarchy from the Actions menu.
5. Expand the node hierarchy, and confirm that the geography is missing.
6. Select the node where the new geography will reside.

   If you are adding a county, select the parent state node. If you are adding a city, select the parent county.
7. Define the geography’s primary code.
   a. Click Create.
      The Create page displays.
   b. In the Primary and Alternative Names table, click Add.
   c. Specify the name of the new geography. Leave the other fields with their default values.
   d. Click Save.
   e. Enter the following.

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Code</td>
<td>Enter the geography’s geocode. This code must be unique within its parent geography.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Code Type</th>
<th>Select Tax geography code.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Provider</td>
<td>Leave the default setting.</td>
</tr>
<tr>
<td>Language</td>
<td>Leave the default setting.</td>
</tr>
</tbody>
</table>

8. Define the geography’s secondary code.
   a. In the Primary and Alternative Codes table, click Add.
   b. In the Primary and Alternative Codes table, click Add again.
   c. Enter the following.

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Code</td>
<td>Enter the name of the new geography.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Code Type</th>
<th>Select the appropriate Primary value for this geography.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For example, if you are adding a city, select Primary City.</td>
</tr>
</tbody>
</table>
**Field Name** | **Description**
--- | ---
Data Provider | Leave the default setting.
Language | Leave the default setting.

**d.** Click **Save and Close**.

9. Define the ZIP Code information for the new geography.

a. In the geography hierarchy, select the new geography’s node.
b. Click **Create**. The Create Postal Code page displays.
c. In the Primary and Alternative Names section, click **Add**.
d. In the **Name** field, specify the new geography’s ZIP Code. Leave the other fields with their default values.
e. Click **Save**, and click **Add** again.
f. Enter the following.

**Field Name** | **Description**
--- | ---
Code | Enter the ZIP Code of the new geography.
Code Type | Select **FIPS Code**.
Data Provider | Leave the default setting.
Language | Leave the default setting.

**g.** Add other ZIP Codes as needed.

**h.** When finished, click **Save and Close**.

**Related Topics**
- Geography Validation

**Configure State Style Formats**

When you use the Load Geographies for US process to populate your geocode data, it updates both the full names and postal abbreviations for US states, territories, and districts. It considers the abbreviated format as the default.

To change this action, such as to make the full name format the default or to depreciate it entirely:

1. Start the Manage Geographies task from your implementation project.
2. On the Manage Geographies page, select **US** and click **Search**.
3. Select the **Hierarchy Defined** check on the United States row, or select **Manage Geography Hierarchy** from the **Actions** menu.
4. Select a state’s link to view its primary and alternate names and codes.

When you load the state geographies, they include both the 2-character abbreviations and the full names.
To remove the full name format entirely, select its row and click **Delete**.

> **Note:** Do not delete a state format if there are records using it, such as employee definitions or locations.

5. Make sure you the proper name as primary by selecting **Set Primary**.
6. Make your changes.
7. Save your work.

### Configure City Display Properties

When you use the Load Geographies for US process to populate your geocode data, it updates the names for all US cities.

To change the display name for a city:

1. Start the Manage Geographies task from your implementation project.
2. On the Manage Geographies page, select **US** and click **Search**.
3. Select the **Hierarchy Defined** check on the United States row, or select **Manage Geography Hierarchy** from the **Actions** menu.
4. Expand the appropriate **State** and **County** fields to display the city to change.
5. Select the city, and select **Edit** from the **Actions** menu.
6. In the **Primary and Alternative Names** section, select **Add** from the **Actions** menu.
7. Enter the new city name.
   - Leave the **Data Provider** field as **User entered**.
8. Select the Set Primary icon.
9. If the city resides in multiple counties, you must change the city name in each.
10. Save your work.

The name you define displays in all appropriate areas, including addresses, tax balances, and reports.

### Set Address Style Format Mapping

If you are an HR-only or Payroll implementation, you must update your addresses for the following formats:

- United States Postal Address Format
- United States Tax Address Format

> **Note:** Do not use "No Style".

If you are an HR-only implementation with no address validation, you have to select the United States Postal Address Format. For any other implementation, use the United States Tax Address Format.

To set your address style format mapping:

1. Start the Manage Geographies task from your implementation project.
2. In the Geography Mapping and Validation section, select or deselect the **Enable List of Values** as appropriate for each geography type.
Note: Do not change the Tax Validation and Geography Validation predefined settings. Oracle Cloud Human Capital Management does not use this functionality.

3. Click **Save and Close**.

Related Topics
- Geography Validation

View and Edit Geography Information

In this example, you view and edit your US geocode information through the Manage Geographies task. This is the information you updated using the Load Geographies for US task.

View and Edit US Geography Information

1. In the Setup and Maintenance work area, query and start the Manage Geographies task.
2. In the **Name** field, type **United States**, and click **Search**.
3. Select Manage Geography Hierarchy from the **Action** menu. The Manage Geography table displays rows for all US states and territories.
4. Expand an entry’s tree to view its subordinate entries, such as the counties, cities, and ZIP Codes.
5. Click an entry’s link to view its geocode information in read-only mode.
6. Highlight an entry’s row and click Edit to make manual changes to its geocode information.
7. Click **Done** when finished.

Payroll Tax Information

Load Payroll Tax Information

Third-party suppliers like Vertex provide the tax information necessary for you to perform calculations and process payroll. As the US tax code changes, these suppliers publish new tax data files. Use the Load Payroll Tax Information for US task to upload these files and incorporate the new tax information into your installation.

You can run task from the following locations:
- Define Earning and Deduction Definitions task grouping in your implementation project
- Regulatory and Tax Reporting work area
- Checklist work area
- Updating US tax information
- Managing the tax information

To make sure the payroll process has the latest information, you need to:

<table>
<thead>
<tr>
<th>What you want to do</th>
<th>This involves</th>
</tr>
</thead>
<tbody>
<tr>
<td>Update your US tax information</td>
<td>1. Installing tax code data files, or having them installed for you</td>
</tr>
</tbody>
</table>
What you want to do | This involves
---|---
2. | Testing the upload process
3. | Uploading the tax information either globally or for a specific region
4. | Resolving ISAM database connection errors
5. | Reviewing the Load Payroll Tax Information log file

Manage the tax information | • Verifying tax information
• Reverting to an older version of the tax code

For further information, see the following sections.

**Update Your US Tax Information**

Updating and maintaining your US tax information involves:

1. Installing tax code data files or having them installed for you
2. Testing the upload process
3. Uploading the tax information
4. Uploading tax information for a specific region only
5. Resolving ISAM database connection errors
6. Reviewing the Load Payroll Tax Information log file

Perform these operations on a monthly basis.

**How You Install Your Payroll Tax Data Files**

Vertex publishes monthly updated files that contain tax data changes (QFPT.txt file).

If you are a SaaS customer, Oracle Cloud Operations installs these files for you. You automatically receive a notification when the file is available for installation, and you can select the link in the notification to get the latest Vertex tax guide.

If you are an On-Demand customer, you must purchase your own Vertex license. The On-Demand team installs the files for you upon submission of a service request.

If you are an On-Premise customer, you must purchase your own Vertex license and install the files yourself.

Once the files are installed, you must run the Load Payroll Tax Information for US process to update your tax data. Run this process as part of your initial setup for the implementation project as well as on a monthly basis.

> **Note:** Pennsylvania political subdivision codes, school districts, and townships are stored in a data table that is not accessible through the Manage Geographies task. You can load this data only through the Load Payroll Tax Information for US process. You cannot otherwise change the values.

**How to Test the Upload Process**

Vertex provides a data file with sample data. You can use this file to test the upload process.

1. Start the Load Payroll Tax Information for US task from your implementation project.
2. In the **Data Location** field, specify the location of the sample file.

**How You Upload the Tax Information**

After the geography data files are installed, use the Load Geographies for US task to load the new data into your installation:

1. Run the Load Payroll Tax Information for US task from your implementation project.
2. Specify the following values.
### Field Name  | Description  
---|---
Data Location  | Location of the file to be used only if it is different from the default location, as defined in the ESS configuration file. This configuration file contains the location of the Vertex ISAM libraries.

Allow Upload of Older Version  | Allow an older version of the data file to be uploaded, replacing newer data. Default setting is No.

Geographic Category  | Run for Federal and State each month. Run for City, County, and School District as needed.

**Note:** Federal and state runs can take a couple hours to process. Lower-level runs can take longer.

3. Click **Submit**.

### How You Can Upload Tax Information for a Specific Region Only
To upload information for a specific region:

1. Run the Load Payroll Tax Information for US task.
2. Select the appropriate value in the **Geographic Category** field.

### How to Diagnose Upload Errors
If you receive errors when you run the task, run the US Payroll JIT Validation test from the Diagnostic Dashboard. For further information, see the Diagnostic Tests for the US topic in the Help Center.

If you are unable to resolve the issue, log a service request with Oracle Support.

If you are an On-Premise customer, contact your DBA or third-party provider for assistance.

### How to Review the Load Payroll Tax Information Log File
To view the log:

1. Query for the ESS job in the Scheduled Processes page.
2. Select the appropriate row.
3. Click **View Log**.

### Manage Your Tax Information
Once you have uploaded your tax data, you can:

- View the tax information
- Revert to an older tax code version

### How to View Your Tax Information
Use the Manage Calculation Value Definition task to view the following tax information:

- Federal Tax Information
- State Tax Information
- Pretax Information
For further information, see the View Payroll Tax Information for the US topic in the Help Center.

How to Revert to an Older Tax Code Version

To revert to an older version:

1. Run the Load Payroll Tax Information for US task.

Related Topics

- Diagnostic Tests for the US

View Payroll Tax Information

In this example, you view your US payroll tax information through the Manage Calculation Value Definition task. This is the information you updated using the Load Payroll Tax Information for US task.

Use this task to view:

- Federal Tax Information
- State Tax Information
- Pretax Information

View Federal Tax Information

1. From the Payroll Calculation work area, start the Manage Calculation Value Definition task.
2. Select a US legislative data group (LDG).
3. In the Value Definition Group field, type Federal Tax Information, and click Search. All federal-level value definition groups are displayed, such as the Medicare employer tax rate, social security employee wage limit, and Federal Unemployment Tax Act (FUTA) employer rate.
4. Click a group’s link to view its detailed information.

View State Tax Information

1. From the Payroll Calculation work area, start the Manage Calculation Value Definition task.
2. Select a US LDG.
3. In the Value Definition Group field, type State Tax Information.
4. In the Name field, type the state you want to query, and click Search. All value definition groups for that state are displayed, such as the state unemployment insurance (SUI) wage limit.
5. Click a group’s link to view its detailed information.

View Pretax Information

1. From the Payroll Calculation work area, start the Manage Calculation Value Definition task.
2. Select a US LDG.
3. In the Value Definition Group field, type Pretax, and click Search. All deferred compensation value definition groups are displayed.

This information is not loaded as a result of the Load US Payroll Tax Information task. The US localization provides a set of predefined calculation value definitions for deferred compensation.

4. Click a group’s link to view its detailed information.
Troubleshoot Vertex and Tax Issues

Payroll implementations must run the Load Geographies for US and the Load Payroll Tax Information for US tasks as part of the initial setup for the implementation project. Once the files are installed, you must run the required processes to update your geography data, tax data, or both.

Diagnostic Tests

Use the tests provided in the Diagnostic Dashboard to help identify any Vertex and tax issues.

For further information, see the Diagnostic Tests for the US topic.

Troubleshooting Vertex Issues

The table below lists the likely issues you may encounter with Vertex and their solutions.

<table>
<thead>
<tr>
<th>Problem</th>
<th>Solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invalid Address Data</td>
<td>To identify potentially invalid address data, run the following diagnostic tests:</td>
</tr>
<tr>
<td></td>
<td>• US HR and Payroll Geography Diagnostics Details</td>
</tr>
<tr>
<td></td>
<td>• US HR and Payroll Geography Setup and Health Check Report</td>
</tr>
<tr>
<td></td>
<td>• US HR and Payroll Geography Type Validity</td>
</tr>
<tr>
<td></td>
<td>Use the US Postal Service's website to confirm combination you are trying to enter is valid.</td>
</tr>
<tr>
<td></td>
<td>If valid, contact Oracle Support.</td>
</tr>
<tr>
<td></td>
<td><strong>Note:</strong> You can configure your addresses such that when you enter the ZIP Code, the other fields automatically populate appropriately. For instructions on how to enable this functionality, see the Configuring Addresses for the US: Explained topic in the Help Portal.</td>
</tr>
<tr>
<td>You do not have a Payroll license and do not want address validation</td>
<td>Use the Manage Features by Country or Territory task to switch your product extension to Human Resources or None, and run the Load Geographies for US task again.</td>
</tr>
<tr>
<td></td>
<td>If you have never run this process, do not run it. Setting the product extension to HR-only should be sufficient.</td>
</tr>
<tr>
<td></td>
<td>For further instructions, see the Managing Geography Information for the US: Critical Choices topic in the Help Portal.</td>
</tr>
<tr>
<td>Error during Vertex install</td>
<td>If you are an on-premise customer performing a Vertex installation, and the database contains damaged information, you receive an error.</td>
</tr>
<tr>
<td></td>
<td>To assist you in identifying the problem, run the US Payroll JIT Validation diagnostic test.</td>
</tr>
<tr>
<td></td>
<td>Do not load an older version of the file.</td>
</tr>
<tr>
<td></td>
<td>When installing a new data file, remove the existing ISAM database and install the new database in an empty directory.</td>
</tr>
</tbody>
</table>
Contact Oracle Support with any issues not resolved using the troubleshooting tips.

**Troubleshooting Tax Issues**

The table below lists the likely issues you may encounter when uploading and using the tax information and their solutions.

<table>
<thead>
<tr>
<th>Problem</th>
<th>Solution</th>
</tr>
</thead>
</table>
| Errors during payroll calculation                                       | • Confirm that a tax reporting unit (TRU) is properly associated with the person’s Tax Withholding card.  
  For further information, see the Tax Withholding Card: Critical Choices topic in the Help Portal.  
  • To help identify causes of the errors, run the payroll diagnostic tests from the Diagnostic Dashboard. |
| Error during payroll calculation that a geography code is missing or primary work address is missing | • To help identify causes of the error, run the geography and payroll person diagnostic tests from the Diagnostic Dashboard.  
  • Check the Federal component on the person’s Tax Withholding card. Ensure the SUI state, SDI state, and primary work address are populated correctly.  
  These fields are predefined when you create the tax card association.  
  If the work location is missing for the employee’s assignment, these fields are not predefined.  
  You must manually define them.                                                                         |
| Errors during payroll calculation related to the US_ TAX_SDI formula     | • To help identify causes of the errors, run the following tests from the Diagnostic Dashboard:  
  ◦ US Payroll Person Calculation Card Diagnostics  
  ◦ US Payroll Tax Card Validation  
  ◦ US Payroll Tax Card Component Validation  
  • Use the Manage Legal Reporting Unit Calculation Cards task to confirm that the SDI and SIT component details have been created for the legal reporting unit.  
  No overrides are necessary. Only the component details are required.                                    |
| Periodic Archive does not archive any US balances                       | To help identify cause of the problem, run the US Federal Tax Registration Check for TRUs test from the Diagnostic Dashboard. This identifies all TRUs that do not have the United States Federal Tax registration. |
| Payroll run produces inaccurate tax calculations                        | Perform the following:  
  1. To help identify cause of the problem, run the payroll diagnostic tests from the Diagnostic Dashboard.  
  2. Verify the employee’s resident and work addresses are in US address format, and confirm any overrides.  
  For work addresses, the payroll process uses the following hierarchy:  
  ◦ Home worker, as defined through the Manage Employment task  
    If yes, follow the Resident address hierarchy (below).  
  ◦ Assignment location override, as set through the Manage Employment task  
  ◦ Location address override, as set through the Manage Locations task  
  ◦ Location Address, as set through the Manage Locations task  
  For resident addresses, the payroll process uses the following hierarchy:  
  ◦ Address Type of **US Resident Tax Address**  
  ◦ Address of **Home** type  
  3. Verify the following for the affected employee:  
  ◦ They have a Tax Withholding card. |
### Problem
- The tax card is associated with a tax reporting unit.
- Their filing status and number of exceptions are correct.

### Solution
1. Confirm that the appropriate state or local taxes have been applied, based on the employee's resident and work address.
   - Confirm the calculation against the rates and rules provided in the Vertex Payroll Tax Calculation Guide for the United States.
   - For further information, see the Wage Basis Rules for the US: Explained topic in the Help Portal.

### Related Topics
- Diagnostic Tests for the US
- Tax Wage Basis Rules for the US
- Tax Withholding Card

---

## Update Vertex Tax Information

If you are an On-Premise customer, before you can process payroll, you have to uptake the latest tax information provided by Vertex. This involves processing the qfpt.dat data file provided by Vertex to create an Indexed Sequential Access Method (ISAM) database. Vertex publishes and delivers this data file on a monthly basis to its customers, so you must perform the database creation regularly.

> **Note:** These steps are for On-Premise customers only. If you are a SaaS customer, Oracle Cloud Operations installs these files for you. If you are an On-Demand customer, the On-Demand team installs the files for you upon submission of a service request. For further information, see the Load Payroll Tax Information for the US topic in the Help Center.

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

### Generate the Vertex ISAM Database for Windows
1. Set the $VERTEX_TOP environmental variable in the environment.properties file.
2. Copy the files in $VERTEX_TOP/utils and $VERTEX_TOP/lib into a local directory.
3. Execute `cbmaint.exe` from the Vertex local directory.
4. Select **Create Database**.
5. Select **Payroll Tax Database**.
6. Type the directory path where you want to create the ISAM database ($VERTEX_TOP/data).
7. Execute `vpptomudp.exe` to populate the ISAM database files.
8. Select **Update Payroll Tax Database**.
9. Enter the directory path where the Vertex data file qfpt.dat is located.
10. Enter the directory location you chose for your ISAM database (step 6)
11. Copy all files of the newly created ISAM database into $VERTEX_TOP/data.

### Generate the Vertex ISAM Database for UNIX
1. Set the environmental variable for shared libraries to $VERTEX_TOP/lib. This varies according to your UNIX operating system.
### Wage Accumulation Rules for Vertex

If you have a Payroll or Payroll Interface installation, to successfully process payroll, you must have Vertex installed.

**Note:** For further information, see Select Country Extensions for the US in the Help Center.

Vertex refers to wage accumulation rules as jurisdictional interaction treatments (JITs). The following table references how the Vertex JIT codes correlate to the payroll process wage accumulation rules.

#### State Wage Accumulation Rules

<table>
<thead>
<tr>
<th>Payroll Process Rule</th>
<th>Vertex JIT Code</th>
<th>Vertex Rule</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use default behavior</td>
<td>Default</td>
<td>Use default behavior.</td>
<td>Executes the default behavior. For further information, see Calculation Guide for the United States Vertex Payroll Tax Q Series.</td>
</tr>
<tr>
<td>Credit resident tax by work tax, always accumulate wages</td>
<td>2</td>
<td>Credit resident tax by work tax, always accumulate wages.</td>
<td>First calculates the resident tax, then reduces the tax by the amount of work tax withheld. Always accumulates wages for the residence, even if resident tax is 0.</td>
</tr>
<tr>
<td>Credit resident tax by work tax, accumulate wages if taxed</td>
<td>3</td>
<td>Credit resident tax by work tax, accumulate wages if taxed.</td>
<td>First calculates the resident tax, then reduces the tax by the amount of work tax withheld. Only accumulates wages if there is a tax withheld.</td>
</tr>
</tbody>
</table>
### Payroll Process Rule

<table>
<thead>
<tr>
<th>Payroll Process Rule</th>
<th>Vertex JIT Code</th>
<th>Vertex Rule</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>No resident tax if work tax greater than zero, always accrue</td>
<td>4</td>
<td>No resident tax if work tax greater than zero, always accrue.</td>
<td>Does not withheld residence taxes if there is a work tax, but it always accumulates wages.</td>
</tr>
<tr>
<td>No resident tax if work tax greater than zero</td>
<td>5</td>
<td>Eliminate the residence tax if the work tax is greater than 0. Accumulate wages only if tax is withheld.</td>
<td>Does not withhold residence taxes if there is a work tax, and it only accumulates wages if there is a resident withholding.</td>
</tr>
<tr>
<td>No resident tax if work tax on nonresident, always accrue</td>
<td>6</td>
<td>No resident tax if work tax on nonresident, always accrue.</td>
<td>Does not withhold residence taxes if there is a work state tax. Accumulates wages for the residence.</td>
</tr>
<tr>
<td>No resident tax if work tax on nonresident, accrue if taxed</td>
<td>7</td>
<td>No resident tax if work tax on nonresident, accrue if taxed.</td>
<td>Does not withhold residence taxes if there is a work state tax. Accumulate wages only when there is a tax withheld.</td>
</tr>
<tr>
<td>Calculate work taxes only.</td>
<td>8</td>
<td>Calculate work taxes only.</td>
<td>Calculates work tax only, and disregards resident tax.</td>
</tr>
<tr>
<td>Calculate tax independent of all other jurisdictions</td>
<td>99</td>
<td>Calculate tax independent of all other jurisdictions.</td>
<td>Calculates resident tax independent of work tax.</td>
</tr>
</tbody>
</table>

### Local Wage Accumulation Rules

<table>
<thead>
<tr>
<th>Payroll Process Rule</th>
<th>Vertex JIT Code</th>
<th>Vertex Rule</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use default behavior</td>
<td>Default</td>
<td>Use Default behavior.</td>
<td>Executes the default behavior. For further information, see Calculation Guide for the United States Vertex Payroll Tax Q Series.</td>
</tr>
<tr>
<td>Credit resident tax by work tax, always accumulate wages</td>
<td>2</td>
<td>Credit resident tax by work tax, always accumulate wages.</td>
<td>First calculates the resident tax, then reduces the tax by the amount of work tax withheld. Always accumulates wages for the residence, even if resident tax is 0.</td>
</tr>
<tr>
<td>Credit resident tax by work tax, accumulate wages if taxed</td>
<td>3</td>
<td>Credit resident tax by work tax, accumulate wages if taxed.</td>
<td>First calculates the resident tax, then reduces the tax by the amount of work tax withheld. Accumulates wages only if there is a tax withheld.</td>
</tr>
<tr>
<td>Calculate work taxes only.</td>
<td>8</td>
<td>Calculate work taxes only.</td>
<td>Calculates work tax only, and disregards resident tax.</td>
</tr>
</tbody>
</table>
### Payroll Process Rule

<table>
<thead>
<tr>
<th>Payroll Process Rule</th>
<th>Vertex JIT Code</th>
<th>Vertex Rule</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculate tax independent of all other jurisdictions</td>
<td>99</td>
<td>Calculate tax independent of all other jurisdictions.</td>
<td>Calculates resident tax independent of work tax.</td>
</tr>
</tbody>
</table>

**Note:** Refer to the appropriate Tax Summary sections of the Calculation Guide for the United States Vertex Payroll Tax Q Series for the default values of each state and locality.

**Related Topics**

- Courtesy Withholding Taxes
- State Tax Withholding Rules

## Calculation Cards

### Configure Organization Calculation Cards

The information you store in calculation cards help the HR and payroll processes calculate various component groups, such as tax rates and overrides. Organization calculation cards exist at both the payroll statutory unit (PSU) and tax reporting unit (TRU) levels.

You use the Manage Legal Entity Calculation Cards task to configure calculation cards at the PSU level. The data you enter applies to all TRUs attached to the PSU. You use the Legal Reporting Unit Calculation Cards task to configure calculation cards at the TRU level.

Organization calculation cards capture:

- Tax rates for state unemployment insurance (SUI) and state disability insurance (SDI)
- Self-adjustment settings such as self-adjust, quarterly self-adjust, or no self-adjust
- Federal tax withholding rule
- State resident wage accumulation rule
- Overrides such as a supplemental earnings tax rates

There are multiple steps involved with defining organization calculation cards.

<table>
<thead>
<tr>
<th>What you want to do</th>
<th>How you do it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create the PSU card</td>
<td>Use the Manage Legal Entity Calculation Cards task from your implementation project.</td>
</tr>
<tr>
<td>Define federal tax rules</td>
<td>Vertex provides all statutory compliance for the payroll process. However, you can set various federal tax rules on the PSU cards. You set these on the Federal component groups.</td>
</tr>
<tr>
<td>Define regional tax rules</td>
<td>You can set various regional tax rules on the PSU cards, such as for state, county, and city.</td>
</tr>
</tbody>
</table>
**For further information, see the following sections.**

### How You Create the PSU Card

To create organization calculation cards at the PSU level:

1. Start the Manage Legal Entity Calculation Cards task from your implementation project.
2. Click **Create**.
3. Provide the effective date, and select **Calculation Rules for Tax Reporting and Payroll Statutory Unit**.
4. Click **Continue**.
5. If regional components don’t already exist in the Component Groups section:
   a. Click **Regional**.
   b. Click **Create** from the **Actions** menu.
   c. Create nodes for each state you need.
6. Click **Save and Close**.

### How You Define Federal Tax Rules

Vertex provides all statutory compliance for the payroll process. However, you can set the following on the organization cards:

- Federal tax rules, such as:
  - Supplemental calculation method for federal income tax (FIT)
  - Withholding rules for FIT
  - Period-to-date calculation method for FIT
  - Self-adjustment methods for federal unemployment tax (FUTA), Social Security, and Medicare
- Flat tax rate overrides for retirees

To configure these:

1. Open the PSU calculation card for editing.
2. In the Component Groups section, click **Federal**.
   The Calculation Components table lists rows for each federal tax.
3. Select the row of the tax you want to edit.
   The Details section updates for the selected tax type.
   If a tax type is missing, click **Create** to add it.
4. Enter the appropriate data in the Calculation Component Details section.
   The FIT-specific rules include:

<table>
<thead>
<tr>
<th>Rule</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplemental Tax Calculation Method</td>
<td>For flat or aggregate rates on supplemental earnings.</td>
</tr>
<tr>
<td>Rule</td>
<td>Description</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Tax Withholding Rules</td>
<td>For determining which states are applicable for resident taxation.</td>
</tr>
<tr>
<td>Should taxes be calculated based on period to date amount?</td>
<td>For determining if taxation should be considered based on the Run, or based on the Period to date.</td>
</tr>
</tbody>
</table>

5. If the tax type provides an Enterable Calculation Values on Calculation Cards tab, select it and click **Create** to define any needed rate overrides.

6. Repeat to add self-adjustment settings for Social Security, Medicare, and FUTA.
   These rules determine how the payroll process adjusts for rate or wage base changes.
   For further information, see the next section, Defining Regional Tax Rules.

7. Click **Save**.
   For further information, see Federal Unemployment Tax Act Calculations in the Help Center.

**How You Define Regional Tax Rules**

Vertex provides all statutory compliance for the payroll process. However, you can set the following on the organization cards:

- Regional tax calculation rules, such as:
  - Supplemental calculation method for state income tax (SIT)
  - Resident wage accumulation for SIT
  - County and city tax withholding rules for SIT (courtesy tax withholding)
  - Self-adjustment methods for state unemployment (SUI) and disability insurance (SDI)
  - SUI and SDI employee and employer rates
  - California Voluntary Insurance Disability Plan (VPDI) implementation
  - New York state family leave insurance (FLI)
  - Pennsylvania residence tax information for out-of-state work locations
  - Washington state FLI

- Flat tax rate overrides for retirees

To configure these:

1. Open the PSU calculation card for editing.
2. In the Component Groups section, expand the **Regional** node.
   This node lists the hierarchy of regional nodes, as you defined them during card creation.
3. Select the node you want to change.
   The Calculation Components table lists rows for each appropriate regional tax.
4. Select the row of the tax you want to edit.
   The Details section updates for the selected tax type.
   If a tax type is missing, click **Create** to add it.
5. Select the **Calculation Component Details** tab, and enter the required information.
6. If the tax type provides an Enterable Calculation Values on Calculation Cards tab, select it and click Create to define any needed rate overrides.

7. Repeat for each regional tax type.

8. For states that have additional taxes in conjunction with SUI or SDI, you must increase your SUI employer or SDI employer rates appropriately.

   Carefully examine your rate notifications to see if the state has included these special taxes in the overall rate notification.

   For example, the following special taxes are cases where this kind of SUI rate adjustment is needed:
   - Massachusetts SUI Workforce Training Fund
   - Nevada SUI Career Enhancement Program
   - Nevada SUI Bond Obligation Assessment

For additional information on various regional tax rules, see the following in the Help Portal:

- California Voluntary Plan Disability Insurance
- Courtesy Withholding Taxes: Explained
- Federal and Regional Taxes for the US: Explained
- New York Family Leave Insurance
- Pennsylvania Local Earned Income Tax: Explained
- Self-Adjustment Methods for Tax Withholding
- Washington Paid Family Leave Tax

**How You Create the TRU Card**

Once you have set up your TRUs, you can set TRU-level overrides using the Manage Legal Reporting Unit Calculation Cards task. This includes flat rate FIT and SIT overrides for retiree payments.

**Related Topics**

- Federal and Regional Taxes for the US
- Federal Unemployment Tax Act Calculations
- How Calculation Cards Work Together for the US
- State Unemployment Insurance Tax

**Self-Adjustment Methods for Tax Withholding**

The various US taxation bodies will frequently announce changes to their tax rates after the changes have gone into effect. You are responsible to ensure your employees’ tax withholding values are properly adjusted. Use the self-adjustment methods to evaluate the earnings and tax amounts to ensure they are correct with a given tax rate. When all subject earnings reach the annual maximum limit, the payroll process no longer calculates the tax.

The organization calculation cards provide self-adjustment methods to help the payroll process evaluate the earnings and tax amounts to ensure they are correct with a given tax rate. When all subject earnings reach the annual maximum limit, the process no longer calculates the tax.
Legislative Levels

The organization calculation cards capture this information for your organization at the legislative level.

- Use the Legal Entity Calculation Cards task to set self-adjust methods for federal and regional taxes at the payroll statutory unit (PSU) level.
- Use the Manage Legal Reporting Unit Calculation Cards task to set these methods at the tax reporting unit (TRU) level. Any settings you make on the TRU organization card override the settings on the PSU organization card.

You can set self-adjustment methods for the following taxes:

- Federal Unemployment Tax Act
- Social Security
- State Unemployment Insurance
- State Disability Insurance
- Medicare

There are several self-adjustment options available to you.

<table>
<thead>
<tr>
<th>Adjustment method</th>
<th>What it does</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bypass collection</td>
<td>Payroll process does not calculate taxes for this organization. Use this if you as the employer are exempt from wage accumulation and taxes.</td>
</tr>
<tr>
<td>No self-adjust</td>
<td>Payroll process does not perform any adjustments based on changes to tax rates. You are responsible for ensuring the correct withholding values for your employees.</td>
</tr>
<tr>
<td>Quarterly self-adjust</td>
<td>Payroll process performs adjustments for rate changes on a quarterly basis. Use this method in cases where a state changes its rate midyear. By checking each quarter individually to determine adjustments, it maintains the integrity of the calculations prior to the change. This is available for state taxes only.</td>
</tr>
<tr>
<td>Self-adjust</td>
<td>Payroll process performs adjustments for rate changes during the first available payroll run. It bases the withholding calculations on year-to-date earnings, rather than earnings within a particular period. This method provides the most accurate calculation.</td>
</tr>
<tr>
<td>Self-adjust at maximum</td>
<td>Payroll process takes no action until an employee reaches their yearly maximum wage limit. Then it performs any adjustments during the first available payroll run.</td>
</tr>
</tbody>
</table>

Related Topics

- Enterable Values on Calculation Cards: Explained
- Federal and Regional Taxes for the US
- State Unemployment Insurance Tax
Enable the Employee Tax Withholding Card

The employee Tax Withholding card has both an original and enhanced user interface. If your implementation occurred prior to Release 18C, to make the new user interface available:

1. Search for and start the Manage Payroll Process Configuration task from the Setup and Maintenance work area.
2. Select the Default Group tab.
3. Search for the Create DIR Card using Global UI parameter, and enter the following:
   - ORA_CIR_ENHANCED ENHANCED_RESOLVER ENHANCED
4. Click Done.
5. Apply overrides for local income tax withholding calculations:
   a. Run the Load Payroll Tax Information for US process.
   b. Select both County and City tax district as the Geographic Category.
6. To migrate all employees, use the Synchronize Calculation Cards ESS process in Upgrade Employees to New Tax Card mode. Depending on the number of your employees, consider running this process during off-hours to limit system impact.
   To migrate individual employees, open their Tax Withholding card in the Manage Calculation Cards task and select Enhanced View.

**Note:** Once you have migrated your employee Tax Withholding cards to the new interface, you must use HSDL to perform any future mass updates. You cannot use Payroll Batch Loader.

**Related Topics**
- Configure the Tax Withholding Card
- Tax Withholding Card
- Examples of Updating the Tax Withholding Card After a Location Change

US Territories

Set Up US Territories

If you are supporting employees in US territories, such as Puerto Rico and Guam, you must ensure the proper configuration of the following areas.

<table>
<thead>
<tr>
<th>What you want to configure</th>
<th>How you do it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal addresses</td>
<td>Define your territorial legal addresses using the Manage Legal Addresses task from your implementation project. Make sure to select United States as the country.</td>
</tr>
<tr>
<td>Legal reporting units (LRUs)</td>
<td>Define the LRUs for the territory using the Manage Legal Reporting Unit task from your implementation project.</td>
</tr>
</tbody>
</table>
### Legal Address Configuration

When using the Manage Legal Addresses task to define your territorial legal addresses, you must make sure to select **United States** as the country. Do not use the territorial option, such as **Puerto Rico and Guam**.

### Legal Reporting Unit Configuration

When using the Manage Legal Reporting Unit task to define the LRUs for the territory, you must do the following:

- Select **United States** as the territory. Do not select the territorial option, such as **Puerto Rico and Guam**. This enables you to specify the federal employer identification number for the United States Federal Tax jurisdiction.
- Create separate legal reporting units for your territorial workers.
  - Do not assign both US and territorial workers to the same TRU.
  - Each territory must have its own TRU. For example, do not assign Puerto Rican and Guam workers to the same TRU.

### Tax Reporting Unit Configuration

For each territorial TRU, in addition to any other standard configuration, you must do the following:

1. Start the Manage Legal Reporting Unit HCM Information task from your implementation project.
2. Under the Tax Reporting Unit tab, select **Federal**.
3. In the Territory Rules region, specify the following:

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Territory Identifier</td>
<td>Select your territory.</td>
</tr>
</tbody>
</table>

4. Under the Tax Reporting Unit tab, select the **appropriate territory's** link.
5. In the W-2 Reporting Rules Overrides region, specify the following as needed:

---

**What you want to configure** | **How you do it**
---|---
Tax reporting units (TRUs) | TRUs for territories require additional configuration beyond the standard TRU setup. Configure TRUs using the Manage Legal Reporting Unit HCM Information task from your implementation project.

Organization calculation cards | When defining the payroll statutory unit (PSU) and TRU calculation cards for Puerto Rico, you must include the appropriate Puerto Rico Unemployment Tax Special Assessment Tax.

Tax Withholding Cards for Guam | Employees working in Guam require special tax card configuration. Use the Manage Calculation Cards task from the Payroll Calculations work area.

Deduction elements for Puerto Rico | When defining deduction elements for Puerto Rican workers, you must create feeds for those elements with specific Puerto Rico W2 balances.

Year-end reporting | Before you can perform your year-end processing, you must ensure you have configured your organizations, balances, and calculation cards to process the year-end tax data and generate the year-end forms.

For further information, see the following sections.
<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alternate EIN</td>
<td>Overrides the employer FEIN as defined on the registrations.</td>
</tr>
<tr>
<td></td>
<td>Not implemented. Do not use.</td>
</tr>
<tr>
<td>Agent Identifier</td>
<td>Identifies this TRU as employing a 2678 agent to file returns on its behalf.</td>
</tr>
<tr>
<td></td>
<td>Not implemented. Do not use.</td>
</tr>
<tr>
<td>Employment Code</td>
<td>Identifies this TRU’s employment type.</td>
</tr>
<tr>
<td>File Preparer</td>
<td>Identifies the entity preparing this TRU’s returns.</td>
</tr>
<tr>
<td></td>
<td>Not implemented. Do not use.</td>
</tr>
<tr>
<td>Preferred Method of Problem</td>
<td>Identifies how the IRS should communicate any problems with return submission.</td>
</tr>
<tr>
<td>Notification Code</td>
<td></td>
</tr>
<tr>
<td>User Identification</td>
<td>Submitter ID as provided by the state or federal social security agency.</td>
</tr>
<tr>
<td></td>
<td>Not implemented. Do not use.</td>
</tr>
<tr>
<td>Terminated Business</td>
<td>Identifies if this is the last tax year that W-2s are being filed under this EIN.</td>
</tr>
<tr>
<td></td>
<td>Not implemented. Do not use.</td>
</tr>
<tr>
<td>Third-Party Sick Pay</td>
<td>Indicates if this TRU is employing a third party to make payments of sick pay as its agent.</td>
</tr>
<tr>
<td></td>
<td>Not implemented. Do not use.</td>
</tr>
<tr>
<td>Control Number</td>
<td>Puerto Rico only. Not currently implemented. Do not use.</td>
</tr>
<tr>
<td></td>
<td>Specifies the control number to be printed on the employee’s 499 R-2 (W-2PR).</td>
</tr>
<tr>
<td></td>
<td>Provided by the Puerto Rican Department of the Treasury through the Notification to Employers and Withholding Agents, Access Code and Control Numbers. You can also obtain this number from the Puerto Rico Hacienda website.</td>
</tr>
<tr>
<td>Register Number</td>
<td>Puerto Rico only. Not currently implemented. Do not use.</td>
</tr>
<tr>
<td></td>
<td>Specifies the number provided by the Puerto Rican Department of the Treasury through the Notification to Employers and Withholding Agents, Access Code and Control Numbers. You can also obtain this number from the Puerto Rico Hacienda website.</td>
</tr>
<tr>
<td>Access Code</td>
<td>Puerto Rico only. Not currently implemented. Do not use.</td>
</tr>
<tr>
<td></td>
<td>Specifies the code provided by the Puerto Rican Department of the Treasury through the Notification to Employers and Withholding Agents, Access Code and Control Numbers. You can also obtain this code from the Puerto Rico Hacienda website.</td>
</tr>
<tr>
<td>Confirmation Number</td>
<td>Puerto Rico only. Not currently implemented. Do not use.</td>
</tr>
<tr>
<td></td>
<td>Specifies the confirmation number to be printed on the employee’s 499 R-2 (W-2PR).</td>
</tr>
</tbody>
</table>
6. Click Submit.

**Organization Calculation Card Configuration**

You must create a calculation card for the territory at the PSU level and, if necessary, at the TRU level. For Puerto Rico, when specifying the state unemployment insurance (SUI) rate on either card, you must include the appropriate Puerto Rico Unemployment Tax Special Assessment Tax.

Note: The rate cannot exceed the employer SUI maximum rate of 5.4 percent.

**Tax Withholding Cards for Guam**

Guam tax calculations are based on the federal withholding tables. To ensure proper withholding based on the employee’s W-4 form elections, you must update the tax cards for your Guam employees:

1. From the Payroll Calculations work area, search for the employee.
2. Start the Manage Calculation Cards task, and select their Tax Withholding card.
3. Select Guam’s Regional tax component.
4. Enter any W-4 employee tax withholding updates, such as changes to marital status, number of allowances, and so on.

The tax withholdings for Guam show on reports and interfaces with a code of GUSIT.

**Deduction Elements for Puerto Rico**

When defining deduction elements for Puerto Rican workers, you must create feeds for those elements with specific Puerto Rico W2 balances. To ensure you are reporting complete data to your third-party tax filing provider, you must establish feeds for any balance required for year-end reporting, such as W-2PR boxes 12, 15, and 23.

To do so:

1. Use the Manage Balance Definitions task to establish balance feeds for all W-2PR balances applicable to your business. Every W-2PR box has one or more balances that must be fed.

   Form W-2PR box balances that begin with "W2" are not automatically fed. You must create the feeds using the appropriate user-defined elements you have defined.

   For a complete list of W-2PR boxes and the associated balances you must feed, see the Form W-2PR Box Information topic in the Help Portal.

2. Identify your user-defined deductions as belonging to Puerto Rico. This involves the configuration of the following balances and the results elements that feed them:
   - W2 Territory 401k
   - W2 Territory Charitable Contributions
   - W2 Territory Government Employee Savings Plan
   - W2 Territory Government Retirement Fund
To do this:

a. Use the Manage Elements task to edit the results elements of the user-defined deductions that feed these balances.

b. In the Element Summary page, create an input value with the following values:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>State</td>
</tr>
<tr>
<td>Displayed</td>
<td>Selected</td>
</tr>
<tr>
<td>Allow User Entry</td>
<td>Selected</td>
</tr>
<tr>
<td>Create a Database Item</td>
<td>Selected</td>
</tr>
<tr>
<td>Unit of Measure</td>
<td>Integer</td>
</tr>
<tr>
<td>Display Sequence</td>
<td>1</td>
</tr>
</tbody>
</table>

c. In the Default Entry Values and Validation region, set the Reference field to State.

d. In the Default Value region, set the following:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Default</td>
<td>PR</td>
</tr>
</tbody>
</table>

Note: You must update this value prior to using the element. If you use the element prior to updating this field, you will be unable to add this value.

Apply Default at Run Time | No

e. Click Save.

f. Use the Manage Fast Formula task to modify the element’s formula, such as “401k_Calculator_Formula” for Puerto Rico 401 (k).

g. Insert the following lines at the beginning of the formula:

```plaintext
state=72
dedn_amt=0
mesg='Calculation complete.'
```

This ensures the element output is correctly configured for Puerto Rico.

**Year-End Reporting**

Before you can perform your year-end processing, you must ensure you have configured your organizations, balances, and calculation cards to process the year-end tax data and generate the year-end forms.
This includes:

- Document delivery preferences
- Employee configuration
- Form W-2PR box balance feeds
- Form W-2PR box configuration, including the W-2PR control number
- Third-party tax filing configuration

For further information, see Oracle Cloud Human Capital Management for the United States: End-of-Year Processing Guide (1944400.1) on My Oracle Support.

Related Topics

- Puerto Rico State Unemployment Special Assessment Tax
- Puerto Rico Young Entrepreneurs Act
- State Unemployment Insurance Tax
8 Setting Up Payroll Fundamentals

Payroll Business Definitions

Payroll Business Definitions

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**

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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
Create and Edit Profile Options

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

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

Creating a Profile Option

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

To edit a profile option that you created, search for it and edit the necessary details.

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

Pay Frequency Components: How They Work Together

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

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

Consolidation Groups

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

Payroll Definitions

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

Time Definitions

Time definitions can be static periods of unusual length based on a given static date, or they can create dates based on dynamic variables. You can specify dynamic variables for a time span, a retrieval date, or a more complex definition type to use with a user-defined date. The application uses time definitions in many areas, including payroll periods, payroll employment management, balance dimensions, retroactive and proration events, element start and end dates, and overtime periods.

Run Types

Run types control the elements and payment types to process in a payroll run. Two predefined run types, Regular and Supplemental, group the other run types and determine their processing sequence. The predefined Regular and Supplemental run types include the two component run types described in this table.
### Run Type Component | Description
--- | ---
Process Separately | Generates a separate payroll calculation for each element entry marked to process separately.

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.

## Payroll Earning Periods

When you create a payroll definition, you generate a payroll earnings calendar based on the first period end date. The calendar assigns each payroll period a period name that includes the period number. The statutory tax year must coincide with the dates generated for the earnings calendar.

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

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

## FAQs for Pay Frequency

### When would I close a payroll period?

Closing a payroll period can prevent changes to recurring entries. Payroll periods aren’t like General Ledger periods. Closing payroll periods is not necessary.

### Why can't I find my organization payment method when creating other payroll objects?

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

Consolidation Groups

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. Use them to produce one set of:

- Results
- Reports
- Costing groups

These are runs you make in addition to your regular payroll runs. For example, use a consolidation group to make supplemental payments to a group of employees who left the organization.

When you use the Manage Payroll Definitions task to create a payroll, you assign it a default consolidation group. There are no predefined consolidation groups, so you must create them yourself.

1. Sign in with a role that has implementation privileges, such as APPL_IMP_CONSULTANT.
2. Start the Manage Consolidation Groups task from your implementation project or the Payroll Calculation work area.
3. On the Manage Consolidation Groups page, click Add Row.
4. Enter a name, and select your US legislative data group. Adding the description is optional, but it is useful to provide.
5. Click Save.

Examples of Consolidation Group Usage

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

Post-Run Processing

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

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

Separate Costing and Payment

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

To process employees separately:

1. Create a new consolidation group to specify when running the Calculate Payroll process.
2. Create payroll relationship groups that restrict the employees.
You can use rules to identify them dynamically or you can specify the employees by their payroll relationship numbers.

3. Run the Calculate Payroll process for each payroll relationship group separately. Specify the original consolidation group in the first run and the new consolidation group in the next run.

**Reporting**

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

To process the report for a subset of payrolls:

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

## Payroll Definitions

### Payroll Definitions

Payroll definitions contain calendar and offset information, which determine when to calculate and cost payments. Use the Manage Payroll Definitions task in the Payroll Calculation work area to specify:

<table>
<thead>
<tr>
<th>What you want to do</th>
<th>How you do it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Choose a payroll period type</td>
<td>Payroll period types determine the interval at which you pay employees and retirees, such as weekly, biweekly, or semimonthly. Create at least one payroll definition for each payroll period type that you use to pay people. 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.</td>
</tr>
<tr>
<td>Create payroll definitions</td>
<td>When you create a payroll definition, the task generates the complete payroll schedule based on: • Selected payroll period type • Any offsets or calendar adjustments • Number of years A common scenario for creating a payroll definition is to replace one that is expired or end-dated. Before you can create a payroll definition, you must have defined the legislative data group (LDG) and the consolidation group. To create a payroll definition: 1. Start the Manage Payroll Definitions task from your implementation project or Payroll Calculations work area. 2. Click Create. 3. Select your US LDG, and click Continue.</td>
</tr>
<tr>
<td>What you want to do</td>
<td>How you do it</td>
</tr>
<tr>
<td>---------------------</td>
<td>---------------</td>
</tr>
<tr>
<td><strong>4.</strong> On the Create Payroll page, enter the following in the Basic Details section:</td>
<td></td>
</tr>
<tr>
<td>o Name</td>
<td>Each payroll in the schedule must have a unique name.</td>
</tr>
<tr>
<td>o Consolidation Group</td>
<td>The payroll process requires each payroll to belong to a consolidation group.</td>
</tr>
<tr>
<td>o Period Type</td>
<td></td>
</tr>
<tr>
<td>o First Period End Date</td>
<td></td>
</tr>
<tr>
<td>o Default Payment Method</td>
<td></td>
</tr>
<tr>
<td><strong>5.</strong> Do not provide values in the <strong>Use Information Hours From</strong> and <strong>Threshold Basis</strong> fields. Any values you enter are ignored.</td>
<td></td>
</tr>
<tr>
<td><strong>6.</strong> In the Calculate Default Values section, select an FLSA overtime period override, if required. This defines the starting date and length of the overtime period used in the calculation of overtime.</td>
<td></td>
</tr>
<tr>
<td><strong>7.</strong> Select a premium calculation rate, if required. This determines if the payroll process uses the blended rate or the higher of the blended or normal rate for overtime calculations.</td>
<td></td>
</tr>
<tr>
<td><strong>8.</strong> Click <strong>Add Row</strong> in the Valid Payment Methods section, and add one or more organization payment methods (OPMs) that are valid for this payroll. You can select any OPM defined for the LDG that is linked to this payroll definition. The default payment method is check.</td>
<td></td>
</tr>
<tr>
<td><strong>9.</strong> Select Premium Calculation rate for FLSA calculation.</td>
<td></td>
</tr>
<tr>
<td><strong>10.</strong> Select a time definition. The payroll definition uses this to define the starting date and length of the overtime period used in the calculation of FLSA.</td>
<td></td>
</tr>
<tr>
<td><strong>11.</strong> Click <strong>Next</strong>.</td>
<td></td>
</tr>
<tr>
<td><strong>12.</strong> Provide the required information on the Payroll Offsets page, including:</td>
<td></td>
</tr>
<tr>
<td>o Number of years for this calendar</td>
<td>For further information, see the Managing Payroll Definitions for the US: Points to Consider topic.</td>
</tr>
<tr>
<td>o Any date configurations</td>
<td></td>
</tr>
<tr>
<td><strong>13.</strong> Review the information on the Payroll Calendar page.</td>
<td></td>
</tr>
<tr>
<td><strong>14.</strong> Provide the suspense and default accounts on the Costing of Payroll page.</td>
<td></td>
</tr>
<tr>
<td><strong>15.</strong> Review summary information on the Payroll Review page.</td>
<td></td>
</tr>
<tr>
<td><strong>16.</strong> Click <strong>Submit</strong>.</td>
<td></td>
</tr>
</tbody>
</table>

**Assign people to payrolls**  
After you have saved a payroll definition, assign employees and retirees to it on the Manage Payroll Relationships page.

**Modify a payroll definition**  
When you modify a payroll definition, the task 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 extend the payroll calendar.

**Note:** You can extend the payroll calendar by increments of 10 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 Manage Payroll Definition task generates a calendar of payroll periods based on your selections. The choices you make for the following values determine the resulting schedule of payroll periods.

<table>
<thead>
<tr>
<th>This option</th>
<th>How it impacts payroll period scheduling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective start date</td>
<td>This identifies when the payroll definition is available for person data. The start date must be on or before the earliest date of any historical data that you want to load.</td>
</tr>
<tr>
<td>First period end date</td>
<td>This is the end date of the first payroll period that the task generates for the payroll definition.</td>
</tr>
<tr>
<td>Number of years</td>
<td>This represents how many years of time periods the task generates, starting from the beginning of the first payroll period, which is determined by the first period end date.</td>
</tr>
<tr>
<td>Offsets</td>
<td>Depending on the payroll period type, you can elect for your payroll cycle events to occur on specific dates, or to have the task calculate dates based on offsets from period start or end dates.</td>
</tr>
<tr>
<td>Specific date adjustments</td>
<td>Once you generate the payroll time periods, you can further adjust any specific calendar dates, as needed.</td>
</tr>
</tbody>
</table>

For further information, see the following sections.

**Effective Start Date**

The effective start date is the first date that the payroll definition is available for person data. The start date must be on or before the earliest date of any historical data that you want to load.

For example, for a payroll starting on 01-JAN-2013 with 5 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 task generates for the 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 the task generates, 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.
Effective Start Date | First Period End Date | Number of Years | Generated Time Periods
--- | --- | --- | ---
01-JAN-1986 | 15-JUN-2014 | 5 | 01-JUN-2014 to 31-MAY-2018

Once you save the 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 task 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 and change 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 task calculate dates based on offsets from period start or end dates.

The following table describes the predefined payroll cycle events that you can offset:

<table>
<thead>
<tr>
<th>Date</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cutoff Date</strong></td>
<td>Final date that payroll information can be entered for the payroll period.</td>
</tr>
<tr>
<td><strong>Payslip Availability Date</strong></td>
<td>Date on which payees can view payslips.</td>
</tr>
<tr>
<td><strong>Payroll Run Date</strong></td>
<td>Date the payroll calculation process uses to retrieve effective values, such as employee details. Override this value by specifying a process date when you submit a payroll process.</td>
</tr>
<tr>
<td><strong>Date Earned</strong></td>
<td>Date on which the payroll process processes element entries for the payroll run. The date earned must be within the effective dates of the payroll period.</td>
</tr>
<tr>
<td><strong>Date Paid</strong></td>
<td>Date the person is marked as paid. This is also 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 and used on the EFT file.</td>
</tr>
</tbody>
</table>

### Dynamic Offsets

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

<table>
<thead>
<tr>
<th>Offset Day Types</th>
<th>Offset Value</th>
<th>Base Date Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of work days</td>
<td>Before</td>
<td>Period Start Date</td>
</tr>
<tr>
<td>Number of calendar days</td>
<td>After</td>
<td>Period End Date</td>
</tr>
</tbody>
</table>
For example, you might want to set the cutoff date 3 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 inherit 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 can adjust the dates manually on the payroll calendar’s time period. You can make these adjustments when creating a payroll definition or subsequently, 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 task.

**Related Topics**

- Periodicity Conversion

**Creating Payroll Definitions: Worked Example**

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 Company creates payroll definitions for two sets of employees. One set is permanent salaried employees who are paid on a semimonthly basis, and the other is temporary employees that are paid on a monthly basis using time card data.

The business requires that a single monthly costing process uses results from different payroll runs by using the consolidation group name as an input parameter in the costing run. This example creates two payroll definitions with different payment periods with the same consolidation group. Both definitions are effective starting on 1/1/11 and generate payroll time periods covering five years.

**Prerequisites**

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

**Creating the Payroll Definitions**

Create two payroll definitions:

- One to pay permanent employees a flat amount by electronic funds transfer (EFT) on a semimonthly basis. This payroll definition includes dynamically generated offset dates.
- One to pay temporary employees by check using time card data on a monthly calendar basis.
Perform the following steps twice, first using the semimonthly values and then 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 LDG legislative data group from the list.
4. Enter 1/1/11 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>Semimonthly Value</th>
<th>Monthly Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>InFusion Employee Semimonthly</td>
<td>InFusion Employee Monthly</td>
</tr>
<tr>
<td>Reporting Name</td>
<td>InFusion Semimonthly</td>
<td>InFusion Monthly</td>
</tr>
<tr>
<td>Consolidation Group</td>
<td>InFusion Employee Group</td>
<td>InFusion Employee Group</td>
</tr>
<tr>
<td>Period Type</td>
<td>Semimonthly</td>
<td>Monthly (Calendar)</td>
</tr>
<tr>
<td>First Period End Date</td>
<td>6/15/12</td>
<td>6/30/12</td>
</tr>
<tr>
<td>Default Payment Method</td>
<td>InFusion Employee EFT</td>
<td>InFusion Employee Check</td>
</tr>
</tbody>
</table>

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

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

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

<table>
<thead>
<tr>
<th>Field</th>
<th>Falls Value</th>
<th>Day Type Value</th>
<th>Offset Value</th>
<th>Base Date Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cutoff Date</td>
<td>5</td>
<td>Work Days</td>
<td>Before</td>
<td>Period End Date</td>
</tr>
<tr>
<td>Planned Submission Date</td>
<td>4</td>
<td>Work Days</td>
<td>Before</td>
<td>Period End Date</td>
</tr>
<tr>
<td>Payroll Run Date</td>
<td>0</td>
<td>Work Days</td>
<td>Before</td>
<td>Period End Date</td>
</tr>
<tr>
<td>Payslip Availability Date</td>
<td>0</td>
<td>Work Days</td>
<td>Before</td>
<td>Period End Date</td>
</tr>
<tr>
<td>Date Earned</td>
<td>0</td>
<td>Work Days</td>
<td>Before</td>
<td>Period End Date</td>
</tr>
<tr>
<td>Date Paid</td>
<td>0</td>
<td>Work Days</td>
<td>Before</td>
<td>Period End Date</td>
</tr>
</tbody>
</table>

8. For the monthly payroll, use fixed dates to define offsets as shown in this table, and then click **Next**.

<table>
<thead>
<tr>
<th>Field</th>
<th>Falls Value</th>
<th>Day Type Value</th>
<th>Offset Value</th>
<th>Base Date Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cutoff Date</td>
<td>5</td>
<td>Work Days</td>
<td>Before</td>
<td>Period End Date</td>
</tr>
<tr>
<td>Planned Submission Date</td>
<td>4</td>
<td>Work Days</td>
<td>Before</td>
<td>Period End Date</td>
</tr>
<tr>
<td>Payroll Run Date</td>
<td>0</td>
<td>Work Days</td>
<td>Before</td>
<td>Period End Date</td>
</tr>
<tr>
<td>Payslip Availability Date</td>
<td>0</td>
<td>Work Days</td>
<td>Before</td>
<td>Period End Date</td>
</tr>
<tr>
<td>Date Earned</td>
<td>0</td>
<td>Work Days</td>
<td>Before</td>
<td>Period End Date</td>
</tr>
<tr>
<td>Date Paid</td>
<td>0</td>
<td>Work Days</td>
<td>Before</td>
<td>Period End Date</td>
</tr>
</tbody>
</table>
### Field and Value Table

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Date</td>
<td>Yes</td>
</tr>
<tr>
<td>Cutoff Date</td>
<td>6/25/12</td>
</tr>
<tr>
<td>Date Earned</td>
<td>6/28/12</td>
</tr>
<tr>
<td>Payroll Run Date</td>
<td>6/28/12</td>
</tr>
<tr>
<td>Date Paid</td>
<td>6/28/12</td>
</tr>
<tr>
<td>Payslip Availability Date</td>
<td>6/28/12</td>
</tr>
<tr>
<td>Planned Submission Date</td>
<td>6/26/12</td>
</tr>
</tbody>
</table>

#### Table: Payroll Calendar Adjustments

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

#### Steps

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

10. Click **Next**.

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

#### Related Topics

- Payment Methods and Payroll Definitions: How They Work Together

#### Time Card Required Option: Critical Choices

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

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

#### Selecting the Time Card Required Option

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

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

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

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

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

## Time Definitions

### Using Time Definitions for Severance Pay: Example

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

**Scenario**

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

**Element Duration Dates**

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

**Analysis**

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

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

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

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

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

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

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

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

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

1. Using the Manage Payroll Relationship task, search for and select the terminated employee.
2. In the Payroll Details area, select the assignment.
3. In the Element Duration Dates area, in the row for the Last Earnings or Severance Date time definition, change the End Date value to the desired final entry date for payments.

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

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

**Related Topics**

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

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

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

Scenario

Your organization works on a 10 hour a day, four day a week rotating schedule. The employees work for four consecutive days, 10 hours a day.
User-Defined Table Components
These are the main components of the user-defined table.

- Basic details
- Columns
- Rows
- Values

Analysis
As this figure shows, the user-defined table contains the schedules available in your organization.

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

<table>
<thead>
<tr>
<th>Component</th>
<th>In This Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Details</td>
<td>The Unit of measure is a text since the row values are Days of the Week.</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>
<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>
Example to Create a User-Defined Table for a Range of Row Values

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

Scenario

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

User-Defined Table Components

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

- Basic details
- Columns
- Rows
- Values

Analysis

As this image shows, the user-defined table contains stock option allocations by job category and years of service.
Resulting User-Defined Table Components
This table shows the resulting user-defined table components for this scenario.

<table>
<thead>
<tr>
<th>Component</th>
<th>In This Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Details</td>
<td>The unit of measure is a number since the row values are years. The row title is Years of Service.</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
```

Diagnostic Reports

Diagnostic Tests

Use the following tests to diagnose a variety of issues including payroll employment setup issues. You must have an application implementation consultant job role to access the diagnostic dashboard.

⚠️ Note: The tests use JavaScript and require that you use a JavaScript-enabled browser to run them.

To run the diagnostic tests:

1. Sign in with an application implementation consultant job role.
2. Go to the Diagnostic Dashboard.
   From Settings and Actions, choose Run Diagnostic Tests.
   For example, enter Payroll in Test Field Name.
4. Choose the test you want to run.
5. View the results of the test in the browser.

You can also search for and run other types of diagnostic tests such as benefits or HR.

Affordable Care Act Tests

Person Benefit Diagnostic Report

This test uses the following parameters:

- Person ID
  To run the report for a single person, enter the person ID, otherwise enter 0 to report on all employees.
- Effective date
It displays details about the following:

- **Person**
  The full name of the employee
- **Address**
  The employee's home address
- **Assignment**
  The current work assignments
- **Benefits relationship**
  The current benefits relationships
- **Periods of service**
  The periods covered by benefits
- **Potential life events**
  List of life events for the combination of the life event name, life event occurred date, and benefit relationship.
- **Life events**
  These events include birth, death, adoption, marriage, divorce.
- **Enrolled program**
  The benefits program name
- **Enrollment result date**
  The enrollment date that the employee enrolled for benefits or the date they were given the benefits.
- **Enrollment result amount**
  Lists the rate name, element entry ID, rate value, annual value, benefit relationship ID, and other items related to the amount of the enrollment.
- **Dependent enrollment**
  The benefits enrollment for the employees or dependents
- **Beneficiary enrollment**
  The benefits enrollment for the employee's beneficiary.
- **Action items for suspended enrollments and interim details**
  The list of outstanding action items for an enrollment including the due dates.
- **Payroll**
  Lists the elements related to payroll including the program, plan, element ID, element name, and value.

**Calculation Card Tests**

**US Payroll Person Calculation Card Diagnostics**
This test uses the following parameters:

- Developer Mode
- person_number

It provides diagnostic information related to a person’s calculation card. This applies to any personal calculation card, including their Tax Withholding card, Involuntary Deductions card, and Employee Earnings Distribution card.

The result of running the test is a series of tables that identify the type of information and the source table name. The following table lists the available information for this test.

<table>
<thead>
<tr>
<th>Details</th>
<th>Source Table Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll relationship details</td>
<td>PAY_PAY_RELATIONSHIPS_DN</td>
</tr>
<tr>
<td></td>
<td>PAY_PAY_RELATIONSHIPS_F</td>
</tr>
<tr>
<td>Payroll relationship group details</td>
<td>PAY_REL_GROUPS_DN</td>
</tr>
<tr>
<td>Assigned payrolls</td>
<td>PAY_ASSIGNED_PAYROLLS_DN</td>
</tr>
<tr>
<td>Calculation card details</td>
<td>PAY_DIR_CARDS_F</td>
</tr>
<tr>
<td>Calculation card components details</td>
<td>PAY_DIR_CARD_COMPONENTS_F</td>
</tr>
<tr>
<td>Calculation card components flexfield details</td>
<td>PAY_DIR_COMP_DETAILS_F</td>
</tr>
<tr>
<td>Calculation card flexible relationships</td>
<td>PAY_DIR_CARD_COMP_DEFS_F</td>
</tr>
<tr>
<td>Calculation card value definitions and range items</td>
<td>PAY_DIR_REP_CARDS_F</td>
</tr>
<tr>
<td>Reporting card details</td>
<td>PAY_DIR_REP_CARD USAGES_F</td>
</tr>
<tr>
<td>Reporting card usage information</td>
<td>PAY_DIR_REP_CARD USAGES_F</td>
</tr>
<tr>
<td>Pay element entries details</td>
<td>PAY_ELEMENT_ENTRIES_F</td>
</tr>
<tr>
<td>Pay element entry values</td>
<td>PAY_ELEMENT_ENTRY_VALUES_F</td>
</tr>
<tr>
<td>Pay entry usages</td>
<td>PAY_ENTRY_USAGES</td>
</tr>
<tr>
<td>Pay dates information</td>
<td>PAY_DATES</td>
</tr>
<tr>
<td>Pay time definition details</td>
<td>PAY_TIME_DEFINITIONS</td>
</tr>
</tbody>
</table>
US Payroll Tax Card Component Validation

This test uses the Developer Mode parameter and checks whether employees have the tax card setup correctly.

This test produces a list of employees. If the list has no entries, all employees have a Tax Withholding card. Otherwise, the output lists the name and payroll relationship number for each employee that meets the following criteria.

- US Employees who do not have a tax card
- US Employees with tax cards but no associations listed
- Employees with multiple associations created for the same payroll assignment, possibly in multiple tax cards
- Employees with duplicate tax cards
- Multiple tax reporting units (TRUs) with the same assignment

US Payroll Tax Card Validation

This test uses the Developer Mode parameter and checks whether employees have the tax card component setup correctly.

The results list:

- Employees with a Pennsylvania presence that do not have PA regional component
- Employees that have a PA component, but the component details are incorrect
- US Employees with a tax card where the SUI state is missing
- US Employees with a tax card that lists Federal components, such as Medicare or unemployment insurance, but the corresponding component detail records are missing
- US Employees whose effective work address does not match the tax card primary address for state unemployment insurance or state disability insurance
- Employees that have damaged tax card associations

Earnings Validations

US Payroll Elements Setup Validation

This test uses the Developer Mode parameter and checks whether elements under payroll are set up correctly.

The results list:

- Standard Earnings elements that are not feeding the FLSA Earning balances
- Standard Earnings premium elements that are incorrectly marked as Process Separate

Geocode Maintenance

US HR and Payroll Geography Loader Details Test

This test uses the Developer Mode parameter and checks the geography loader audit information.

The results list:

- How many times the loader ran
- The count of rows in the hz_geographies table
  This entry tells you the number of geographies loaded.
US HR and Payroll Geography Diagnostics Details
This test uses the following parameters:

- Developer mode
- State name
- County name
- City name
- ZIP Code

It checks the geography details based on the given parameters.

The results list a table of entries that match the parameters:

- Geographies that match the given parameters
- The ZIP Code for the required state and county parameters

US HR and Payroll Geography Setup and Health Check Report
This test uses the Developer Mode parameter and checks the HR and payroll geography configuration details.

The results list:

- Payroll license of the customer
- Duplicate cities in the geography data
- Duplicate counties in the geography data
- Duplicate states in the geography data
- Checks that the geography hierarchy is properly defined
  
  The US hierarchy is country, state, country, city, and ZIP Code.

US HR and Payroll Geography Type Validity
This test uses the following parameters:

- Developer mode
• Geography type (such as city)
• Geography value (such as a city name)

It requires one of the following: a city, county, state, or ZIP Code. It lists the geography information for the selected parameter.

The results list:
• Geography identifier and city values
• Geography ID and country
• Customer state
• Customer county

Involuntary Deductions Validations

Involuntary Deductions Card Validation

This test uses the Developer Mode parameter and checks employees with involuntary deduction setup issues.

It checks the following details:
• Employees with the same values for order amount payee and external processing fee payee
• Employees with the same reference number for child and spousal support card components
• Employees having only an additional order amount override
• Employees having duplicate override entries in card components

US e-IWO HDL Loader Diagnostic Details

This test uses the following parameters:
• Developer Mode
• Inbound File Name
• Start Date
• End Date

This test checks the e-IWO data integrity information after HCM Data Loader process.

It provides details about the following e-IWO items:
• Order information
  Lists data related to the involuntary order
• Amount information
  Lists the amounts for the involuntary order
• Process information
  Lists information related to the inbound load process
• e-IWO deduction card information
  Lists the processes loaded to the involuntary deduction card
US e-IWO Process Diagnostic Details

This test uses the following parameters:

- Developer Mode
- Inbound File Name
- Start Date
- End Date

This test provides the following diagnostic details of the e-IWO process:

- Acknowledged orders with a status of failed or undefined
- Transferred orders with a status of failed or undefined
- Employer-initiated orders with a last payment amount of undefined
- Invalid orders without a primary error code
- Invalid orders due to inconsistent frequency codes (error code X)
- Invalid orders due to inconsistent obligation amounts (error code X)
- Valid orders that did not transfer after the specified number of days.
  
  This test checks for orders that were not transferred within number of days specified by the involuntary order. It specifies within how many days to start withholding after the income withholding start date.

- Valid orders that were not acknowledged after 15 days
- Employee-initiated orders that were not acknowledged after 15 days
- Order issuing state is not the same as work state

US e-IWO UDT Configuration Diagnostic Details

This test uses the Developer Mode parameter and checks the e-IWO data configuration information in the user-defined table. It checks the following details:

- Spousal or child support element name missing
- Order amount payee name missing
- Primary federal EIN missing or multiple federal EIN values
- Different value set with multiple LDGs.

Load Payroll Tax Information Tests

US Payroll JIT Validation

This test uses the Developer Mode parameter and provides the JIT configuration details. These items are loaded as part of the monthly job you run to update the data from Vertex.

The results list:

- JIT file version
- Value definitions
  
  For example, state tax, federal tax, county tax, and city tax. This table includes a count of each type of value.
• Lists the range items and provides the number of each one
• Lists the calculation units and provides the number of each one
• Number of active school districts
• Number of active PSD codes
• Number of townships
• Lists the full name, ID, payroll relationship number, start date, school district and PSD details for each employee who has a Pennsylvania Residency Certification card.
• Lists the person details of employees who have Pennsylvania Residency Certification cards that list invalid school districts or PSD details

Payroll Batch Loader Tests

US Payroll Batch Diagnostics

This test uses the following parameters:

• Developer Mode
• Batch name
• Payroll relationship number

It provides diagnostic data on batch loader runs, including batch name, task, header details, and payroll relationship number.

Pennsylvania Act 32 Checks

US Payroll JIT Diagnostics

This test about Jurisdiction Interaction Treatment (JIT), uses the following parameters:

• Developer Mode
• person_number

This test provides the JIT-related school district and Political Subdivision (PSD) details related to a given person number. It checks for an employee with a Pennsylvania Residency Certification card and validates those details.

US Payroll JIT PSD CODE Diagnostics

This test uses the following parameters:

• Developer Mode
• psd_code

This test provides the JIT-related school district and Political Subdivision (PSD) details related to a given PSD code and validates those details.

Workforce Record Diagnostics

US Payroll Person Diagnostics

This test uses the following parameters:

• Developer Mode
This test provides diagnostic data related to a given person number, including their full employment history and all changes made to their employment data.

The result of running the test is a series of tables that identify the type of information and the source table name. The following table lists the available information for this test.

<table>
<thead>
<tr>
<th>Details</th>
<th>Source Table Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Person ID, email address, phone number, and other details</td>
<td>PER_ALL_PEOPLE_F</td>
</tr>
<tr>
<td>Date of birth</td>
<td>PER_PERSONS</td>
</tr>
<tr>
<td>Legislative information</td>
<td>PER_PEOPLE_LEGISLATIVE_F</td>
</tr>
<tr>
<td>Working relationships</td>
<td>PER_PERIODS_OF_SERVICE</td>
</tr>
<tr>
<td>Payroll relationships</td>
<td>PAY_PAY_RELATIONSHIPS_DN</td>
</tr>
<tr>
<td>Assignment details</td>
<td>PER_ALL_ASSIGNMENTS_M</td>
</tr>
<tr>
<td>Location details</td>
<td>HR_LOCATIONS_ALL_F</td>
</tr>
<tr>
<td>Location address details</td>
<td>PER_LOC_ADDRESS_USAGES_F</td>
</tr>
<tr>
<td>Address details</td>
<td>PER_PERSON_ADDR_USAGES_F</td>
</tr>
<tr>
<td>Legal employers</td>
<td>PERLEGALEMPLOYERS</td>
</tr>
<tr>
<td>Payroll statutory units</td>
<td>PER_PAYROLL_STATUTORY_UNITS</td>
</tr>
<tr>
<td>Tax reporting units</td>
<td>PER_TAX_REPORTING_UNITS</td>
</tr>
</tbody>
</table>

**Workforce Structure Tests**

**US Federal Tax Registration Check for TRUs**

This test uses the legislative data group (LDG) as a parameter. It displays the list of TRUs that do not have the United States Federal Tax registration.
9 Setting Up Fast Formulas

Using Formulas

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

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

Calculate Payrolls

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

With fast formulas you can:

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

Validate Element Inputs or User-Defined Tables

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

For more complex validations you can write a formula to check the entry. You can also use a formula to validate entries in user tables.

Edit the Rules for Populating Work Relationship or Payroll Relationship Groups

You can define criteria to dynamically populate a payroll relationship group or work relationship group.

When you create a payroll relationship group or work relationship group formula type, you can choose to use an expression editor or a text editor. The expression editor makes it easy to build criteria to define the group. For more complex conditions, such as validations, you can select the text editor.
Example of Writing a Fast Formula Using Formula Text

This example demonstrates how to create a fast formula using the text editor to return the range of scheduled hours for managers and a different range for other workers.

Before you create your formula, you may want to determine the following:

<table>
<thead>
<tr>
<th>Decisions to Consider</th>
<th>In This Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is the formula for a specific legislative data group?</td>
<td>No, this is a global formula that can be used by any legislative data group.</td>
</tr>
<tr>
<td>What is the formula type for this formula?</td>
<td>Range of Scheduled Hours</td>
</tr>
<tr>
<td>Are there any contexts used in this formula?</td>
<td>No</td>
</tr>
<tr>
<td>Are there any database item defaults?</td>
<td>Yes, ASG_JOB</td>
</tr>
<tr>
<td>Are there any input value defaults?</td>
<td>No</td>
</tr>
<tr>
<td>What are the return values?</td>
<td>MIN_HOURS, MAX_HOURS, FREQUENCY</td>
</tr>
</tbody>
</table>

Creating a Fast Formula Using the Text Editor to Determine a Manager's Scheduled Hours

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

2. Click Go to Task.

3. On the Manage Fast Formula page, click the Create icon to create a new formula.

4. On the Create Fast Formula page, complete the fields as shown in this table.

<table>
<thead>
<tr>
<th>Fields for the Fast Formula</th>
<th>Values for the Fast Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formula Name</td>
<td>Manager Range of Scheduled Hours</td>
</tr>
<tr>
<td>Formula Type</td>
<td>Range of Scheduled Hours</td>
</tr>
<tr>
<td>Description</td>
<td>Manager's Range of Hours</td>
</tr>
<tr>
<td>Effective Start Date</td>
<td>1-Jan-2010</td>
</tr>
</tbody>
</table>

5. Click Continue.
6. Enter the following formula details in the Formula Text section:

```
/* DATABASE ITEM DEFAULTS BEGIN */
DEFAULT FOR asg_job IS ' '  
/* DATABASE ITEM DEFAULTS END */
JOB_1 = ASG_JOB
IF JOB_1 = 'Manager' then
    (MIN_HOURS = 25
     MAX_HOURS = 40
     FREQUENCY = 'H')
else
    (MIN_HOURS = 20
     MAX_HOURS = 35
     FREQUENCY = 'H')
return MIN_HOURS, MAX_HOURS, FREQUENCY
```

7. Click **Compile**.

8. Click **Save**.

Related Topics

- Overview of Using Formula Components
- Formula Operators

Example of Writing a Fast Formula Using Expression Editor

This example demonstrates how to create a fast formula that groups executive workers for reporting and processing. All executive workers are in department EXECT_10000. Once the formula is created, it will be added to the object group parameters so that only those workers in department EXECT_10000 are used in processing.

Before you create your formula, you may want to determine the following:

<table>
<thead>
<tr>
<th>Decisions to Consider</th>
<th>In This Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is the formula for a specific legislative data group?</td>
<td>Yes, InVision</td>
</tr>
<tr>
<td>What is the formula type for this formula?</td>
<td>Payroll Relationship Group</td>
</tr>
</tbody>
</table>

Creating a Fast Formula Using the Expression Editor

1. On the Payroll Calculation Tasks page, click **Manage Fast Formulas** to open the Manage Fast Formulas page.
2. On the Manage Fast Formula page, click the **Create** icon to create a new formula.
3. On the Create Fast Formula page, complete the fields as shown in this table.

<table>
<thead>
<tr>
<th>Fields for Fast Formula</th>
<th>Values for Fast Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formula Name</td>
<td>Executive Payroll Relationship Group</td>
</tr>
<tr>
<td>Type</td>
<td>Payroll Relationship Group</td>
</tr>
<tr>
<td>Description</td>
<td>Executive Workers</td>
</tr>
<tr>
<td>Legislative Data Group</td>
<td>Vision LDG</td>
</tr>
</tbody>
</table>
### Fields for Fast Formula and Values for Fast Formula

<table>
<thead>
<tr>
<th>Effective As-of Date</th>
<th>1-Jan-2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of Editor</td>
<td>Expression Builder</td>
</tr>
</tbody>
</table>

**Note:** For more complex conditions to create a group, you can select Text. However, once you save the formula, you can’t change the type of editor.

4. Click **Continue**.
5. In the Formula Details section, click **Add After** to add a row to enter the fields in this table.

<table>
<thead>
<tr>
<th>Conjunction</th>
<th>Database Item Name</th>
<th>Data Type</th>
<th>Operand</th>
<th>Literal Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>None applicable</td>
<td>DEPARTMENT</td>
<td>Character</td>
<td>=</td>
<td>‘EXECT_10000’</td>
</tr>
<tr>
<td>And</td>
<td>SELECT_EMP</td>
<td>Character</td>
<td>=</td>
<td>‘YES’</td>
</tr>
</tbody>
</table>

6. Click **Compile**.
7. Click **Save**.

**Related Topics**
- Formula Operators

### Formula Errors

#### Types of Formula Compilation Errors

Compilation errors display in the Manage Fast Formulas page after you compile the formula. The compiler aborts the compilation process when it encounters an error. Error messages display the line number and type of error encountered.

#### Common Compilation Errors

This table lists the type and description of several common formula compilation errors.

<table>
<thead>
<tr>
<th>Formula Error Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Syntax Error</td>
<td>The formula text violates the grammatical rules for the formula language. An example is using IF1 instead of IF for an IF statement.</td>
</tr>
<tr>
<td>Incorrect Statement Order</td>
<td>ALIAS, DEFAULT, or INPUT statements come after other statements.</td>
</tr>
<tr>
<td>Misuse of ASSIGNMENT Statement</td>
<td>Occurs when any of these conditions exist:</td>
</tr>
<tr>
<td></td>
<td>- An <strong>ASSIGNMENT</strong> assigns a value to a database item.</td>
</tr>
</tbody>
</table>
### Formula Error Type

<table>
<thead>
<tr>
<th>Formula Error Type</th>
<th>Description</th>
</tr>
</thead>
</table>
| • A context is assigned a value externally to a `CHANGECONTEXTS` statement.  
  • The formula assigns a value to a non-context variable within a `CHANGECONTEXTS` statement. |

CHANGECONTEXTS statements can be used in a formula.

<table>
<thead>
<tr>
<th>Misuse of ALIAS Statement</th>
<th>You can only use an ALIAS statement for a database item.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Missing DEFAULT Statement</td>
<td>A database item that specifies defaulting must have a DEFAULT statement.</td>
</tr>
<tr>
<td>Misuse of DEFAULT Statement</td>
<td>A DEFAULT statement is specified for a variable other than an input or 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. For example, balance database items require the <code>PAYROLL_REL_ACTION_ID</code> <code>PAYROLL_ASSIGNMENT_ID</code> and <code>CALC_BREAKDOWN_ID</code> contexts. Generally you can only use them in formulas of type Oracle Payroll.</td>
</tr>
<tr>
<td>Missing Function Call</td>
<td>The compiler does not recognize a function call. The combination of return type, function name, and parameter types does not 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 GETCONTEXT 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.
### Formula Error Type

<table>
<thead>
<tr>
<th>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>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>Value Exceeded Allowable Range</td>
<td>Raised for a variety of reasons, such as exceeding the maximum allowable length of a string.</td>
</tr>
<tr>
<td>Invalid Number</td>
<td>Raised when a formula attempts to convert a nonnumeric string to a number.</td>
</tr>
<tr>
<td>User Defined Function Error</td>
<td>Raised from within a formula function. The error message text is provided as part of the formula error message.</td>
</tr>
<tr>
<td>External Function Call Error</td>
<td>A formula function returned an error, but didn’t provide any additional information to the formula code. The function might have sent error information to the logging destination for the executing code.</td>
</tr>
<tr>
<td>Function Returned NULL Value</td>
<td>A formula function returned a NULL value.</td>
</tr>
<tr>
<td>Too Many Iterations</td>
<td>A single WHILE loop, or a combination of WHILE loops, has exceeded the maximum number of permitted iterations. The error is raised to terminate loops that can never end. This indicates a programming error within the formula.</td>
</tr>
<tr>
<td>Array Data Value Not Set</td>
<td>The formula attempted to access an array index that has no data value. This error occurs in the formula code.</td>
</tr>
<tr>
<td>Invalid Type Parameter for WSA_EXISTS</td>
<td>An invalid data type was specified in the WSA_EXISTS call.</td>
</tr>
<tr>
<td>Incorrect Data Type For Stored Item</td>
<td>When retrieving an item using WSA_GET, the actual data type doesn’t match that of the stored item. This error occurs within the calling formula.</td>
</tr>
</tbody>
</table>
### Formula Error Types

<table>
<thead>
<tr>
<th>Formula Error Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<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>
<tr>
<td>Too Many Formula Calls</td>
<td>When a formula calls another formula in its text so it becomes a hierarchy. The maximum depth of the hierarchy is 10.</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 Setting Up Balances

Balance Definitions

Payroll Balance Definitions

Payroll balances show the accumulation of values over a period of time. Payroll processes, such as Calculate Payroll and Calculate Gross Earnings, update the balance values. The values can be an amount, hours, or any other numeric value. You manage balance definitions in the Payroll Calculation work area.

Most of the balances you require are predefined, and depending on your country extension, the application creates additional balances automatically when you create elements. You can edit the definition of these generated balances, or create additional balances for calculations or reporting.

Important aspects of balance definitions are:

- Balance Categories
- Balance Dimensions
- Balance Feeds
- Balance Groups
- Units of Measure
- Generated Balances and Database Items
- Base Balances
- Remuneration

Balance Categories

When creating a new balance in the implementation phase, you must associate it to one of the predefined categories.

Units of Measure

The predefined units of measure available for selection are Day, Hour (with different combinations of minutes and seconds), Integer, Money, and Number. The unit of measure of the balance must match the unit of measure of the element input values that feed it.

Generated Balances and Database Items

The element template creates a primary feed to a new balance when you create:

- An earnings element in a legislative data group that uses the Payroll Interface country extension
- Any element in a legislative data group that uses the Payroll country extension

You select the type of configuration on the Manage Features by Country or Territory page.

The element template also creates a database item for each balance dimension. You can use the database items in your formulas or HCM extracts to use the value of a balance.
Base Balances
You can specify a base balance when there is a dependent relationship between balances for processing and reporting. For example, Loan Repayment could be the base balance for Loan Repayment Arrears.

Remuneration
Only one balance in each legislative data group is predefined as the remuneration balance. This balance generates payments for employees. For example, the remuneration balance might be Net Pay. This calculated balance is the sum of standard earnings and supplemental earnings minus all the deductions calculated for the run.

Balance Types and Balance Dimensions
A balance is composed of a balance type and a balance dimension. You select a state to view the balances for a state. If an employee has balances for multiple states, and you do not select a state, all state balances are displayed.

Understanding balances consists of:

- Tax balances
- Element balances
- Balance dimensions

For further information, see Oracle Fusion Human Capital Management for United States: Balance Adjustments (1600728.1) on My Oracle Support.

Tax Balances
Tax balances display the Current, Month-to-Date, Quarter-to-Date, and Year-to-Date values at the payroll relationship, payroll statutory unit (PSU), tax reporting unit (TRU), and assignment levels. View the following balances on the View Person Process Results page for an employee:

- Federal balances
- State balances
- Both employee or employer balances

The default values displayed are employee values.

Element Balances
Element balances display Current, Month-to-Date, Quarter-to-Date, and Year-to-Date values at the payroll relationship, PSU, TRU, or assignment levels. You can view the balances on the View Person Process Results page by the following:

- Select the classification of the elements for which you want to view the balances.
  - If you do not select a classification, balances for all element classifications are displayed.
- Select a state to view the balances for a state.

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, such as TRU, state, element, or payroll
  This is required for some balances.

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 TRU from the beginning of the calendar year-to-date.

Apart from the global dimensions, there are numerous predefined US balance dimensions. Find them at the federal, state, county, school district, and city levels. For further information, see the Manage Balance Definitions task in the Payroll Calculations work area.

Related Topics
• Oracle Fusion Human Capital Management for United States: Balance Adjustments

Balance Categories

Each balance definition has a predefined balance category for quicker processing. Balance categories are a way of grouping balances so you can set group attributes. Balance categories are predefined. While you cannot modify these categories, you can create localized versions of them as needed.

The following are the predefined balance categories:

• Absence Accruals
• Absences
• Days
• Employee Tax Credits
• Employee Tax Deductions
• Employee Tax Wages
• Employer Liabilities
• Employer Tax Wages
• Employer Taxes
• Hours
• Imputed Earnings
• Information
• Involuntary Deductions
• Miscellaneous
• Nonpayroll Payment
• Other Units
• Pretax Deductions
• Standard Earnings
• Supplemental Earnings
• Total Absences
• Total Deductions
• Total Employee Tax Deductions
• Total Employer Liabilities
• Total Employer Taxes
• Total Imputed Earnings
• Total Involuntary Deductions
• Total Nonpayroll Payment
• Total Payments
• Total Pretax Deductions
• Total Standard Earnings
• Total Supplemental Earnings
• Total Voluntary Deductions
• Voluntary Deductions

Balance Contexts

Balance contexts are entities that require values for a particular balance value. You use them to restrict the run results included in a balance value. Some balance dimensions also use contexts. All balance contexts are predefined.

For example, the **Regular Earnings Core Relationship Tax Unit Area1 Year to Date** balance is an association of the **Regular Earnings** balance type with the **Payroll Relationship Tax Unit Area1 Year to Date** balance dimension. The contexts associated with this dimension are:

• Payroll Relationship
  
  **PAYROLL_RELATIONSHIP_ID**

• Tax Unit
  
  **TAX_UNIT_ID**

• State
  
  **AREA1**

When performing balance adjustments, you don’t necessarily need to enter input values, but entry of certain context values may be required to perform the adjustment correctly. If you leave the context values blank, the adjustment may not be associated to the correct context.

For example, if the adjustment is related to the state of California, you must identify the state in the **State** context field. If you leave the **State** context input value blank, the context is undefined, and the process would not adjust the value for California.

Balance Feeds

Balance feeds define the source of the payroll calculation results that contribute to a balance.

You can define payroll balance feeds in the following ways.
### How you can define them

<table>
<thead>
<tr>
<th>How you can define them</th>
<th>What they do</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance feeds by element</td>
<td>During element definition, the task automatically establishes a feed to the element’s balance. If you want to feed this element to other balances, use the Manage Balance Definitions task to configure them. For each balance feed you manually create, all input values must use the same unit of measure. For example, do not mix money and hours in the same balance feed.</td>
</tr>
</tbody>
</table>
| Balance feeds by classification | You can establish balance feeds from:  
- Primary element classifications  
- Secondary element classifications  
- Subclassifications  

These feeds use the input value that has the special purpose set to **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 use any of its child secondary classifications or subclassifications as feeds. 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 further information, see the Oracle Cloud Human Capital Management for United States: Balance Initialization white paper (1912298.1) on My Oracle Support. |
| Balance feeds for year-end processing | Before you start the end-of-year processing, you must review the balances required for year-end reporting to generate the year-end forms. If required, perform balance adjustments and configure balance feeds. You must manually configure feeds for some of the balances reported on the year-end forms.  

For further information, see the Oracle Cloud Human Capital Management for United States: End-of-Year Processing white paper (1944400.1) on My Oracle Support. |

### Related Topics

- Oracle Cloud Human Capital Management for United States: Balance Initialization white paper
- Oracle Cloud Human Capital Management for United States: End-of-Year Processing white paper

### Balances in Net-to-Gross Calculations: Points to Consider

You determine which deduction balances the net-to-gross process uses to calculate the gross amount from the desired net amount for an earnings element. You set the default values through the Manage Balance Definitions task. You can also fine-tune which of the enabled balances are included for a specific net-to-gross earnings element.
Enabling Inclusion in Net-to-Gross Calculations
The Manage Balance Definitions task shows which dimensions are enabled for inclusion in net-to-gross calculations. It also shows which of the enabled dimensions are included by default for each new net-to-gross earnings element.

Excluding Balances from a Specific Net-to-Gross Earnings Element
If a balance is enabled but not included, you can still use it in the processing of a specific net-to-gross earnings element. To do so, you add the balance using the Manage Elements task. You can also use this task to exclude balances that are included by default.

Related Topics
- Net-to-Gross Earnings: How They’re Calculated
- Creating a Net-to-Gross Earnings Element: Worked Example

Generating Run Balances: 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>
Using Generating Run Balances Examples

There are different ways you can use generate run balances to improve performance and accuracy in your payroll system.

- Updating a balance feed effective date

  Your enterprise stops the transportation allowance element as of January 1. This ends the balance feeds between the element input value and the related balances, such as gross-to-net. It also sets the status of the balance values for completed payroll runs to invalid. You submit the Generate Run Balance process to recalculate the balance values and set the status to valid.

- Adding a new balance feed

  You receive notification January 31 that a non-taxable earning became taxable as of January 1. You add a balance feed to the earnings element so that the input value feeds a taxable pay balance. You submit the Generate Run Balances process and recalculate the balance values for the taxable pay balance.

Balance Groups and Usages

Balance Group Usages

For predefined balance group usages, you can add matrix items to the group and associate them with existing balance groups for use in reports, archives, and views. While you can’t modify existing usages that are predefined, you can modify matrix items that are user-defined.

You can include balance dimensions for multiple time periods in your balance group usage, such as the current payroll run, month-to-date, or year-to-date.

Balance group usages make it easier to display balance values. You select the usage associated with the balance group. Additionally, you can sequence balances using balance group usages to display in a certain sequence, which may not necessarily be a standard sort sequence.

The applicable balance group usages are:

- Deductions
- Element Results
- End-of-Year Archive
- Payroll Activity Report
Here is a list of the predefined report types and the different kinds of balance dimensions they use.

Note: The report type is the owner of the balance group usage. A usage can have only one report type.

<table>
<thead>
<tr>
<th>Report Type</th>
<th>Balance Dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Archive</td>
<td>Archive of current and year-to-date 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>Nonpayroll payment 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>

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>
</tbody>
</table>
### Action | Predefined Balance Group | User-Defined Balance Group
---|---|---
Edit balance group | No | Yes
Delete balance group | No | Yes
Add balance definitions | No, unless the Add button in the table menu is enabled | Yes
Remove balance definitions | No, unless the balance definitions are added by the user. | Yes
Add restrictions | No | Yes
Edit restrictions | No | No
Delete restrictions | No | Yes
Edit the balance group level | No | Yes, if the group contains no balance definitions, default inclusions or dimension restrictions.
Add default inclusions | No, unless the Add button in the table menu is enabled | Yes
Edit default inclusions | No | Yes
Delete default inclusions | No | Yes

### 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.
**Field** | **Value**
---|---
Legislative data group | Enter the same LDG as the balance group for which you are creating the usage.
Name | Employee voluntary deduction run balances
Balance Group | The group you created in the previous task
Format Type | 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**

**Balance Exceptions: Examples**

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.
Tracking 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.*

Tracking 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>
<tr>
<td>Balance Name</td>
<td>Gross Earnings</td>
</tr>
</tbody>
</table>
### Field Values

<table>
<thead>
<tr>
<th>Field</th>
<th>Values</th>
</tr>
</thead>
<tbody>
<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.

---

## 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, if you select Average in months as the comparison type and enter 3 in the Comparison Value field, 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>
<tr>
<td>Current quarter</td>
<td>Compares values to the total for the current quarter to date. Doesn’t use any previous period as a basis for comparison.</td>
</tr>
</tbody>
</table>
Comparison Type | How it Operates as a Basis of 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 that follows 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 the following 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>
<tr>
<td><strong>Note:</strong> This operator applies only for comparison types of ‘Previous’, like Previous Months or Previous Period, as well as ‘Average in Months’.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than</td>
<td>All relationships that 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 of less than 400.</td>
</tr>
<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>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>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>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**

**Creating a Balance Exception Report: Worked Example**

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.

**Creating 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>
<tr>
<td></td>
<td>For comparison types that begin with Previous, the application enters 1 as the default value and makes it read only.</td>
</tr>
<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>

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

5. Click **Submit**.

### Creating 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**.
Running 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:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Flow</td>
<td>InFusion Weekly Balance Report</td>
</tr>
<tr>
<td>Process End Date</td>
<td>9/7/12</td>
</tr>
<tr>
<td>Balance Exception Report</td>
<td>Compare Net Payment Amounts to the Previous Period</td>
</tr>
<tr>
<td>Payroll</td>
<td>InFusion Weekly</td>
</tr>
</tbody>
</table>

5. Click **Next**.

When you enter information on the Submit a Process or Report - Flow Interaction page, select Current Flow as the payroll flow and Run Balance Exception Report as the task to ensure the report uses the payroll balances results for the current payroll flow.

6. Click **Next**.
7. Click **Submit**.
8. Click **OK and View Checklist**.
9. In the task list click **Go to Task** for the Run Balance Exception Report.
10. Click the **View Results** link associated with the process number for the report.
11. When the View results page opens, click the report link. The output is in PDF format.

FAQs for Balances

Can I calculate balances that go back 12 months?

Yes. You can use certain balance dimensions to calculate balances based on a 12-month period rolling back from the effective date. The 12-month rolling balance provides a sum total for the balance dimension that you select.

If the balance dimension is used in a payroll run or report, however, it calculates a balance based on the 12-month period prior to the effective date of the run.

For example, let’s say you wanted to retrieve balances for an employee for 12 months. If the effective date is 31-AUG-2015, you can then use a balance dimension to summarize all run results for the period from 01-SEP-2014 to 31-AUG-2015.
What balance dimensions can I use to calculate balances for a 12-month roll back period?

You can use these balance dimensions to calculate balances for a 12-month roll back period:

This table lists the available balance dimension types and balance dimensions.

<table>
<thead>
<tr>
<th>Balance Dimension Type</th>
<th>Balance Dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rolling 12 Month Balance Dimensions</td>
<td>• Relationship Tax Unit Rolling 12 Month</td>
</tr>
<tr>
<td></td>
<td>• Assignment Tax Unit Rolling 12 Month</td>
</tr>
<tr>
<td>Resident City Balance Dimensions</td>
<td>• Term Tax Unit Resident City Month-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Term Tax Unit Resident City Quarter-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Term Tax Unit Resident City Year-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Assignment Tax Unit Resident City Month-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Assignment Tax Unit Resident City Quarter-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Assignment Tax Unit Resident City Year-to-Date</td>
</tr>
<tr>
<td>Statutory Report Code Balance Dimensions</td>
<td>• Relationship Tax Unit Statutory Report Code Run</td>
</tr>
<tr>
<td></td>
<td>• Relationship Tax Unit Statutory Report Code Month-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Relationship Tax Unit Statutory Report Code Quarter-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Relationship Tax Unit Statutory Report Code Year-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Relationship Tax Unit Statutory Report Code Period-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Term Tax Unit Statutory Report Code Run</td>
</tr>
<tr>
<td></td>
<td>• Term Tax Unit Statutory Report Code Month-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Term Tax Unit Statutory Report Code Quarter-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Term Tax Unit Statutory Report Code Year-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Term Tax Unit Statutory Report Code Period-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Assignment Tax Unit Statutory Report Code Run</td>
</tr>
<tr>
<td></td>
<td>• Assignment Tax Unit Statutory Report Code Month-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Assignment Tax Unit Statutory Report Code Quarter-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Assignment Tax Unit Statutory Report Code Year-to-Date</td>
</tr>
<tr>
<td></td>
<td>• Assignment Tax Unit Statutory Report Code Period-to-Date</td>
</tr>
</tbody>
</table>
Chapter 11
Setting Up Pay Calculation Components

Calculation Information

Payroll Calculation Information

When you create an element, the Manage Elements task generates the rules and definitions required to calculate an earnings or deduction amount.

These rules and definitions exist within the following components:

- Elements
- Payroll components
- Wage basis rules
- Calculation factors
- Calculation value definitions
- Calculation components

The following figure shows the relationship between those components held at the legislative data group level and those you can enter on a personal calculation card.

Note: You can also create calculation cards for a specific tax reporting unit (TRU) or payroll statutory unit (PSU) to capture information such as an employer’s contribution rate.
Elements

Elements specify how and when an earnings or deduction should be processed. When you create an element, several related elements are typically created with the same name prefix. You can view the related elements and other generated items on the Element Summary page, including:

- Status processing rule
  Specifies the formula that processes the element entries.
- Input values
  Values that can be entered for, or returned from, the calculation.
Use the Manage Elements task to create elements and to view the generated elements and related items. After creating an element:

- You must add eligibility rules
- You may want to add:
  - Input values
  - Status processing rules
  - Frequency rules
  - Subclassifications
  - Balance feeds

For further information, see the Elements for the US: Explained topic in the Help Portal.

**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
- For exemptions, the elements that reduce the amount subject to deduction

For example, wage basis rules could 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 marital status and exemption values for workers.

For further information, see the Wage Basis Rules for the US: Explained topic in the Help Portal.

**Calculation Factors**

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

If tax rates vary based on a factor, such as a person’s filing status, then the 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 Component Group Rules task to view calculation factors defined for a component group.

For further information, see the Calculation Factors: Explained topic in the Help Portal.
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.

For further information, see the Calculation Value Definitions: Explained topic in the Help Portal.

Calculation Components
Calculation components are individual calculations captured on a calculation card. 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.

Related Topics
- Adding Involuntary Deductions to a Calculation Card: Procedure
- Calculation Factors: Explained

Examples of Payroll Calculation Information
The following examples help illustrate how various rules and definitions work together to calculate the following deductions.

- Federal (FIT) and state income taxes (SIT)
- Medicare
- Social Security

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

Income Tax Deductions for Federal and State
You must provide sufficient information for the payroll process to apply the correct SIT and FIT deductions for each employee.
Based on regional values from the employee’s record, the payroll process uses the following to calculate the SIT:

<table>
<thead>
<tr>
<th>What it uses</th>
<th>Where it comes from</th>
</tr>
</thead>
<tbody>
<tr>
<td>Declared allowances</td>
<td>These are defined on the employee tax card.</td>
</tr>
<tr>
<td></td>
<td>For further information, see Tax Withholding Card in the Help Center.</td>
</tr>
<tr>
<td>Marital status, where appropriate</td>
<td>These are defined on the employee tax card.</td>
</tr>
<tr>
<td>Taxable wages</td>
<td>These are determined by your wage basis rules.</td>
</tr>
<tr>
<td></td>
<td>For further information, see the Wage Basis Rules for the US in the Help Center.</td>
</tr>
</tbody>
</table>

To view the wage basis rules the payroll process uses to calculate the FIT and SIT deductions, use the Manage Component Group Rules task from the Payroll Calculations work area.

For example, the following displays some of the values for FIT and California income tax.

<table>
<thead>
<tr>
<th>Primary Classification</th>
<th>Secondary Classification</th>
<th>Federal Taxable</th>
<th>Not Withholdable Federal Taxable</th>
<th>State Taxable</th>
<th>Not Withholdable State Taxable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Earnings</td>
<td>All</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Imputed Earnings</td>
<td>Cash Tips Reported</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic Partner Nondependent</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group Term Life</td>
<td>Y</td>
<td></td>
<td></td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>Moving Expense Nonqualified and Taxable</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Noncash Award</td>
<td>Y</td>
<td></td>
<td></td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>Personal Use of Company Car</td>
<td>Y</td>
<td></td>
<td></td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>Pretax Deductions</td>
<td>Health Savings Account</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Health Savings Account Catch Up</td>
<td></td>
<td></td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>Supplemental Earnings</td>
<td>Awards and Prizes</td>
<td>Y</td>
<td></td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bonus</td>
<td>Y</td>
<td></td>
<td>Y</td>
<td></td>
</tr>
</tbody>
</table>
Medicare Deductions

For Medicare, both the employer and the employee contribute to the tax, but the employee contribution rate varies based on their wages.

The payroll process calculates the deduction by:

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

To view the wage basis rules the payroll process uses to calculate the Medicare tax deductions, use the Manage Component Group Rules task from the Payroll Calculations work area.
Primary Classification | Secondary Classification | Medicare Taxable
--- | --- | ---
Commission | | Y

### Social Security Deductions

For Social Security, both the employer and the employee contribute to the tax.

> **Note:** The Social Security wage limit changes each year.

The payroll process calculates the deduction by:

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

To view the wage basis rules the payroll process uses to calculate the Social Security tax deductions, use the Manage Component Group Rules task from the Payroll Calculations work area.

<table>
<thead>
<tr>
<th>Primary Classification</th>
<th>Secondary Classification</th>
<th>Social Security Taxable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Earnings</td>
<td>All</td>
<td>Y</td>
</tr>
<tr>
<td>Imputed Earnings</td>
<td>All</td>
<td>Y</td>
</tr>
<tr>
<td>Pretax Deductions</td>
<td>Deferred Compensation 401k</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>Deferred Compensation 401k Catch Up</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>Nonqualified Deferred Compensation</td>
<td>Y</td>
</tr>
<tr>
<td>Supplemental Earnings</td>
<td>Awards and Prizes</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>Bonus</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>Commission</td>
<td>Y</td>
</tr>
</tbody>
</table>

### Related Topics

- Calculation Factors: Explained
- Involuntary Deduction Calculation Value Override Details for the US

### Personal Calculation Cards
How Calculation Cards Work Together

Personal payroll calculation cards capture information specific to a particular payroll relationship. Payroll runs use this information to calculate earnings and deductions. Some actions create these cards automatically, such as hiring a person or loading data. Otherwise, you 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.

- What types of calculation cards are there
- How to create calculation cards
- What calculation components can you add
- What calculation values can you add
- How to associate tax reporting units with a card

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

Calculation Card Types

The types of calculation cards you can create and the type of information captured on a card can vary, including:

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

Additional cards are available to capture information for reporting purposes.

<table>
<thead>
<tr>
<th>Card name</th>
<th>What it does</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>It also tracks accrual balances, qualifications, or no entitlements.</td>
</tr>
<tr>
<td></td>
<td>For further information, see Absence Components for the US in the Help Center.</td>
</tr>
<tr>
<td>Benefits and Pensions</td>
<td>Identifies:</td>
</tr>
<tr>
<td></td>
<td>• Contribution amounts</td>
</tr>
<tr>
<td></td>
<td>• Limits</td>
</tr>
<tr>
<td></td>
<td>• Payees</td>
</tr>
<tr>
<td></td>
<td>• Additional contributions</td>
</tr>
<tr>
<td>Employee Earnings Distributions</td>
<td>Identifies earnings distributions for employees who are working in multiple states, counties, and cities under a single assignment and default work location.</td>
</tr>
</tbody>
</table>
### Card name | What it does
--- | ---
Involuntary Deductions | Identifies involuntary deductions for both employee and nonworker (retirees) person types. Each card can support multiple deduction types and configurations. One card per payroll relationship. For further information, see Involuntary Deductions Card for the US in the Help Center.

**Reporting Information** | Stores information required for quarterly and year-end reporting. For further information, see Reporting Information Calculation Card for the US in the Help Center.

**Retiree Reporting Information** | Stores information required for quarterly and year-end reporting for retirees.

**Tax Withholding** | Also known as the Employee Withholding Certificate. Identifies employee information for federal tax forms and regional forms, such as:
- Form 1099-R
- Form W-4

Pennsylvania employees also have the Residency Certificate added to their Tax Withholding card. For further information, see Tax Withholding Card in the Help Center.

**Tax Withholding for Pensions and Annuities** | Identifies retiree information for federal tax forms and regional forms, such as:
- Form 499 R-4.1
- Retiree federal tax card W-4P

**Time** | Depending on how they are configured, time cards capture:
- Hours and dates worked
- Categories of time, such as regular time, overtime, absence, vacation, and holiday
- Billable and nonbillable time
- Project-related time

**Organization** | Organization configuration cards at the following levels:
- Legal Entity Calculation Card at the payroll statutory unit (PSU) level
- Legal Reporting Unit Calculation Card at the TRU level

Use the Manage Legal Entity Calculation Cards and Manage Legal Reporting Unit Calculation Cards tasks to set the following:
- State unemployment insurance (SUI) and state disability insurance (SDI) rates
- Self-adjustment settings
- Overrides to standard rates

For further information, see Configure Organization Calculation Cards for the US in the Help Center.

---
Card Creation

Automatic actions occur in the following cases.

<table>
<thead>
<tr>
<th>When you do this</th>
<th>This happens</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hire or rehire a person</td>
<td>Unless you have specifically disabled this action, new hires or rehires are automatically granted a Tax Withholding card. For further information, see Tax Withholding Card in the Help Center.</td>
</tr>
<tr>
<td>Make changes to an employee’s resident address or work location</td>
<td>The Tax Withholding card is automatically updated with the new address. For further information, see Tax Withholding Card in the Help Center.</td>
</tr>
</tbody>
</table>
| Process valid e-IWO inbound orders                     | • The employee’s Involuntary Deductions card is updated with the new deduction information  
  • The card is created if one does not exist          |
| Record and approve an absence in the Manage Absence Record task for an employee, the task automatically | Creates an Absences calculation card. Automatic creation happens only if the card does not already exist. For further information, see Employee Absence Records for the US in the Help Center. |
| Mass data uploads                                       | If you load absence, time card, or pension data from another application, the application automatically creates the calculation cards. |

For other card types, you create calculation cards as needed for each employee.

Calculation Components and Component Groups

When viewing a card through the Manage Calculation Cards task, the Calculation Card Overview section shows a hierarchy of calculation components within component groups.

For example, on the Involuntary Deductions card, child support, education loan, and alimony are calculation components in the Involuntary Deduction component group.

Each component relates to an element, such as an income tax deduction. Adding a calculation component to the card creates an entry for the related element.

A calculation component may have one or more references that define its context, such as the employee’s place of residence or tax filing status.

Click a row in the Calculation Components table to see its component details. Use the Component Details section to enter additional values used to calculate the component.

The here is a list of the types of cards and a brief description of the calculation components and groups used with each.

<table>
<thead>
<tr>
<th>This card</th>
<th>Uses these calculation components, groups, and details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absences</td>
<td>Absence Entitlement Element: Details</td>
</tr>
<tr>
<td>This card</td>
<td>Uses these calculation components, groups, and details</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>These are the enterable calculation values on <strong>Calculation Cards</strong> tab:</td>
</tr>
<tr>
<td></td>
<td>• Entitlement Rate</td>
</tr>
<tr>
<td></td>
<td>• Entitlement Factor</td>
</tr>
<tr>
<td></td>
<td>• Entitlement Unit</td>
</tr>
<tr>
<td>Employee Earnings Distributions</td>
<td>Regional: Includes withholding information and overrides for state, city, and regional taxes</td>
</tr>
<tr>
<td>Tax Withholding</td>
<td>• Federal: Includes withholding information and overrides for federal taxes</td>
</tr>
<tr>
<td></td>
<td>For example, if an employee qualifies for a special reduced tax rate, enter the rate as an enterable value on their tax card.</td>
</tr>
<tr>
<td></td>
<td>• Regional: Includes withholding information and overrides for state, city, and regional taxes</td>
</tr>
<tr>
<td>Retiree Withholding Certificate</td>
<td>• Federal: Includes withholding information and overrides for federal taxes</td>
</tr>
<tr>
<td></td>
<td>For example, if a retiree qualifies for a special reduced tax rate, enter the rate as an enterable value on their personal calculation card.</td>
</tr>
<tr>
<td></td>
<td>• Regional: Includes withholding information and overrides for state, city, and regional taxes</td>
</tr>
<tr>
<td>Involuntary Deductions</td>
<td>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. The components shown on the card vary depending on which calculation components are added.</td>
</tr>
<tr>
<td></td>
<td>Here are some of the components you may see:</td>
</tr>
<tr>
<td></td>
<td>• Child support</td>
</tr>
<tr>
<td></td>
<td>• Education loan</td>
</tr>
<tr>
<td></td>
<td>• Alimony</td>
</tr>
<tr>
<td>Reporting Information</td>
<td>• Federal: Includes withholding information and overrides for federal taxes</td>
</tr>
<tr>
<td></td>
<td>• Regional: Includes withholding information and overrides for state, city, and regional taxes</td>
</tr>
<tr>
<td>Retiree Reporting Information</td>
<td>• Federal: Includes withholding information and overrides for federal taxes</td>
</tr>
<tr>
<td></td>
<td>• Regional: Includes withholding information and overrides for state, city, and regional taxes</td>
</tr>
<tr>
<td>Time</td>
<td>• Earnings (Time card) Element: Details</td>
</tr>
<tr>
<td></td>
<td>• Time Unit is the enterable calculation value on Calculation Cards tab.</td>
</tr>
</tbody>
</table>

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 tax card. You can’t override values loaded from another application, but you can 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 (TRU) 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

What you can enter here will vary by state:

- Typically, all components on a calculation card are associated with the same TRU by default.
- You may associate individual components with different TRUs.
- If a person has multiple terms or assignments, you may associate specific terms or assignments with calculation components.

Examples of Creating Calculation Cards for Deductions at Different Levels

You can define and manage calculation cards at multiple levels, from an individual person to a payroll statutory unit (PSU). These cards capture information specific to a person or organization, such as an employee’s tax filing status or an employer’s tax identification number. Calculation card entries override default values defined at other levels. The priority of information, from highest to lowest, is:

1. Personal tax card, such as employee or retiree (payroll relationship level)
2. Tax reporting unit (TRU) calculation card
3. PSU calculation card
4. Calculation value definitions (legislative data group level)

Note: You can define calculation cards for both PSUs and TRUs. The basic steps to define and manage these calculation cards are the same at all levels. For further information, see Configure Organization Calculation Cards for the US in the Help Center.

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

Personal Tax Card

Scenario: An employee elects to have extra pay withheld for federal income tax.

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

Card:

- Tax Withholding
- Tax Withholding for Pension and Annuity Payments

Action: Enter the extra amount to withhold in the Additional Tax Amount field.

For further information, see the following:

- How Calculation Cards Work Together for the US in the Help Center
- Oracle Fusion Human Capital Management for United States: Payroll Involuntary Deductions (1597039.1) on My Oracle Support
Tax Reporting Unit Card
Scenario: The state unemployment insurance employer rate at the legislative data group level is 2.7 percent. However, the employer rate for California is 3.4 percent.

Task: Manage Legal Reporting Unit Calculation Cards task in the Setup and Maintenance work area.

Action: Enter the new value for the California TRU.

For further information, see the following
- Configure Organization Calculation Cards for the US in the Help Center
- Oracle Fusion Human Capital Management for United States: Implementation and Use (1676530.1) on My Oracle Support

Payroll Statutory Unit Card
Scenario: During application set up, the implementation team defines default contribution rates for the PSU.

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

For further information, see the following
- Configure Organization Calculation Cards for the US in the Help Center
- Oracle Fusion Human Capital Management for United States: Implementation and Use (1676530.1) on My Oracle Support

Calculation Value Definition
Scenario: You can view selected rates for taxes subject to a limit in the US, such as Medicare, Social Security, state unemployment, and state disability. These are not editable.

Task: Manage Calculation Value Definitions task in the Payroll Calculation work area.

If an employer qualifies for a special tax rate, such as state unemployment, enter these values on a calculation card at the appropriate level.

Related Topics
- Configure Organization Calculation Cards for the US

Create a Personal Calculation Card
In this example, you want to create a Tax Withholding calculation card at the payroll relationship level. This card captures information for an income tax deduction that varies depending on a person’s tax filing status.
Create the Calculation Card

To create the Tax Withholding card:

1. In the Payroll Administration or Payroll Calculation work area, select Search Person.
2. Search for the employee.
3. From the actions pull down menu, select Manage Calculation Cards.
   This lists all cards already defined for the person.
4. Click Create.
5. Select Tax Withholding as the calculation card type.
6. Click Continue.

**Note:** Use the Calculation Card Overview pane to view the component groups associated with this calculation card. In this example, you see Federal and Regional component groups.

Create Calculation Components

You must define regional nodes for the appropriate states, counties, and cities.

1. In the Calculation Card Overview pane, select Regional.
2. Click Create from the Calculation Card Overview Actions menu.
3. Select the employee’s work state, and click OK.

**Note:** For the new entry to appear, you may have to click Save and Close and then open the card again.

4. Repeat for each state in which the employee works.
5. For each state, select its node and click Create from the Actions menu. Select the appropriate work county.
6. For each county, select its node and click Create from the Actions menu. Select the appropriate work city.
7. Click Save and Close.

Define Federal and Regional Tax Information

For each node in the Calculation Card Overview region:

1. Select Update from the Action menu.
2. In the Calculation Card Overview, select the node you want to modify.
3. Define the values for the node as needed.
4. Click Save.
5. Select the next node, and complete the values.

**Note:** Component details vary for each calculation component. For some components, you can enter amounts, rates, or other values. If you can enter values, the Enterable Values on Calculation Cards tab appears.

Create a Tax Reporting Unit Association

Associations link a calculation card or component with a tax reporting unit (TRU). An association to a TRU on the tax card is created automatically for the employee if you specified one at time of hire.

To add an association to a TRU:

1. In the Calculation Card Overview, select Associations.
2. In Associations, click Create from the Actions menu.
3. Select the TRU, and click OK.
4. Select the new association in the Associations region, and click Create in the Actions menu of the Association Details region.
5. Select the assignment number and calculation component.
6. Click OK.
7. Click Save and Close.
8. Verify the following values on the Federal component of the Tax Withholding card:
   - State for Unemployment Calculation
   - State for Disability Calculation
   - Primary Work Address

   Upon tax card association creation, the process automatically populates these fields with default values.

**Change the Tax Reporting Unit for an Assignment**

To change the TRU for an existing assignment:

1. In the Calculation Card Overview, select Associations.
2. Select the TRU for which the assignment currently exists.
3. Select the assignment number to change under Association Details.
4. Click Edit and then Update.
5. Select the Calculation Component for the new TRU.
6. Click Save and Close.

This end dates the record for the assignment associated with the previous TRU and creates a new record for the new TRU.

**Employee Earnings Distribution Overrides Card**

For employees working in multiple locations, you may want to distribute their earnings across the appropriate jurisdictions. This can have an impact on the tax calculation if they are subject to different tax rates.

In these cases, use the Employee Earnings Distribution Overrides card. This card identifies every location where an individual employee works and the percentage of their time spent there. During the payroll run, it determines earnings for each and calculates taxes appropriately. This card is commonly used for consulting and salespeople who travel regularly.

You specify components at the state, county, and city levels and the percentage of earnings distribution for each. The combined percentages cannot exceed 100 percent. If the total does not reach 100 percent, the payroll process allocates the remaining percentage to the employee’s default work location.

For example: An employee works in four locations:

- Texas - the primary work location on the assignment
- San Jose, CA
- Los Angeles, CA
- Arizona

You would configure the Employee Earnings Distribution Overrides card to reflect the following distributions of 25 percent:

- San Jose, CA
- Los Angeles, CA
Interactions with the Tax Withholding Card
By default, the Tax Withholding card automatically updates the values used when you make changes to an employee’s:

- Resident address
- Work location
- Assignment

You may want to review your earnings distribution overrides if a location change has potentially changed the distribution.

Viewing the Card
To view or create an Employee Earnings Distribution Overrides card:

1. From the Person Management work area, start the Manage Calculation Cards task.
2. Search for and select the employee.
3. If the card already exists for this employee, select it. Otherwise, click **Create** and select **Employee Earnings Distribution Overrides**.

You must create a card for each employee work relationship.

Adding a Work State
To enter an alternate work state for the employee:

1. In the Calculation Card Overview region, of the Manage Calculation Cards page, select **Regional** and click **Create**.
   Do not click **Create** in the Calculation Components region.
2. In the Add Calculation Component window, specify the state.
3. Click **OK**.
   The Calculation Components table adds a new row for the state.
4. Select the new row in the Calculation Components table.
5. In the Calculation Component Details table, click **Add Row**.
6. In the Create Calculation Component Details window, select **Employee Earnings Distribution** and click **OK**.
7. Specify the percentage of time worked at the location and click **Save**.
8. Repeat these steps to add any other states.
9. When finished, click **Save** and then **Done**.

Adding a Work County
You cannot add a work county to the card if you have not first added its parent state. To add a work county:

1. From the Person page of the Manage Calculation Cards task, select the employee and then their Employee Earnings Distribution Overrides card.
2. In the Calculation Card Overview region, select the state for which you are adding the county and click **Create**.
   Do not click **Create** in the Calculation Components region.
3. In the Add Calculation Component window, select the county.
4. Click **OK**.
5. Repeat these steps to add any other counties.
6. When finished, click **Save** and then **Done**.
Adding a Work City

You cannot add a work city to the card if you have not first added its parent county. To add a work city:

1. From the Person page of the Manage Calculation Cards task, select the employee and then their Employee Earnings Distribution Overrides card.
2. In the Calculation Card Overview region, select the county for which you are adding the city and click **Create**.
   
   Do not click **Create** in the Calculation Components region.
3. In the Add Calculation Component window, select the city.
4. Click **OK**.
5. Repeat these steps to add any other cities.
6. When finished, click **Save** and then **Done**.

Allocating Time Worked

Once you have created all required state, county, and city calculation components, you assign the percentages of time worked at each.

The percentage you assign to a parent node must be equal to or greater than the sum of the percentages you assign to its children.

The sum of all percentages does not have to equal 100 percent. Any remaining time is automatically attributed to the default location specified on the employee’s assignment.

1. From the Person page of the Manage Calculation Cards task in the Payroll Calculations work area, select the employee and then their card.
2. In the Calculation Card overview region, select the row of the location for which you are specifying the time.
3. In the Details region, expand the Employee Earnings Distribution field.
4. Click **Edit**, and select **Correct**.
5. Specify the percentage of time worked at the location.
   
   The sum of all child nodes cannot exceed the percentage of their parent node.
6. Click **Save**.
7. When finished, click **Done**.

Related Topics

- Define Earnings Elements for the US
- Earnings Distributions for the US

Involuntary Deductions Card

In most cases, when an employer receives an involuntary deduction order, they must manually create the employee’s Involuntary Deductions card. Unlike the Tax Withholding card, there is no option for automatically creating the card upon hire. In cases where you are processing a new e-IWO inbound order, the process creates the card if one does not exist.

Involuntary deduction card management consists of:

- Creating the card
- Adding calculation components
- Setting calculation values for individual cards
• Editing the card

Note: Contingent workers do not have an Involuntary Deductions card since they do not have a payroll relationship.

Create the Card and Add Calculation Components

Before any involuntary deductions can be levied against an employee’s income, you must create the Involuntary Deductions card.

An employee should only have one active Involuntary Deductions card at a time, as the card is created per payroll relationship. Each calculation component would represent a separate deduction order.

Note: In most cases, you must create this card through the Manage Calculation Cards task. However, when you uptake new e-IWO incoming orders, the process creates and updates the card automatically. For further information, see Electronic Income Withholding Orders in the Help Center.

To create the card:

1. Start the Manage Calculation Cards task in the Person Management work area.
2. Search for and select a person.
3. From the Actions menu, choose Payroll and Manage Calculation Cards.
4. Search for and select a payroll relationship.
5. Create and save a new calculation card of the type Involuntary Deductions.

For each involuntary deduction, you must add an associated calculation component to the card. For further information, see Involuntary Deductions Card Calculation Components for the US in the Help Center.

On the Manage Calculation Cards page:

1. Search for and select the employee whose Involuntary Deductions card you want to edit.
2. Select the card.
3. Create the calculation component:
   a. In the Calculation Components section, click Add Row.
   b. Select the calculation component with the same name as the previously-defined involuntary deductions element.
      This automatically creates an element entry for the related element.
   c. Use the Subprocessing Order field to change the order in which the deduction is processed in the payroll run.
      For example, an employee has both a Creditor Debt and an Employee Requested order. Enter 850 for the Employee Requested component and 900 for the Creditor Debt component. This ensures the Employee Requested deduction processes before the Creditor Debt.
   d. Enter a reference code to uniquely identify this deduction, such as a court order number, remittance identifier, or other identifier provided by the issuing authority.
   e. Enter the state for the appropriate deduction types.
      This is required for state-issued orders, such as child support or garnishments. This is not applicable for federal orders, such as bankruptcy or education loans.
      If the employee’s work state is different from the issuing state on the order, enter the employee’s work state in this field. This ensures the payroll process applies the correct state legislative rules.
f. Click OK.

4. Complete the fields on the Calculation Component Details tab.

   a. In the Involuntary Deduction Payment Details section, select the 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.

   b. In the Involuntary Deduction Rules section:

      i. Enter the date the involuntary deduction order was received.

      ii. Enter the issuing authority (such as a court).

      iii. Enter the frequency of the deduction.

      Use the Frequency field to specify how often the deduction should be taken, such as monthly or
      weekly, regardless of the payroll frequency. If you leave this field blank, the payroll process uses the
      payroll frequency.

      iv. Provide any other pertinent information.

5. Set any necessary overrides as calculation values in the Details section.

6. Save the component.

7. Add any other components to this card as needed.

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. Assign each component a
unique reference number and, optionally, specify the subprocessing order.

Set Calculation Values for Individual Cards

Calculation values override the predefined values on a card’s calculation components.

You can override the order amount, total owed amount, or other amounts used in the calculation on the involuntary
deductions card. Some override values, such as an exemption percentage or fee amount, replace legislative default values.
These defaults are defined as calculation value definitions. You must enter an order amount or, for child support orders, the
total withholding amount. If not entered, the default is 0 USD.

Use the Manage Calculation Cards task to set overrides for individual card components. For further information, see the
following in the Help Center:

• Involuntary Deduction Calculation Value Overrides for the US
• Involuntary Deduction Processing Rules for the US

Edit the Card

Use the Manage Calculation Cards task to edit existing cards.

<table>
<thead>
<tr>
<th>What you can do</th>
<th>What this means</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edit calculation components</td>
<td>This consists of setting overrides of the order amount or other amounts on existing ones. These values replace any default values defined in calculation value definitions at the legislative level. You must enter an order amount or, for child support orders, the total withholding amount. If not entered, the default is 0 USD.</td>
</tr>
<tr>
<td>End date calculation components</td>
<td>You must end date a calculation component once an involuntary order is satisfied. The payroll process automatically stops processing an order once either the total owed amount or maximum duration is reached.</td>
</tr>
</tbody>
</table>
To end date a calculation component:

1. End date all overrides associated with the calculation component and save.
2. End date each of the following calculation component details and save:
   - Involuntary Deduction Payment Details
   - Involuntary Deduction Rules
   - US Involuntary Deduction Child Data
   - US Involuntary Deduction Data
3. End date the calculation component.
   Once the calculation component is end dated, the element entry is also end dated and no longer processes in payroll runs after that date.
   The payroll process does not support proration for involuntary deductions. It does not process deductions that were end dated in the middle of a pay period.
4. For employee terminations, you must also end date the person’s card component as of the end of a pay period.
   If you do not end date the person’s card component, the element entry continues to process based on the element definition’s termination rule.

Delete calculation components
Delete a calculation component only if it was improperly defined and unusable. For example, if the wrong deduction type was selected, the wrong state was chosen, it was assigned to the wrong employee, and so on.

Note: You cannot delete a calculation component if it has already been processed in a payroll run.

To remove the calculation component and all the details associated with it:

1. Select the component on the card.
2. Select Delete Calculation Component and Details from the Actions menu.

Once the calculation component is deleted, the element entry is deleted.

Related Topics

- Define Involuntary Deductions for the US
- Electronic Income Withholding Orders: Explained
- Involuntary Deduction Calculation Value Overrides for the US
Reporting Information Calculation Card

You can use the Reporting Information Calculation card to provide additional information for person-level state and federal reporting for both employees and retirees. You use majority of the fields for third-party quarterly tax filing. Use the Manage Calculation Cards task in the Person Management work area to update the Reporting Information card.

The card can include these calculation components:

- **Reporting Information**
  
  For use with employees. You must manually create this component to change any values.

- **Retiree Reporting Information**
  
  For use with retirees. This component is automatically created for each retiree.

### Reporting Information

Use this calculation component to include reporting information for employees. You must manually create this component before you can set any values.

### Third-Party Interfaces

This Federal calculation component lets you:

<table>
<thead>
<tr>
<th>Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADP Special Processing Required</td>
<td>Indicate whether the employee’s year-end forms should be excluded from main population printing. The default is <strong>No</strong>.</td>
</tr>
</tbody>
</table>

*Note:* Setting this value is required only if you are selecting **Yes**.

<table>
<thead>
<tr>
<th>Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADP Special Sort Code</td>
<td>Provide additional data for sort options G and E in the ADP client maintenance system.</td>
</tr>
</tbody>
</table>

### Reporting Information

This Federal calculation component lets you:

<table>
<thead>
<tr>
<th>Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal Representative</td>
<td>Identify this person as a legal representative of the company.</td>
</tr>
</tbody>
</table>

| Corporate Officer | Identify this person as a corporate officer or their relationship with a corporate officer. |

As this is required by multiple states, specify it at the federal level.

*Note:* Most states require **Yes** or **No** values for this field; however, Washington DC allows others. If you select a value other than **Yes** or **No** for any state other than
<table>
<thead>
<tr>
<th>Value</th>
<th>Description</th>
</tr>
</thead>
</table>
| Eligible for Retirement Plan | Manually identify employee eligibility if they don’t contribute to any plan. An employee is automatically marked as eligible for the retirement plan on Box 13 of their W-2 when any of the following balances has a value greater than 0:  
- W2 401k  
- W2 403b  
- W2 408k  
- W2 457  
- W2 501c  
- W2 Pension Plan  
- W2 Roth 401k  
- W2 Roth 403b  
- W2 457 |

For further information, see the Mark Employee as Eligible for Retirement Plan in the Help Center.

<table>
<thead>
<tr>
<th>Reporting Location for Work-At-Home Employees</th>
<th>Select from a list of locations that have already been defined for work-at-home employees. Leave blank if the employee isn’t work-at-home. Used for multiple worksite reporting.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Member with Majority Interest</td>
<td>Designate if the employee or a family member owns majority interest of this business.</td>
</tr>
<tr>
<td>Probationary Code</td>
<td>Identify employees hired on a trial basis.</td>
</tr>
</tbody>
</table>

**Regional Calculation Components**

You must create a Regional calculation component for each state where the person is employed. The Reporting Information calculation component details let you set the appropriate fields for these states.

<table>
<thead>
<tr>
<th>State</th>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alaska</td>
<td>Geographic Code</td>
<td>Two-digit code that identifies the employee’s primary place of work.</td>
</tr>
<tr>
<td>Alaska</td>
<td>Occupational Code</td>
<td>Identifies the employee’s occupation category.</td>
</tr>
</tbody>
</table>

**Note:** For further information, see the Alaska Department of Labor and Workforce Development website. Search for the Alaska Occupation and Geographic Coding Resources page.
Chapter 11
Setting Up Pay Calculation Components

<table>
<thead>
<tr>
<th>State</th>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>Wage Plan Code</td>
<td>Used to override the value specified at the payroll statutory unit and tax reporting unit levels.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>For further information, see the California Employment Development Department website. Search for the Electronic Filing Guide for the Quarterly Wage and Withholding Program.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Choices include:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• State Unemployment Insurance only</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• SDI without unemployment insurance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Voluntary disability insurance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• No voluntary, SUI insurance, or disability</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• SUI and SDI</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• State Unemployment Insurance with religious exemption</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Voluntary disability insurance and SUI</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State</th>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maine</td>
<td>Seasonal Worker</td>
<td>Identifies the person as a seasonal worker.</td>
</tr>
<tr>
<td>Missouri</td>
<td>Seasonal Worker</td>
<td>Identifies the person as a seasonal worker.</td>
</tr>
<tr>
<td>North Carolina</td>
<td>Seasonal Worker</td>
<td>Identifies the person as a seasonal worker.</td>
</tr>
<tr>
<td>Vermont</td>
<td>Health Care Status</td>
<td>Designates if the employee is considered covered or not covered. Used in the calculation of Vermont health care deduction reporting.</td>
</tr>
</tbody>
</table>

Retiree Reporting Information
You can use this calculation component to include reporting information for retirees. This component is automatically created when you onboard the retiree.

This Federal calculation component detail includes these values for Form 1099-R:

<table>
<thead>
<tr>
<th>Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Number</td>
<td>Form 1099-R account, policy, or other identifying number</td>
</tr>
<tr>
<td>Annuity Percentage</td>
<td>Annuity percentage as displayed on Box 8</td>
</tr>
<tr>
<td>FATCA Filing Requirement</td>
<td>Identifies the payer is satisfying their Chapter 4 account reporting requirement</td>
</tr>
<tr>
<td>First Year of Designated Roth Contribution</td>
<td>Roth contribution as displayed on Box 5</td>
</tr>
</tbody>
</table>
### Tax Withholding Card

The Tax Withholding card is the default employee federal tax card for the US. The information captured on this card is used for populating federal forms, such as the W-4.

Here's the taxation information the card provides:

- Filing status
- Number of allowances
- Exemptions from taxes

If you enter no values, the payroll process uses a default value of Single for filing status and 0 allowances for its tax calculations.

Here are some things you must consider when creating and configuring this card:

- Employer and employee access to view the card
- Card creation and update
- Employee work state calculation
- Additional tax card configuration

### View the Tax Withholding Card

Here's how employers can view the Tax Withholding card:

1. Start the Manage Calculation Cards task from the Person Management work area.
2. Select an employee and click **Actions**.
3. Select **Payroll** and choose Manage Calculation Cards.
4. For the federal, select **Show Employee W-4 PDF**.
5. For each state component, select **Show Employee W-4 PDF**.

If you have granted the employees' roles access to the Manage Tax Withholding task, here's how employees can view their W-4 forms:

1. Selecting **Me**, then **Pay**.
2. Clicking the **My Details** actions at the top left.
3. Clicking **Payroll** to see payroll actions.

**Employee Form W-4**

When an employee accesses their federal tax card information, it displays the information used on their W-4:

- For those states that follow federal, the filing status defaults from the federal component.
- For those states that do not follow federal, the specific state's editable information displays.

The employee can perform their updates on these forms for both federal and state withholding.

**Pennsylvania Residency Certificate Access in the Person Gallery**

The Pennsylvania Residency Certificate form is available from the Me page. This feature enables employees to view and update their own information. The form defaults the employee and employer information such as name, address, social security number, and employer federal employer identification number.

Here’s how you can navigate to the form:

1. From the Me page, click **Pay**.
2. Click **My Details** and then **Payroll**.
3. Click **Manage Tax Withholding**.
4. Select the **Pennsylvania** row, and click **Edit**.

   The employee can now update their Resident and Work PSD codes.

5. Once updated, scroll to the bottom of the form, and click **I Agree**.
6. Click **Done**.

**Create and Update Card**

For most employees, the Tax Withholding card is created automatically during the New Hire process. However, there are cases where you must create it manually using the Manage Calculation Cards task.

**Automatic Card Creation**

You use the Manage Features by Country or Territory task from the Setup and Maintenance work area to activate localization-specific functionality for your enterprise.

When you select **Payroll** or **Payroll Interface** for the United States localization, workers automatically receive a Tax Withholding card when they meet any of these conditions:

- Defined through the New Hire task
- Assigned a new payroll relationship
- Converted through batch loaders

By default, this card declares a Single filing status and 0 allowances.

Here’s how to set up automatic Tax Withholding card creation:

1. Use the Manage Features by Country or Territory task to set the **Selected Extension** parameter to either **Payroll** or **Payroll Interface**, as appropriate for your implementation.
2. Confirm that element eligibility has been created for the US Taxation element. This element is automatically added to the employee's element entry when the association to the tax reporting unit (TRU) is completed.
Automatic Card Update

The HR data stored in the Oracle database is interconnected, and changes in one area can impact others. To maintain data integrity, when you make certain changes to person HR data, a synchronization process automatically updates the appropriate tax card information.

This table shows the updates it performs for each kind of record change:

<table>
<thead>
<tr>
<th>Employee Transaction</th>
<th>Tax Card Update</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Hire and Payroll Relationship</td>
<td>• Card is automatically created</td>
</tr>
<tr>
<td>Creation</td>
<td>• Card is associated to the TRU you specify during the hire process</td>
</tr>
<tr>
<td>Employee Work Location Change</td>
<td>• State for unemployment calculation</td>
</tr>
<tr>
<td></td>
<td>• State for disability calculation</td>
</tr>
<tr>
<td></td>
<td>• Primary work location</td>
</tr>
<tr>
<td>Home State Address Change, Including</td>
<td>• Regional card component for the appropriate state</td>
</tr>
<tr>
<td>Resident Tax Address</td>
<td>• Regional card components for the appropriate county and city</td>
</tr>
<tr>
<td>Work-at-Home Status</td>
<td>• Regional card components for the appropriate state</td>
</tr>
<tr>
<td></td>
<td>• Primary work location</td>
</tr>
<tr>
<td>Employee Rehire</td>
<td>• If the employee is hired into the same TRU as before, reuses the existing tax card</td>
</tr>
<tr>
<td></td>
<td>• If the employee is hired into a different TRU, does not create an association</td>
</tr>
<tr>
<td>Add a Secondary Assignment</td>
<td>If the secondary assignment is in the same TRU as the primary assignment, uses the same tax card. Otherwise, you must create a card.</td>
</tr>
</tbody>
</table>

Note: This does not apply to Pennsylvania PSD codes. For further information, see Pennsylvania Local Earned Income Tax in the Help Center.

Note: When you change a location’s address, the HR Sync process does not apply that change to any employee records. You must manually make the applicable updates to the records of employees assigned to that location.

Here’s how to disable automatic updates of the Tax Withholding card:

1. Search for and start the Manage Payroll Process Configuration task from your implementation project.
2. Select Default group, and set the Create DIR Card value to HRSYNCDISABLE.

Manual Card Creation and Update

In cases where you must manually create or update the tax card, use the Manage Calculation Cards task.

For example, in these situations you must manually create a card:

- If you disabled the automatic card creation feature
- If you loaded employee records through the File Based Loader utility

For further information, see Create a Personal Calculation Card for the US in the Help Center.
When the card does not inherit location changes, you must also use the Manage Calculation Cards task to manually update it.

Here are some examples of when you must manually update the location:

<table>
<thead>
<tr>
<th>Case</th>
<th>Description</th>
</tr>
</thead>
</table>
| Multiple assignments linked to a payroll relationship     | The card does not update:
|                                                           |   • The state used for unemployment and disability calculations
|                                                           |   • The primary work address
|                                                           | The card doesn’t update these values because it cannot identify which location record to use. In this case, you must manually update the card with the correct primary work address, state unemployment insurance (SUI), and state disability insurance (SDI). |
| Employee assignments are in different PSUs               | Each assignment would have a separate Tax Withholding card.                   |
|                                                           | If the assignments are in the same PSU, you must:
|                                                           |   1. Add the appropriate location-based nodes to the default card to represent the state, county, and city.
|                                                           |   2. Create the appropriate TRU associations.                                |
|                                                           | For example, an employee spends 50 percent of their time in CA and 50 percent in NY. If you make changes to the withholding card for such an employee, you must provide the correct primary work address and state. |
| States that levy school district income taxes             | You must manually populate the school district on the Tax Withholding card. Depending on the state, you enter the school district under either the city or county node. For resident addresses in a township, you must populate the tax district field on the address first. Then, you can populate the proper school district on the tax card. |

For further information, see Examples of Updating the Tax Withholding Card After a Location Change in the Help Center.

**Default State and Local Withholding Information**

There are no default state and local components. You must specifically create them. To do this, select Create Default State and Local Withholding to add default regional components based on the person’s work and resident addresses.

*Note:* If you don’t create a Regional component on the tax card, the payroll process uses the highest tax rate available for that state.

**Synchronize Calculations Cards Process**

If you have disabled the automatic synchronization process, you can use the Synchronize Calculations Cards process from the Payroll Checklists work area to synchronize all employee HR data to their Tax Withholding cards. Use the **Default Primary Address and State of Disability and Unemployment** mode.

**View History**

To review all changes across a range of dates:

1. Open a federal or state component in Edit mode.
2. Select **View History** from the **Edit** menu.

### Employee Work State Calculation

Here’s some things to consider for the employee’s work state:

- Default work state calculation
- Multiple work state configuration

### Default Work State Calculation

When an employee is assigned a card, either through the manual or automatic processes, that card is associated with the employee’s default work state. Certain fields on the Tax Withholding card at the federal level inherit values based on the employee’s work state.

Here’s how the default work state is used:

- Unemployment insurance calculation
- Disability insurance calculation

These synchronization actions occur automatically, unless you have manually disabled them. If that is the case, use the Synchronize Calculation Cards job from the Payroll Checklists work area. Synchronize all employees' HR data to their tax cards.

For further information, see How the Employee Work State Is Determined in the Help Center.

### Multiple Work State Configuration

Employees working in multiple states require special Tax Withholding card configurations. If the employee’s assignments are in different payroll statutory units (PSU), they would have separate tax cards for each.

If the additional assignments are in the same PSU, you must add the appropriate location-based nodes to the default card. The nodes represent the state, county, and city.

Here’s how you can edit the Tax Withholding card:

1. Open the Manage Calculation Cards task from the Person Management work area.
2. Search for and select the employee.
3. Click **Actions**, and choose Payroll and Manage Calculations Cards.
4. Create the appropriate tax reporting unit (TRU) associations.

### Additional Tax Card Configuration

Once you have created the tax card, it may require the following additional configuration:

- Withholding overrides
- Wage accumulation
- Tax reporting unit associations

### Withholding Overrides

Each component group on the card has one or more Withholding Overrides regions in the Employee Withholding Information section. These overrides are at the TRU level.

These are the types of overrides that these regions have:

- Regular Amount
- Regular Rate
Supplemental Rate

If you enter values for both, the Regular Amount takes priority over Regular Rate.

Wage Accumulation

On the Tax Withholding card, each tax component group has a Withholding Exemption section (Federal and Regional). To exempt an employee from tax withholding or wage accumulation, mark the following as Yes:

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exempt from (component) Income Tax</td>
<td>Excludes this tax from withholding.</td>
</tr>
<tr>
<td>Exempt from Wage Accumulation</td>
<td>Excludes this tax from withholding, and does not accumulate wages for the component.</td>
</tr>
</tbody>
</table>

If you mark both as exempt, the payroll process ignores the Exempt from Wage Accumulation setting.

Tax Reporting Unit Associations

Associating a TRU with a Tax Withholding card enables the payroll process to apply rules and rates defined for the TRU when calculating deductions.

Click the Associations node in the Calculation Card Overview pane to associate a TRU with the Tax Withholding card. Associations determine:

- Which rates and rules held at TRU level apply to the calculation of the components
- How the calculations are aggregated for tax reporting

Rules about what you can enter here vary by geographic area:

- By default, all components on a calculation card are associated with the same TRU, except when there are multiple assignments and there are multiple TRUs. Then you must specify the TRU for each assignment.
- If there are multiple assignments, you may associate specific assignments with calculation components. Do this by using Association details in the Manage Calculation Cards task.
- You cannot change the TRU on a Tax Withholding card once you have used it with a balance adjustment, payroll run, or QuickPay payroll action.

**Note:** When you define additional assignments with the Manage Employment task, you have the option to select a new primary assignment. You can also associate it with a different TRU.

**Related Topics**

- Examples of Updating the Tax Withholding Card After a Location Change

Configure the Tax Withholding Card

The Tax Withholding card is the tax card for US employees. It represents the federal Form W-4.

This card is highly flexible and can support these scenarios:

- Creating the default card
• Creating multiple cards for a single employee
• Adding tax reporting unit (TRU) associations
• Adding locations
• Adjusting filing status, allowances, and withholding exemptions
• Transferring an employee between payroll statutory units (PSUs)
• Transferring an employee between TRUs
• Transferring an employee to a new location

Create Tax Cards
For employees who did not receive a default tax card or require an additional card, card creation involves these steps:

1. Start the Manage Calculation Cards task from the Person Management work area.
2. Search for and select the target employee.
   The Manage Person Details page displays for the employee, listing their calculation cards.
3. In the Actions column, click the down arrow and choose Payroll and Manage Calculation Cards.

Create the Default Card
For most US employers, employees automatically receive their Tax Withholding card upon completion of the hiring process or creation of a new payroll relationship.

However, in cases where an employee does not have a tax card, you must create it manually:

1. From the Manage Person Details page, click Create.
2. Select Tax Withholding card, and click Continue.
3. In the Calculation Card Overview region, select Federal.
4. Specify the required information in the Employee Withholding Information region, and click Save.
5. In the Calculation Card Overview region, select the employee’s default state link under the Regional node.
6. Specify any required information in the Employee Withholding Information region, and click Save.
7. In the Calculation Card Overview region, select Associations.
8. Confirm TRU associations exist with the employee’s assignment. If they do not exist, you must create them.
9. Click Save and Close.

Create Multiple Cards For Payroll Relationships
In most cases, the application creates the cards automatically. To manually create additional tax cards for an employee:

1. From the Manage Calculation Cards task, search for and select the target employee.
2. Select the row representing the payroll relationship to which you want to add the card.
3. Click Create, and select Tax Withholding card.
4. Continue with the card creation as described in the previous section.

Modify Tax Cards
Here’s what you can do when you modify the Tax Withholding card:

• Add or update TRU associations
• Add additional states, counties, and cities for employees working in multiple locations
• Adjust the filing status, allowances, and withholding exemptions
To modify a tax card:

1. In the Payroll Calculation work area, search for and select the target employee.
2. Start the Manage Calculation Cards task from the Person Management work area.
   The Manage Calculation Cards page displays for the employee, listing their calculation cards.
3. Select the Tax Withholding card you want to edit.

Add TRU Associations

For employees working in multiple TRUs, you must create associations for each TRU.

1. In the Associations region, click Create Association.
2. Specify the TRU.
   This returns you to the Payroll Calculations page.
3. Open the card for editing.
4. Select Create Association Details.
5. Select the employee’s assignment, and click Go.
6. Repeat for any other TRUs.

Add Additional Work Locations

An employee’s default tax card automatically includes location information for their primary assignment. For employees who work in multiple locations, you must add additional locations manually.

Use this process to add nodes for additional states, counties, and cities. Use these nodes to specify regional overrides for tax calculations.

- **Note:** You must do this even for states with no state income tax. You use these regional nodes to identify withholding exemptions for state unemployment or disability insurance.

1. In the Calculation Card Overview region, select Regional.
2. Click Create.
3. Select the state, and click OK.
   The new state is added as a node beneath Regional.
4. Select the new state’s node.
5. In the Tax Withholding Information region, specify any required state tax information and withholding exemptions, and click Save.
6. To add county information, click Create and select the county.
7. Select the new county’s node.
8. In the Tax Withholding Information region, specify the required information and click Save.
9. Repeat as necessary to add city information.
10. When finished adding location information, click Save and Close.

Adjust Filing Status, Allowances, and Withholding Exemptions

By default, the employee’s tax card declares a Single filing status and zero allowances. To change these values:

1. In the Calculation Card Overview region, select Federal.
2. In the Tax Withholding Information region, select Action and either Update or Correct.
3. Specify new values for Filing Status and Allowance.
4. Specify any federal tax exemptions or overrides.
5. Select the appropriate state node under Regional.
6. Specify new values for the state Filing Status and Allowance and any tax exemptions and overrides.
7. Select the county and city nodes to specify any exemptions or tax information changes.
8. Click Save and Close.

Manage Tax Cards During Employee Transfers

A transfer can occur between:

- PSUs
- TRUs
- Locations

Each transfer can impact the employee’s tax card in different ways.

Before modifying the card, ensure all other activities related to the transfer are complete.

1. Start the Manage Calculation Cards task from the Person Management work area.
2. Search for and select the target employee.
3. Use the Manage Person Details page to view or access their calculation cards.

Transfer Between PSUs

When an employee is transferred from one PSU to another (global transfer), Oracle Fusion HCM for the US automatically creates the new tax card. It also discontinues the previous tax card. If the employee requires any overrides to their default tax calculations, you must the new card:

1. Select the employee’s new card.
2. Set the TRU associations as described in the previous section.
3. Make any other appropriate changes to filing status, allowances, and exemptions.

Transfer Between TRUs

Transfers between TRUs involve changing the TRU associations on the card. Before you begin, you must have already created the employee’s new assignment and end-dated the previous one.

For changes made to work location that involves a change of state:

- For employees with a single assignment, the state information about the card is updated automatically.
- For multiple assignments, you must also update the card to reflect the new SUI and SDI state.

To update the tax card for a TRU transfer:

1. Select the tax card associated with the payroll relationship being transferred.
2. In the Calculation Card Overview region, select Associations.
3. In the Associations table, click Create and select the employee’s new TRU.
4. In the Association Details table, click Create and specify the required information.
5. If the transfer involves a change of state, in the Calculation Card Overview region, select Regional and add the new state information.
   - If the transfer involves a change of county or city, select the state node and add the information.
6. Select the new nodes, and make any appropriate changes to filing status, allowances, and exemptions.
7. Click Save and Close.
Transfer Between Locations

Transfers to new locations involve changing the Regional nodes in the Calculation Card Overview region.

For employees with a single assignment, when performing a transfer from one location to another, the application automatically detects the new work state, and applies default tax calculation values. For employees with multiple assignments, you must manually edit the card to identify the new location information and specify the tax information.

To update location information:

1. In the Calculation Card Overview region, select Regional.
   The Regional node includes subordinate nodes that reflect the employee’s previous work location.
2. Add the appropriate nodes that reflect the employee’s new location.
3. Select the new nodes, and make any appropriate changes to filing status, allowances, and exemptions.
4. When finished, click Save and Close.

Federal and Regional Tax Configuration

Federal and Regional Taxes

You use the organization calculation cards to define federal and regional tax calculation rules at the payroll statutory unit (PSU) and legal reporting unit (LRU) levels.

Note: For tax calculation purposes, you must designate your LRUs as tax reporting units (TRUs).

Information you set for a PSU applies to all TRUs attached to it. Information you set for a TRU overrides the information you set for its parent PSU.

To set these values, use the Manage Legal Entity Calculation Cards task in the Workforce Deployment work area. With this task, you create or configure an organization calculation card for the PSU.

You can configure the options for the following taxes:

<table>
<thead>
<tr>
<th>Level</th>
<th>Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>• Federal income tax (FIT)</td>
</tr>
<tr>
<td></td>
<td>• Federal Unemployment Tax Act (FUTA)</td>
</tr>
<tr>
<td></td>
<td>• Medicare</td>
</tr>
<tr>
<td></td>
<td>• Social Security (SS)</td>
</tr>
<tr>
<td>State</td>
<td>• State disability insurance (SDI)</td>
</tr>
<tr>
<td></td>
<td>• State income tax (SIT)</td>
</tr>
<tr>
<td></td>
<td>• State unemployment insurance (SUI)</td>
</tr>
<tr>
<td>Local</td>
<td>• City taxes</td>
</tr>
<tr>
<td></td>
<td>• County taxes</td>
</tr>
<tr>
<td></td>
<td>• School district income tax</td>
</tr>
</tbody>
</table>

You can override these tax values at the TRU level using the Manage Legal Reporting Unit Calculation Cards task.
For further information, see Configure Organization Calculation Cards for the US in the Help Center.

Before you configure federal and regional taxes, be sure you understand the following:

- What are the prerequisites?
- How does the payroll process identify a person’s home and work address?
- What federal calculation rules can you change?
- What regional calculation rules can you change?
- How do you set calculation rule overrides?
- How do you set tax overrides?
- How do you set school district income taxes?

**Prerequisites for Tax Configuration**

Before you start, make sure you have defined the following:

- Your US legislative data group
- A legal address for the legal entity
- Any jurisdictions required for the legal entity
- All the appropriate PSU and TRU calculation cards

**How the Payroll Process Identifies Tax Addresses**

Before the payroll process can begin calculating taxes, it has to determine each person’s resident and work default tax addresses.

When you perform a payroll run, the process:

1. Uses the following hierarchy to determine the person’s work tax addresses:

<table>
<thead>
<tr>
<th>Address Source</th>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work-at-Home = Yes</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Overrides assignment, location address override, and location address</td>
<td></td>
</tr>
<tr>
<td>Assignment-level location override</td>
<td>2</td>
</tr>
<tr>
<td>Overrides location address override and location address</td>
<td></td>
</tr>
<tr>
<td>Location override address</td>
<td>3</td>
</tr>
<tr>
<td>Overrides the location address</td>
<td></td>
</tr>
<tr>
<td>Location address</td>
<td>4</td>
</tr>
</tbody>
</table>

2. Uses the following hierarchy to determine their resident tax address:

<table>
<thead>
<tr>
<th>Address Type</th>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Resident Tax Address</td>
<td>1</td>
</tr>
</tbody>
</table>
### Address Type

<table>
<thead>
<tr>
<th>Address Type</th>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Address</td>
<td>2</td>
</tr>
</tbody>
</table>

3. Determines the related withholding status and any additional information from the tax calculation card.
4. Passes this information to Vertex for calculation.

Your tax calculations are also impacted by the following:

- Resident and work location tax addresses are derived by the following:
  - Tagged earnings by work location
    - Used when a unit of paid time is to be taxed in a different jurisdiction.
    - For example, use tagged earnings when entering 8 hours of time working in a different location than where the person normally works. When tagged as such, the payroll process taxes the calculated pay for those units of time at the designated jurisdiction. If the employee doesn’t have withholding elections for the tagged jurisdiction, the process automatically calculates the tax at the highest withholding status or allowance elections.
  - Employee Earnings Distribution Overrides card
    - For further information, see Employee Earnings Distribution Overrides Card in the Help Center.
  - Work default tax address hierarchy
    - Taxation is derived based on where the person is located as of the last day of the pay period. For example, if you make a pay period change mid cycle, the taxation is based on the location at the end of the pay period.
  - Resident address hierarchy
  - State reciprocity rules
    - For further information, see State Reciprocity Agreements in the Help Center.
- Wage basis rules determine the taxable income
  - For further information, see Wage Basis Rules for the US in the Help Center.
- Payroll run type

<table>
<thead>
<tr>
<th>Run Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular</td>
<td>If the supplemental earnings element run type is set to process separately or pay separately, these elements tax at the supplemental rate, otherwise they tax at the W-4 rate.</td>
</tr>
<tr>
<td>Supplemental</td>
<td>All earnings are taxed at the supplemental rate.</td>
</tr>
</tbody>
</table>

- Tax Withholding card (tax card) captures an employee’s filing status and exemptions at the federal, state, county, city, school district, and tax district levels
  - This card also captures the SUI and SDI state and any employee-level overrides.
- When using the percentage method tax calculation, Vertex automatically rounds the withholding to the nearest whole dollar for the following states:
  - Colorado
Federal Calculation Rules
You can define the following calculation rules on the organization cards:

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>Calculation Rule</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIT</td>
<td>Supplemental Tax Calculation Method</td>
<td>Indicates how the process taxes supplemental earnings. You can select the following:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Aggregation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Cumulative Aggregation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Flat Percentage</td>
</tr>
<tr>
<td></td>
<td></td>
<td>For further information, see Tax Calculation Methods for the US in the Help Center.</td>
</tr>
<tr>
<td>Tax Withholding Rules</td>
<td>Taxes all earnings based on withholding rules.</td>
<td></td>
</tr>
<tr>
<td>Should taxes be calculated based on period-to-date amount</td>
<td>By default, multiple regular payroll runs in the same period are taxed as if they are individual payments.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>When you set this to <strong>Yes</strong>, multiple payroll runs are taxed as if they are paid as one payment. This option can possibly increase the tax bracket.</td>
</tr>
<tr>
<td>Aggregate Overtime Premium Rate for all TRUs within the PSU</td>
<td>Determines how to calculate the premium overtime rate of multiple TRUs under the same PSU.</td>
<td></td>
</tr>
<tr>
<td>Medicare</td>
<td>Self-Adjustment Method</td>
<td>Evaluates the earnings and tax amounts to ensure they are correct with a given tax rate. When all subject earnings reach the annual maximum limit, the payroll process no longer calculates the tax.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>For further information, see Self-Adjustment Methods for Tax Withholding in the Help Center.</td>
</tr>
</tbody>
</table>
### Chapter 11

**Setting Up Pay Calculation Components**

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>Calculation Rule</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>FUTA</td>
<td>Employer Self-Adjustment Method</td>
<td>Evaluates the earnings and tax amounts to ensure they are correct with a given tax rate. When all subject earnings reach the annual maximum limit, the payroll process no longer calculates the tax. For further information, see Self-Adjustment Methods for Tax Withholding in the Help Center.</td>
</tr>
<tr>
<td></td>
<td>Federal Unemployment Employer Rate</td>
<td>If you have locations in a FUTA credit reduction state, your FUTA rate may change. FUTA credit reductions rates are predefined for each of the states that require a credit reduction and are updated annually. In certain circumstances, you must override these rates. Use the Manage Calculation Value Definitions task in the Person Management work area to set an override rate. For further information, see Federal Unemployment Tax Act Calculations in the Help Center.</td>
</tr>
<tr>
<td>Social Security</td>
<td>Self-Adjustment Method</td>
<td>Evaluates the earnings and tax amounts to ensure they are correct with a given tax rate. When all subject earnings reach the annual maximum limit, the payroll process no longer calculates the tax. For further information, see Self-Adjustment Methods for Tax Withholding in the Help Center.</td>
</tr>
</tbody>
</table>

To define these calculation rules:

1. Start the Manage Legal Entity Calculation Cards task in the Workforce Deployment work area, and open the card.
2. Select the Federal component group.
3. Provide the effective date, and select the appropriate calculation component.
4. In the Details section, set the values you want to use.
5. Click **Save and Close**.

### Regional Calculation Rules at the PSU Level

You can define the following regional calculation rules on the PSU organization card:

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>Calculation Rules</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIT</td>
<td>Supplemental Tax Calculation Method</td>
<td>Indicates how the payroll process taxes supplemental earnings. You can select the following:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Aggregation</td>
</tr>
</tbody>
</table>
## Tax Type

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>Calculation Rules</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Alternate Flat Rate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Annualized Previous Aggregations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default Method</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Flat Rate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Flat Rate Combined</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage of Federal Tax</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tiered Flat Rate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tiered Flat Rate, Multiple Tables</td>
</tr>
</tbody>
</table>

For further information, see Tax Calculation Methods for the US in the Help Center.

<table>
<thead>
<tr>
<th>Resident Wage Accumulation</th>
<th>Identifies the appropriate resident wage accumulation method.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The payroll process automatically withholds for all states using the default action for each state. For further information, see the Calculation Guide for the United States Vertex Payroll Tax Q Series.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>County Tax Withholding Rule</th>
<th>Indicates if all earnings are taxed based on the defined county tax withholding rule.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>City Tax Withholding Rule</th>
<th>Indicates if all earnings are taxed based on the defined city tax withholding rule.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>SUI</th>
<th>Self-Adjustment Method</th>
<th>Evaluates the earnings and tax amounts to ensure they are correct with a given tax rate. When all subject earnings reach the annual maximum limit, the payroll process no longer calculates the tax.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>For further information, see Self-Adjustment Methods for Tax Withholding in the Help Center.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SUI Employee Rate override</th>
<th>Sets the rate override for those states where the employee also pays SUI.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>SUI Employer Rate override</th>
<th>Sets the rate override.</th>
</tr>
</thead>
</table>

Employer contribution payments under the state unemployment compensation laws vary based on each employer’s experience with unemployment. The employer experience rate varies for every employer and changes over time. In general, the less involuntary unemployment your workers experience, the lower your rate.
### Tax Type | Calculation Rules | Description
--- | --- | ---
**Note:** For states that have taxes in conjunction with SUI or SDI, you must increase your SUI or SDI employer rates appropriately. Carefully examine your state-issued rate notifications to determine if the state has included these special taxes in the overall rate notification. For example, the following special taxes are cases where this kind of SUI rate adjustment would be required:

**Note:** Massachusetts SUI Workforce Training Fund

**Note:** Nevada SUI Career Enhancement Program

**Note:** Nevada SUI Bond Obligation Assessment

**Note:** South Carolina SUI Administration Contingency Assessment = SUI ER Rate

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>Calculation Rules</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDI</td>
<td>Self-Adjustment Method</td>
<td>Evaluates the earnings and tax amounts to ensure they are correct with a given tax rate. When all subject earnings reach the annual maximum limit, the payroll process no longer calculates the tax. For further information, see Self-Adjustment Methods for Tax Withholding in the Help Center.</td>
</tr>
<tr>
<td>SDI Employee Rate override</td>
<td>Adjusts based on the number of dependents.</td>
<td></td>
</tr>
<tr>
<td>County Tax</td>
<td>Resident wage accumulation</td>
<td>Identifies the appropriate resident wage accumulation method. For further information, see the Calculation Guide for the United States Vertex Payroll Tax Q Series.</td>
</tr>
<tr>
<td>Taxation threshold hours</td>
<td>Sets the number work hours after which the payroll process begins calculating and withholding taxes. This field is informational.</td>
<td></td>
</tr>
</tbody>
</table>
Chapter 11

Setting Up Pay Calculation Components

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>Calculation Rules</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Tax</td>
<td>Resident wage accumulation</td>
<td>Selects the appropriate resident wage accumulation method. For further information, see the Calculation Guide for the United States Vertex Payroll Tax Q Series.</td>
</tr>
<tr>
<td>Taxation threshold hours</td>
<td></td>
<td>Sets the number work hours after which the payroll process begins calculating and withholding taxes. This field is informational.</td>
</tr>
</tbody>
</table>

To define these calculation rules:

1. Start the Manage Legal Entity Calculation Cards task in the Workforce Deployment work area, and open the card.
2. Select the Regional component group.
3. In the Calculation Card Overview section, under the Actions menu, select Create.
4. Select the appropriate state, and click OK.
5. Provide the effective date, and select the appropriate calculation component.
6. In the Details section, set the values you want to use.

You must click Save before you can add any county or city rules.

7. Repeat these steps to define the appropriate values at the county and city levels.

Calculation Rule Overrides

If you have multiple TRUs assigned to a PSU, you can set overrides on the TRUs. Use the Manage Legal Reporting Unit Calculation Cards task.

To define these calculation rules:

1. Start the Manage Legal Reporting Unit Calculation Cards task in the Workforce Deployment work area.
2. Select the appropriate component group.
3. Define the overrides.

Tax Overrides

To override a value or rule associated with an organization calculation card:

- Use the Manage Legal Entity Calculation Cards task in the Workforce Deployment work area. You set overrides for federal and regional taxes at the PSU level.

For further information, see Configure Organization Calculation Cards for the US in the Help Center.

- To set these overrides at the TRU level, use the Manage Legal Reporting Unit Calculation Cards task in the Workforce Deployment work area. Any settings you make on the TRU organization card override the settings on the PSU organization card.

- To make changes to an individual employee’s Tax Withholding card, use the Manage Calculation Cards task in the Person Management work area. These settings override those on the organization cards.

You can override the following on a person’s card:
Override Method | Description
---|---
Regular Amount | Uses a set amount each period, such as 100 USD.
Regular Rate | Uses a regular rate indicated as a percentage.
Supplemental Rate | Uses a supplemental rate for special items, such as bonus, retroactive pay, and supplemental wages.

For further information, see Tax Withholding Card in the Help Center.

**School District Income Taxes**

For states that levy school district income taxes, you must manually enter the school district on the person’s Tax Withholding card:

- Depending on the state, you enter the school district under either the City or County node.
- For Pennsylvania Act 32 jurisdictions, enter it on the residency certificate.

For further information, see Tax Withholding Card in the Help Center.

**Related Topics**
- Self-Adjustment Methods for Tax Withholding

**Federal Unemployment Tax Act Calculations**

The payroll process supports the calculation of Federal Unemployment Tax Act (FUTA) deductions. There are a number of configurations you can perform in support of these calculations.

<table>
<thead>
<tr>
<th>What you can do</th>
<th>What this means</th>
<th>How you do it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Override the FUTA credit reduction rate</td>
<td>FUTA credit reductions rates are predefined for each of the states that require a credit reduction. They are updated annually during end-of-year legislative updates. If a state continues to have an outstanding loan through November, an additional 0.3 percent credit reduction may apply. An additional benefit cost rate add-on tax may also potentially apply. In certain circumstances, you must override these rates.</td>
<td>1. Start the Manage Calculation Value Definitions task from the Payroll Calculations work area. 2. Perform an advanced search for the name that contains <strong>Credit Reduction</strong> in your legislative data group (LDG). Be sure to search with the effective date that you want to update the rate. 3. Select the appropriate FUTA reduction rate from the search results. 4. From the <strong>Actions</strong> menu, select <strong>Add Row</strong>. 5. Enter values for <strong>From Value</strong>, <strong>To Value</strong>, and <strong>Rate</strong>. 6. Click <strong>Submit</strong> and <strong>Done</strong>.</td>
</tr>
<tr>
<td>Override the FUTA rate</td>
<td>You can override the standard FUTA rates at the payroll statutory unit or tax reporting unit levels.</td>
<td>1. Navigate to one of the following from your implementation project,</td>
</tr>
</tbody>
</table>
### What you can do

<table>
<thead>
<tr>
<th>What this means</th>
<th>How you do it</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>depending on which level you are configuring.</td>
</tr>
<tr>
<td></td>
<td>- Manage Legal Entity Calculation Cards</td>
</tr>
<tr>
<td></td>
<td>- Manage Legal Reporting Unit Calculation Cards</td>
</tr>
<tr>
<td></td>
<td>2. Start the Calculation Rules for Tax Reporting and Payroll Statutory Unit task.</td>
</tr>
<tr>
<td></td>
<td>3. Enter the appropriate effective as-of-date.</td>
</tr>
<tr>
<td></td>
<td>4. Click <strong>Federal Unemployment Calculation Component</strong>.</td>
</tr>
<tr>
<td></td>
<td>5. Select <strong>Enterable Calculation Values on Calculation Cards</strong>.</td>
</tr>
<tr>
<td></td>
<td>6. Click Create.</td>
</tr>
<tr>
<td></td>
<td>7. Select <strong>Federal Unemployment Employer Rate</strong> for the name.</td>
</tr>
<tr>
<td></td>
<td>8. Enter the rate as a decimal.</td>
</tr>
<tr>
<td></td>
<td>For example, enter 1 percent as 0.01.</td>
</tr>
<tr>
<td></td>
<td>9. Save and submit.</td>
</tr>
</tbody>
</table>

### Override the FUTA standard value definitions

The standard value definitions for FUTA tax and FUTA wage limit are predefined. You can view these definitions and override their values at the LDG level.

<table>
<thead>
<tr>
<th>What you can do</th>
<th>How you do it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Override the FUTA standard value definitions</td>
<td>1. Start the Manage Calculation Value Definitions task from the Payroll Calculations work area.</td>
</tr>
<tr>
<td></td>
<td>2. Search for <strong>Federal Unemployment Tax</strong>.</td>
</tr>
<tr>
<td></td>
<td>3. Select either the rate or wage limit link.</td>
</tr>
<tr>
<td></td>
<td>4. In the Calculation Values section, add a new effective dated row.</td>
</tr>
<tr>
<td></td>
<td>5. Enter the new information.</td>
</tr>
<tr>
<td></td>
<td>6. Save and submit.</td>
</tr>
</tbody>
</table>

### Perform a tax adjustment for employees impacted by a FUTA rate change

You set the FUTA tax self-adjustment configurations on the organization calculation cards. The Department of Labor typically announces the year’s FUTA credit reduction rates in the November to December time frame. Despite the rate being announced late in the year, you are responsible for ensuring the new rate is applied to the full year’s taxes.

The payroll process does not self-adjust if the employees have already reached their wage limit or have been terminated.

Use the Run US Tax Balance Adjustment process for any employee requiring FUTA tax adjustment due such a rate change.

<table>
<thead>
<tr>
<th>What you can do</th>
<th>How you do it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perform a tax adjustment for employees impacted by a FUTA rate change</td>
<td>1. From the Payroll Checklist work area, run the Run US Tax Balance Adjustment process.</td>
</tr>
<tr>
<td></td>
<td>This process creates a balance adjustment batch. The batch uses the same name as the flow you used when you ran the process.</td>
</tr>
<tr>
<td></td>
<td>2. Download the batch to the Payroll Batch Loader (PBL).</td>
</tr>
<tr>
<td></td>
<td>There is no separate audit report.</td>
</tr>
<tr>
<td></td>
<td>3. Verify the batch through PBL.</td>
</tr>
<tr>
<td></td>
<td>4. Run the Transfer Batch Process.</td>
</tr>
<tr>
<td></td>
<td>5. Run the Adjust Multiple Balances process.</td>
</tr>
</tbody>
</table>

### Related Topics

- Configure Organization Calculation Cards for the US
How Cumulative Tax Withholding Is Calculated

When an employee has earnings that are accrued unevenly across the year, such as commissions, you must use the cumulative tax withholding method. This method makes sure the payroll process properly calculates their taxes. It applies to regular and supplemental payroll runs, and if implemented, applies to regular and supplemental payroll runs, and if implemented, applies to all elements of Regular and Commission secondary classifications for that employee.

Settings That Affect Cumulative Tax Withholding

On the worker’s Tax Withholding calculation card, in the federal Withholding Information section, you must set **Cumulative Taxation** to **Yes**.

You must have assigned the employee earnings elements of Regular or Commission types.

How Cumulative Taxes Are Calculated

Here’s what happens when you run the payroll process.

1. Determines the employee’s cumulative wages for the calendar year (the tax period).
2. Calculates the average amount of cumulative wages.
   
   It does this by dividing the cumulative wages by the number of payroll periods during which those wages were earned.
3. Calculates the cumulative withholding amount.
   
   It does this by computing the total taxes due as determined by the percentage withholding method. These taxes are based on the average cumulative wages determined in step 2. The calculations assume they had been earned in each pay period throughout the calendar year.
4. Calculates the taxes owed.
   
   It does this by subtracting the taxes already withheld by the employer throughout the calendar year from the total amount determined in step 3. The remainder, if any, is the amount of tax to be withheld from wages paid to the employee for the payroll period.

Related Topics

- Define Elements, Balances, and Formulas: Overview
- Define Earnings Elements for the US

State Reciprocity Agreements

Some states have reciprocity agreements where the employee may claim nonresident status in those states. This allows the employee to have their resident state tax withheld in lieu of their work state tax. To accomplish this, you must set the **Nonresident** field on their tax card to **Yes**. Otherwise, Vertex cannot correctly calculate the reciprocity. For further information, see the Vertex Payroll Tax Calculation Guide for the United States.

To allow the employee to claim nonresident status:

1. Start the Manage Calculation Cards task from the Payroll Calculation work area.
2. Search for and select the eligible employee, and open their Tax Withholding card for editing.
3. In the Calculation Card Overview section, navigate to the employee’s work state node.
4. In the Nonresident field, select Yes.
5. Click Save and Close.

For example, Illinois and Kentucky have a reciprocity agreement. An employee living in Illinois and working in Kentucky would only have to pay Illinois state income tax (SIT). On this employee’s tax card, at the work state regional tree node (KY), you identify them as a nonresident, thereby excluding them from KY SIT calculations.

Pennsylvania and Maryland Reciprocity

There is a reciprocity agreement for local taxation between Pennsylvania and Maryland specific to 11 Pennsylvania tax collection districts (TCDs). For information on configuration related to this agreement, see Pennsylvania Local Earned Income Tax in the Help Center.

Related Topics
• Configure Organization Calculation Cards for the US

State Unemployment Insurance Tax

To properly calculate tax withholding, you must set the state unemployment insurance (SUI) employer rates. You define them on the payroll statutory unit (PSU) calculation card, and it applies to all associated tax reporting units (TRUs). You can then set overrides for TRUs and individual employees.

<table>
<thead>
<tr>
<th>What kind of rate information you want to track</th>
<th>How you track it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer and employee rates</td>
<td>To enter the SUI rate:</td>
</tr>
<tr>
<td></td>
<td>1. Start the Manage Legal Entity Calculation Cards task in the Workforce Deployment work area.</td>
</tr>
<tr>
<td></td>
<td>2. Enter an effective as-of date.</td>
</tr>
<tr>
<td></td>
<td>3. Search for and select for editing an existing PSU calculation card, or create one.</td>
</tr>
<tr>
<td></td>
<td>4. In Calculation Card Overview, select Regional.</td>
</tr>
<tr>
<td></td>
<td>5. If entries for the state do not already exist, click Create and select the state name.</td>
</tr>
<tr>
<td></td>
<td>6. In the Calculation Components table, select the state’s State Unemployment row.</td>
</tr>
<tr>
<td></td>
<td>7. In the Details table, select Enterable Calculation Values on Calculation Cards.</td>
</tr>
<tr>
<td></td>
<td>8. Select State Unemployment Employer Experience Rate, and click Edit.</td>
</tr>
<tr>
<td></td>
<td>Click Create if the row doesn’t already exist.</td>
</tr>
<tr>
<td></td>
<td>9. In the Edit Calculation Values window, enter the rate and click OK.</td>
</tr>
<tr>
<td></td>
<td>10. Repeat these steps to set the SUI employee rate.</td>
</tr>
<tr>
<td></td>
<td>11. Click Save.</td>
</tr>
</tbody>
</table>

Note: When you enter a SUI rate for a selected state, you must also provide component details for the state disability insurance and state income tax.

Wage base rates

SUI wage base overrides are not necessary.

If an employee has a change in their work state within the same TRU, the payroll process still maintains the state-specific SUI limits. Once those limits are reached, the process stops the SUI employee and employer deductions. It automatically adjusts the SUI limit for the new state for SUI wages paid in another state.
Midyear SUI rate changes

Use the quarterly self-adjustment method in cases where a state changes its rate midyear. By checking each quarter individually to determine adjustments, it maintains the integrity of the calculations prior to the change. You configure the self-adjustment settings on the organization calculation card.

For further information, see Self-Adjustment Methods for Tax Withholding in the Help Center.

### School District Income Taxes

For states that levy school district income taxes, you have to manually populate the school district on the Tax Withholding card.

Depending on the state, you enter the school district under either the City or County node:

1. In the Payroll Calculation work area, search for the target employee.
2. Start the Manage Calculation Cards task.
   The Manage Calculation Cards page displays for the employee, listing their calculation cards.
3. Select the Tax Withholding card you want to edit.
4. Select Update from the Action menu.
5. Under Calculation Card Overview, select the appropriate regional node.
6. To make the employee exempt from this tax, set Exempt from School District to Yes.
7. Click Save and Close.

### California Wage Plan Code: Explained

You set the California wage plan code at the following levels:

- Payroll statutory unit (PSU)
- Tax reporting unit (TRU)
- Reporting Information Calculation Card

#### Payroll Statutory Unit

Use the Manage Legal Entity HCM Information task to set the wage plan code at the PSU level:

1. Start the task from your implementation task.
2. Select the Payroll Statutory Unit tab.
3. Select California.
4. Specify the wage plan code.
5. Click Submit and then Done.
Tax Reporting Unit
The code you set at the TRU level overrides the code you set for the PSU.

Use the Manage Legal Reporting Unit HCM Information task to set the wage plan code at the TRU level:

1. Start the task from your implementation task.
2. Select the Tax Reporting Unit tab.
3. Select California.
4. Specify the wage plan code.
5. Click Submit and then Done.

Reporting Information Calculation Card
The code you set on an employee’s Reporting Information calculation card overrides the values you set for the PSU and TRU. Set this override through the Manage Calculation Cards task in the Payroll Calculation work area.

For further information, see the Reporting Information Calculation Card for the US: Explained: Explained topic.

Related Topics
- Overview of Legal Reporting Unit Configuration for the US
- Define Legal Entities for the US
- Define Tax Reporting Units for the US

New Jersey Disability Insurance
For employees enrolled in a private disability plan (DIPP) in New Jersey, the DIPP ID appears in Box 14 of their W-2 reports. Use the Manage Legal Reporting Unit HCM Information task from your implementation project to identify your plan type and plan number.

Related Topics
- Configuration Requirements for Third-Party Tax Filing
- Configure the Form W-2

New Jersey Family Leave Insurance
New Jersey Family Leave Insurance (FLI) provides a period for workers to:
- Bond with their newborn or newly adopted child
- Provide care for a seriously ill family member

Benefits are payable to eligible employees through either the New Jersey State Plan or an approved employer-provided private plan.

Before you implement New Jersey FLI, there are some issues you need to consider.

- What are the requirements for a state-approved private plan
• What is the employee eligibility criteria
• How to opt your organization out of FLI deductions
• How to exclude individual employees
• How to cost FLI taxes

Private Plan Requirements
As an employer in New Jersey, you can choose between the plan provided by the state or an approved private plan.

A private FLI plan must:
• Provide a benefit amount and benefit duration that equals or exceeds the state plan
• Have eligibility requirements equal to or less restrictive than the state plan
• Have coverage costs to the worker equal to or less than the cost to workers for state plan coverage
• Be approved by the Division of Temporary Disability Insurance

Employee Eligibility Criteria
To be eligible for the New Jersey FLI tax, an employee must:
• Have a valid tax card with TRU association
• Have New Jersey identified as their SDI state on the tax card

Opt Out Your Organization
To opt an entire organization out of this tax:
1. To opt out at the PSU level, start the Manage Legal Entity Calculation Cards task from your implementation project.
   To opt out at the TRU level, start the Manage Legal Reporting Unit Calculation Cards task.
2. In Component Groups, choose the New Jersey state regional node.
3. In Calculation Components, choose State FLI.
   Create the State FLI component if it does not already exist:
   a. Click Create in the Calculation Components section.
   b. In the Create Calculation Component dialog box, select State FLI.
   c. Select NJ.
4. Select Enterable Calculation Values on the Calculation Card.
5. Choose Exempt from Family Leave Insurance.
6. In the Value field, enter Y.
7. Save your work.

Exclude Individual Employees
To exclude individual employees from this tax:
1. From the Payroll Calculations work area, search for the employee.
2. Start the Manage Calculation Cards task, and select their Tax Withholding card.
3. Select the New Jersey regional tax component.
4. In the Withholding Exemption section, select Yes for Exempt from Family Leave Insurance.
Cost the FLI Taxes
To process FLI taxes, cost the following predefined elements using the FLI Tax Calculated input value:

- Family Leave Insurance Employee Tax
- Family Leave Insurance Employee Tax Not Taken

For further information, see Payroll Costing of Elements for the US in the Help Center.

Related Topics
- Configure the Form W-2

New York Family Leave Insurance
The New York Paid Family Leave Insurance (FLI) program is intended to provide a period for workers to:

- Bond with their newborn or newly adopted child
- Provide care for a seriously ill family member
- Spend time with military spouse, child, domestic partner, or parent prior to their deployment

The FLI plan is funded by deductions taken from employee’s wages. FLI coverage is included under the required disability plan.

You report employee contributions on form W-2 using Box 14 - State disability insurance taxes withheld. For further information, see Configure the Form W-2 in the Help Center.

Before you implement New York FLI, there are some issues you need to consider.

- What is the employee eligibility criteria
- How to begin FLI withholding
- How to exclude individual employees
- How to cost FLI taxes

Employee Eligibility Criteria
To be eligible for the New York FLI tax, an employee must:

- Have a valid tax card with TRU association
- Have New York identified as their SDI state on the tax card

Withholding for Eligible Employees
NY FLI tax is not automatically withheld. The NY State Disability calculation component enables this deduction at the payroll statutory unit and tax reporting unit levels.

To begin withholding:

1. Start the Manage Legal Entity Calculation Cards task to enable this tax at the payroll statutory unit level (PSU).
2. Start Manage Legal Reporting Unit Calculation Cards task to enable this tax at the tax reporting unit (TRU) level.

Settings at the TRU level override those at the PSU level.
2. In the Component Groups section, select the New York state regional node.
3. In the Calculation Components section, select NY State Disability.
4. Select Enterable Calculation Values on the Calculation Card.
5. Click Create, and select Exempt From Family Leave Insurance.
6. In the Value field, enter N if your organization deducts this tax for your New York employees. Enter Y if your organization does not.
7. Save your work.

Exclude Individual Employees
To exclude individual employees from this tax:
1. From the Payroll Calculations work area, search for the employee.
2. Start the Manage Calculation Cards task, and select their Tax Withholding card.
4. In the Withholding Exemption section, select Yes for Exempt from Family Leave Insurance.

Cost the FLI Taxes
To process FLI taxes, cost the following predefined elements using the FLI Tax Calculated input value:
- FLI Tax Calculated input value
- Family Leave Insurance Employee Tax
- Family Leave Insurance Employee Tax Not Taken

For further information, see Payroll Costing of Elements for the US in the Help Center.

Related Topics
- Configure the Form W-2

Pennsylvania Local Earned Income Tax
As part of the payroll calculation process, Vertex compares the Resident Income Tax Rate (city + school) and Nonresident Income Tax Rate (city) and uses the higher rate for calculating local taxes. In cases where the total rate is the same, the payroll process withholds the resident tax.

The following information outlines how to configure the processing of this tax:
- Pennsylvania Local Earned Income Tax Configuration
- Pennsylvania and Maryland Reciprocity
- Philadelphia Withholding
- Pennsylvania Local Tax Tagging and Effective Dating
- Pennsylvania Local Tax Balance Adjustments
- Pennsylvania Resident Tax for Out-of-State Work Locations
- Temporary Work Assignments in Pennsylvania

Note: For further information, see the video tutorials on the Information Center for Cloud Human Capital Management - United States. From the Welcome Page, navigate to Video Tutorials.
Pennsylvania Local Earned Income Tax Configuration

To enable Pennsylvania local earned income tax calculation:

1. Load the political subdivision (PSD) codes through the Load Payroll Tax Information for US task. This process makes the PSD codes available for use during tax calculations.
   For further information, see Load Payroll Tax Information for the US in the Help Center.

   ✍️ Note: Pennsylvania PSD codes, school districts, and townships are stored in a data table that is not accessible through the Manage Geographies task. You can load this data only through the Load Payroll Tax Information for US process. You cannot otherwise change the values.

2. Set the PSD code for each Pennsylvania location through the Manage Locations task.
3. Configure the withholding of Pennsylvania local taxes for any employees working out-of-state.
   For further information, see Configure Organization Calculation Cards for the US in the Help Center.
4. Set the PSD codes on each Pennsylvania employees’ Residency Certificate.
   For newly-hired Pennsylvania employees, the employee tax card inherits both the work and resident PSD codes from their work location and home address. The default resident PSD code may not be accurate. This is because Pennsylvania addresses often have varying taxation districts.
   To ensure proper taxation:
   a. Obtain the correct PSD code and school district for the employee’s resident address from the PA Municipal Statistics website.
   b. Correct these entries on the employee’s tax card.

Here are some other situations where you must manually update the PSD codes on the employee’s Residency Certificate:

- The employee’s work location is outside of Pennsylvania, the employee resides in Pennsylvania, and the employee has transitioned to work-at-home status. In this case, you must set the work PSD to the resident PSD code.
- The employee’s work location has changed from a state other than Pennsylvania to Pennsylvania, and the employee resides in Pennsylvania. In this case, you must set the work PSD code.
- The employee changes from one work Pennsylvania location to a different work Pennsylvania location. In this case, you must update the work PSD code.
- When you change a person’s Pennsylvania residential address.

✍️ Note: Any time you make a location change to a Pennsylvania employee, whether it’s their home address or work location, you must confirm that the PA Residency Certificate has the proper resident and work PSD codes and school districts.

To update the codes:

a. Start the Manage Calculation Cards task from the Payroll Calculations work area.
b. Search for and select the person record.
c. Click Tax Withholding.
d. Select PA under the Component Groups tree and then Regional.
e. Select Correct or Update from the Action menu.
f. Update the following values as needed:

- Resident PSD Code
- Resident School District
- Work PSD Code
- Work School District

Do not enter any values for the Resident Income Tax Rate and Non-Resident Income Tax Rate fields.

g. Click **Save and Close**.

**Pennsylvania and Maryland Reciprocity**

There is a reciprocity agreement for local taxation between Pennsylvania and Maryland specific to the following 11 Pennsylvania tax collection districts (TCDs):

<table>
<thead>
<tr>
<th>Name</th>
<th>TCD Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adams</td>
<td>01</td>
</tr>
<tr>
<td>Centre</td>
<td>14</td>
</tr>
<tr>
<td>Franklin</td>
<td>28</td>
</tr>
<tr>
<td>Huntingdon</td>
<td>31</td>
</tr>
<tr>
<td>Juniata</td>
<td>34</td>
</tr>
<tr>
<td>Lancaster</td>
<td>36</td>
</tr>
<tr>
<td>Mifflin</td>
<td>44</td>
</tr>
<tr>
<td>Perry</td>
<td>50</td>
</tr>
<tr>
<td>Somerset</td>
<td>56</td>
</tr>
<tr>
<td>York</td>
<td>67</td>
</tr>
</tbody>
</table>

**Note**: A few locals within these jurisdictions are exempt from this reciprocity agreement. For further information, see the Vertex Payroll Tax Calculation Guide for the United States.

The reciprocity addresses two key scenarios:

<table>
<thead>
<tr>
<th>For this scenario</th>
<th>This is what happens</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees working in Maryland and living in Pennsylvania</td>
<td>Pennsylvania residents are typically liable for withholding at the rate in effect for the Maryland county in which they are employed, unless they live in one of the 11 TCDs listed above. The payroll</td>
</tr>
</tbody>
</table>
For this scenario | This is what happens
---|---
calculation process does not withhold Maryland state and county taxes for employees who live in one of these 11 TCDs as long as:

- You have configured your payroll statutory unit or tax reporting unit to withhold Pennsylvania local taxes for employees working out-of-state.
  For further information, see Configure Organization Calculation Cards for the US in the Help Center.
- You have the correct setup on the employee’s Tax Withholding card in the Residency Certificate section of the tax card.
  For further information, see Pennsylvania Local Earned Income Tax Configuration above.
- You have marked the person as **Nonresident** for Maryland on their Maryland Regional tax card.

Employees living in Maryland and working in Pennsylvania | Maryland residents are not required to pay Pennsylvania local taxes if they work in any of the 11 TCDs listed above. The payroll process does not withhold Pennsylvania local taxes where appropriate, as long as:

- You have the home political subdivision (PSD) code entered as **880000** on the employee tax card in the Pennsylvania Residency Certificate section.
- You have the correct work PSD code that pertains to one of the 11 TCDs entered on the employee tax card in the Pennsylvania Residency Certificate section.
- You have marked the person as **Nonresident** for Pennsylvania on their Pennsylvania Regional tax card.

If the employees do not work in these TCDs, they are subject to Pennsylvania nonresident local taxation rates.

**Philadelphia Withholding**
The payroll process automatically withholds Philadelphia local tax for employees living or working in Philadelphia. For employees living in Philadelphia, it withholds the resident rate. For employees working in Philadelphia but not living there, it withholds the nonresident rate if it is higher than their resident tax rate. No school district information is required.

For Philadelphia employees who receive tips, there are two additional balances:

- City Uncollected Tax Tip Wages Nonresident
- City Uncollected Tax Tip Wages Resident

These balances report wages from which no city tax was withheld. You must perform balance adjustments on these balances in order to populate the data for the tax extracts.

**Pennsylvania Local Tax Tagging and Effective Dating**
There is no ability to tag earnings for different Pennsylvania PSD codes. The payroll process looks at the Pay Period End date to determine the PSD codes and proper taxation.

**Pennsylvania Local Tax Balance Adjustments**
If balance adjustments are required for taxes that are subject to Pennsylvania Act 32 reporting, you must perform each adjustment individually for each type of balance (city, school, and local). There are multiple balances that support Pennsylvania Act 32, such as city withheld and local withheld.

For further information, see the following white papers on My Oracle Support:

- Oracle Cloud Human Capital Management for United States: Balance Adjustments (1600728.1)
Pennsylvania Resident Tax for Out-of-State Work Locations

To withhold local taxes for Pennsylvania residents who work outside of Pennsylvania, you must configure your PSU or TRU setups as follows:

1. Use the Manage Legal Reporting Unit Calculation Cards task from your implementation project to perform this at the TRU level.
   Use the Manage Legal Entity Calculation Cards task to perform this at the PSU level.
   Settings you make at the TRU level override those at the PSU level.
2. Enter the effective as-of date.
3. Select Regional.
4. Under the Actions menu, select Create.
5. Select PA, and click OK.
7. In the State Income Tax: Details section, select the Enterable Calculation Values on Calculation Cards tab.
8. Click Create.
9. Select Calculate PA Resident Tax for Non-PA Work Location.
10. Enter Y as the value.
11. Click Save and Close.

Temporary Work Assignments in Pennsylvania

For employees who experience a change in work assignment of 3 or more months:

1. At the beginning of the temporary assignment, set the work PSD code to the temporary assignment for the time period needed.
2. When the assignment is complete, change it back.

Related Topics

- Configure Organization Calculation Cards for the US
- Load Payroll Tax Information for the US

How the Payroll Process Determines Pennsylvania Political Subdivision Codes

The payroll process uses political subdivision (PSD) codes in the calculation of Pennsylvania local earned income taxes. The payroll process uses the higher of the following rates:

- Resident (city + school)
- Nonresident (city only)

In cases where the rates are the same, the payroll calculation automatically withholds the resident rate.

How Resident PSD Codes Are Derived

The payroll process uses the following hierarchy to determine an eligible employee’s resident PSD code:

1. Checks the resident PSD Code of the Pennsylvania Residency Certificate section on their Tax Withholding card.
2. Attempts to determine the code based on the employee’s home address.
3. If it is unable to derive the resident PSD code, or if you have specified an invalid code on the Residency Certificate, the payroll process:
   a. Stops calculation for that employee.
   b. Logs an error in the payroll results.
4. If there are multiple PSD codes in the same pay period, the payroll process looks at the last PSD code in the pay period end date to determine proper taxation.

How Nonresident PSD Codes Are Derived

The payroll process uses the following hierarchy to determine an eligible employee’s nonresident PSD code:

1. Checks the nonresident PSD Code of the Pennsylvania Residency Certificate section on their Tax Withholding card.
2. Attempts to determine the code based on the employee’s work address.
3. If it is unable to derive the nonresident PSD code, or if you have specified an invalid code on the Residency Certificate, the payroll process:
   a. Stops calculation for that employee.
   b. Logs an error in the payroll results.
4. If there are multiple PSD codes in the same pay period, the payroll process looks at the last PSD code in the pay period end date to determine proper taxation.

Related Topics

• Maintaining Pennsylvania Local Taxes: Procedure
• Setting Up Pennsylvania Local Taxes: Procedure
• Third-Party Tax Filing for Pennsylvania Act 32

Pennsylvania Local Earned Income Tax

As part of the payroll calculation process, Vertex compares the Resident Income Tax Rate (city + school) and Nonresident Income Tax Rate (city) and uses the higher rate for calculating local taxes. In cases where the total rate is the same, the payroll process withholds the resident tax.

The following information outlines how to configure the processing of this tax:

• Pennsylvania Local Earned Income Tax Configuration
• Pennsylvania and Maryland Reciprocity
• Philadelphia Withholding
• Pennsylvania Local Tax Tagging and Effective Dating
• Pennsylvania Local Tax Balance Adjustments
• Pennsylvania Resident Tax for Out-of-State Work Locations
• Temporary Work Assignments in Pennsylvania

Note: For further information, see the video tutorials on the Information Center for Cloud Human Capital Management - United States. From the Welcome Page, navigate to Video Tutorials.
Pennsylvania Local Earned Income Tax Configuration

To enable Pennsylvania local earned income tax calculation:

1. Load the political subdivision (PSD) codes through the Load Payroll Tax Information for US task. This process makes the PSD codes available for use during tax calculations.
   For further information, see Load Payroll Tax Information for the US in the Help Center.

   📝 Note: Pennsylvania PSD codes, school districts, and townships are stored in a data table that is not accessible through the Manage Geographies task. You can load this data only through the Load Payroll Tax Information for US process. You cannot otherwise change the values.

2. Set the PSD code for each Pennsylvania location through the Manage Locations task.
3. Configure the withholding of Pennsylvania local taxes for any employees working out-of-state.
   For further information, see Configure Organization Calculation Cards for the US in the Help Center.
4. Set the PSD codes on each Pennsylvania employees' Residency Certificate.
   For newly-hired Pennsylvania employees, the employee tax card inherits both the work and resident PSD codes from their work location and home address. The default resident PSD code may not be accurate. This is because Pennsylvania addresses often have varying taxation districts.
   To ensure proper taxation:
   a. Obtain the correct PSD code and school district for the employee’s resident address from the PA Municipal Statistics website.
   b. Correct these entries on the employee’s tax card.

Here are some other situations where you must manually update the PSD codes on the employee's Residency Certificate:

- The employee’s work location is outside of Pennsylvania, the employee resides in Pennsylvania, and the employee has transitioned to work-at-home status. In this case, you must set the work PSD to the resident PSD code.
- The employee’s work location has changed from a state other than Pennsylvania to Pennsylvania, and the employee resides in Pennsylvania. In this case, you must set the work PSD code.
- The employee changes from one work Pennsylvania location to a different work Pennsylvania location. In this case, you must update the work PSD code.
- When you change a person’s Pennsylvania residential address.

   📝 Note: Any time you make a location change to a Pennsylvania employee, whether it’s their home address or work location, you must confirm that the PA Residency Certificate has the proper resident and work PSD codes and school districts.

To update the codes:

a. Start the Manage Calculation Cards task from the Payroll Calculations work area.
b. Search for and select the person record.
c. Click Tax Withholding.
d. Select PA under the Component Groups tree and then Regional.
e. Select Correct or Update from the Action menu.
f. Update the following values as needed:

- Resident PSD Code
- Resident School District
- Work PSD Code
- Work School District

Do not enter any values for the Resident Income Tax Rate and Non-Resident Income Tax Rate fields.


g. Click **Save and Close**.

### Pennsylvania and Maryland Reciprocity

There is a reciprocity agreement for local taxation between Pennsylvania and Maryland specific to the following 11 Pennsylvania tax collection districts (TCDs):

<table>
<thead>
<tr>
<th>Name</th>
<th>TCD Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adams</td>
<td>01</td>
</tr>
<tr>
<td>Centre</td>
<td>14</td>
</tr>
<tr>
<td>Franklin</td>
<td>28</td>
</tr>
<tr>
<td>Huntingdon</td>
<td>31</td>
</tr>
<tr>
<td>Juniata</td>
<td>34</td>
</tr>
<tr>
<td>Lancaster</td>
<td>36</td>
</tr>
<tr>
<td>Mifflin</td>
<td>44</td>
</tr>
<tr>
<td>Perry</td>
<td>50</td>
</tr>
<tr>
<td>Somerset</td>
<td>56</td>
</tr>
<tr>
<td>York</td>
<td>67</td>
</tr>
</tbody>
</table>

**Note:** A few locals within these jurisdictions are exempt from this reciprocity agreement. For further information, see the Vertex Payroll Tax Calculation Guide for the United States.

The reciprocity addresses two key scenarios:

<table>
<thead>
<tr>
<th>For this scenario</th>
<th>This is what happens</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees working in Maryland and living in Pennsylvania</td>
<td>Pennsylvania residents are typically liable for withholding at the rate in effect for the Maryland county in which they are employed, unless they live in one of the 11 TCDs listed above. The payroll code is based on the TCD in which they reside.</td>
</tr>
</tbody>
</table>
For this scenario | This is what happens
---|---
| calculation process does not withhold Maryland state and county taxes for employees who live in one of these 11 TCDs as long as:
  - You have configured your payroll statutory unit or tax reporting unit to withhold Pennsylvania local taxes for employees working out-of-state. For further information, see Configure Organization Calculation Cards for the US in the Help Center.
  - You have the correct setup on the employee’s Tax Withholding card in the Residency Certificate section of the tax card. For further information, see Pennsylvania Local Earned Income Tax Configuration above.
  - You have marked the person as **Nonresident** for Maryland on their Maryland Regional tax card.

| Employees living in Maryland and working in Pennsylvania | Maryland residents are not required to pay Pennsylvania local taxes if they work in any of the 11 TCDs listed above. The payroll process does not withhold Pennsylvania local taxes where appropriate, as long as:
  - You have the home political subdivision (PSD) code entered as **880000** on the employee tax card in the Pennsylvania Residency Certificate section.
  - You have the correct work PSD code that pertains to one of the 11 TCDs entered on the employee tax card in the Pennsylvania Residency Certificate section.
  - You have marked the person as **Nonresident** for Pennsylvania on their Pennsylvania Regional tax card.

If the employees do not work in these TCDs, they are subject to Pennsylvania nonresident local taxation rates.

**Philadelphia Withholding**

The payroll process automatically withholds Philadelphia local tax for employees living or working in Philadelphia. For employees living in Philadelphia, it withholds the resident rate. For employees working in Philadelphia but not living there, it withholds the nonresident rate if it is higher than their resident tax rate. No school district information is required.

For Philadelphia employees who receive tips, there are two additional balances:

- City Uncollected Tax Tip Wages Nonresident
- City Uncollected Tax Tip Wages Resident

These balances report wages from which no city tax was withheld. You must perform balance adjustments on these balances in order to populate the data for the tax extracts.

**Pennsylvania Local Tax Tagging and Effective Dating**

There is no ability to tag earnings for different Pennsylvania PSD codes. The payroll process looks at the Pay Period End date to determine the PSD codes and proper taxation.

**Pennsylvania Local Tax Balance Adjustments**

If balance adjustments are required for taxes that are subject to Pennsylvania Act 32 reporting, you must perform each adjustment individually for each type of balance (city, school, and local). There are multiple balances that support Pennsylvania Act 32, such as city withheld and local withheld.

For further information, see the following white papers on My Oracle Support:

- Oracle Cloud Human Capital Management for United States: Balance Adjustments (1600728.1)
Pennsylvania Resident Tax for Out-of-State Work Locations

To withhold local taxes for Pennsylvania residents who work outside of Pennsylvania, you must configure your PSU or TRU setups as follows:

1. Use the Manage Legal Reporting Unit Calculation Cards task from your implementation project to perform this at the TRU level.

2. Use the Manage Legal Entity Calculation Cards task to perform this at the PSU level.

   Settings you make at the TRU level override those at the PSU level.

3. Enter the effective as-of date.

4. Select Regional.

5. Under the Actions menu, select Create.

6. Select PA, and click OK.

7. Select the State Income Tax calculation component.

8. In the State Income Tax: Details section, select the Enterable Calculation Values on Calculation Cards tab.

9. Click Create.

10. Select Calculate PA Resident Tax for Non-PA Work Location.

11. Enter Y as the value.

   Click Save and Close.

Temporary Work Assignments in Pennsylvania

For employees who experience a change in work assignment of 3 or more months:

1. At the beginning of the temporary assignment, set the work PSD code to the temporary assignment for the time period needed.

2. When the assignment is complete, change it back.

Related Topics

- Configure Organization Calculation Cards for the US
- Load Payroll Tax Information for the US

Washington Paid Family Leave Tax

Washington Paid Family and Medical Leave is a tax for employees subject to Washington state unemployment insurance. The tax consists of multiple components.

- Family Leave Insurance (FLI) for the employee
- Medical Leave Insurance (MLI) for the employee
- Medical Leave Insurance for the employer

However, there are some areas you should consider.

- What is the employee eligibility criteria
- How to override the tax rate
• How to opt your organization out of this tax
• How to exclude individual employees
• How to cost Paid Family and Medical Leave taxes

Employee Eligibility Criteria
The payroll process automatically takes this tax on employees when they are subject to Washington state unemployment insurance tax.

Override the Tax Rate
To override the tax withholding rates:

1. To change this tax at the payroll statutory unit (PSU) level, start the Manage Legal Entity Calculation Cards task from your implementation project.
   Use Manage Legal Reporting Unit Calculation Cards task to change this tax at the tax reporting unit (TRU) level.
   Settings at the TRU level override those at the PSU level.
2. In Component Groups, select the Washington state regional node.
3. In Calculation Components, select State FLI.
   Create the State FLI component if it does not already exist:
   a. Select the Washington regional node in Component Groups.
   b. Click Create in the Calculation Components section.
   c. In the Create Calculation Component dialog box, select State FLI.
   d. Select WA.
4. Click Enterable Calculation Values on the Calculation Card.
5. Add the MLI Employee Percentage and MLI Employer Percentage components, and set the appropriate values for each.
6. Save your work.

Opt Out Your Organization
To opt an entire organization out of this tax:

1. To opt out at the PSU level, start the Manage Legal Entity Calculation Cards task from your implementation project.
   To opt out at the TRU level, start the Manage Legal Reporting Unit Calculation Cards task.
2. In Component Groups, choose the Washington state regional node.
3. In Calculation Components, choose State FLI.
   Create the State FLI component if it does not already exist:
   a. Select the Washington regional node in Component Groups.
   b. Click Create in the Calculation Components section.
   c. In the Create Calculation Component dialog box, select State FLI.
   d. Select WA.
4. Select Enterable Calculation Values on the Calculation Card.
5. Choose Exempt from Family Leave Insurance.
6. In the Value field, enter Y.
7. Save your work.
Exclude Individual Employees

To exclude an individual employee from this tax:

1. From the Payroll Calculations work area, search for the employee.
2. Start the Manage Calculation Cards task, and choose the person’s Tax Withholding card.
3. Choose the Washington state regional node.
4. In the Withholding Exemption section, choose Yes for Exempt from Family Leave Insurance.

Cost the Tax

To process FLI taxes, cost the following predefined elements using the FLI Tax Calculated input value:

- Family Leave Insurance Employee Tax
- Family Leave Insurance Employee Tax Not Taken

For further information, see Payroll Costing of Elements for the US in the Help Center.

Related Topics

- Configure the Form W-2
- Define Legal Entities for the US
- Overview of Legal Reporting Unit Configuration for the US
- Payroll Costing of Elements for the US

How the Payroll Process Determines the Employee Work State

For some state taxes, such as unemployment insurance and disability insurance, the payroll process must determine the employee’s state of employment.

🚀 Note: Retirees are not subject to unemployment or disability taxes. Therefore the following hierarchy does not apply to them.

How the Work State Is Determined

The payroll process uses the following hierarchy based on the employee’s primary assignment associated with the tax reporting unit (TRU):

1. If the employee is designated as work-at-home, it uses the state on their residence tax address.
2. If the employee is not work-at-home, it checks for a work address override.
   - If there is, it uses the state identified on the override.
3. It then checks for a work location tax override.
   - If there is, it uses the state identified on the override.
4. If there are no overrides, it uses the state identified on the assignment for the work location.

🚀 Note: If there is no primary assignment associated with the TRU, the payroll process applies this hierarchy to the assignment with the lowest assignment ID that is associated with the TRU.
Courtesy Withholding Taxes

In some states, if an employee resides in a different city, county, or state and works in another, they may be required to pay taxes for both localities. As their employer, you may not be required to withhold and deposit taxes for both. Courtesy withholding taxes are regional liabilities that are withheld and deposited by the employer on behalf of the employee for locales that do not require the employer to do so.

⚠️ **Note:** Individual local and state taxation rules vary. Consult with the appropriate tax authorities for complete compliance information on whether or not the employer is required to withhold.

Withholding Hierarchy

Before you can set up your organization for courtesy withholding, you must first understand the hierarchy used by courtesy taxation. Configurations at lower levels override those at higher levels:

1. Payroll statutory unit (PSU)
2. Tax reporting unit (TRU)
   
   Entries here override the PSU.
3. Employee level
   
   Entries here override both the TRU and PSU.

For example, a setting on the Tax Withholding card would override settings on the PSU or TRU.

Tax Configuration

For information, see the following on the Help Center:

- Configure County and City Withholding Rules for Courtesy Taxes
- Configure Courtesy Tax Withholding
- Configure State Withholding Rules

Other Information Sources

For further information, see the following documents:

- Oracle Cloud Human Capital Management for the US: Implementation and Use (1676530.1) on My Oracle Support
- All White Papers for Cloud Applications HCM (1504483.1) on My Oracle Support
- Calculation Guide for the United States Vertex Payroll Tax Q Series

**Related Topics**

- Configuring County and City Withholding Rules for Courtesy Taxes: Explained
- Configuring Courtesy Tax Withholding: Overview
- State Tax Withholding Rules
Puerto Rico State Unemployment Special Assessment Tax

The Special Assessment Tax is a tax Puerto Rico imposes in addition to state unemployment insurance (SUI). For further information, see the Puerto Rico Department of Labor and Human Resources website.

To properly include this tax in your tax calculations, start the Manage Legal Reporting Unit Calculation Cards task from your implementation plan. Add this rate to the SUI rate recorded on your tax recording unit’s calculation card.

Note: The combined rates cannot exceed the federally mandated employer SUI maximum rate of 5.4 percent.

Related Topics
• Set Up US Territories

Puerto Rico Young Entrepreneurs Act

For all employees meeting the age criteria, the payroll process automatically applies the Puerto Rico Young Entrepreneurs Act exemptions. It accumulates the exempt wages in the PR Youth Exempt Wages balance. Once the limit is reached, the payroll process begins accumulations and deductions for the state income tax balances.

Related Topics
• Configure the US Territorial Year-End Tax Forms

Calculation Value Definitions

Calculation Value Definitions: Explained

A calculation value definition specifies how a value is provided or calculated. The value is not necessarily monetary. Typically, it’s a flat amount or rate, but it could be a date or a text value, such as a tax code, depending on the calculation type. Some definitions hold the values in a table, so that different values apply to different employees.

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
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

- Calculation Factors: Explained

Calculation Value Definitions: Examples

The following deduction examples, the calculation value depends on where the employee falls in an earnings range. The From and To values of the range can be static or dynamic. Dynamic values are a fraction of the value of a database item, such as gross earnings. These examples also illustrate how to override the default calculation type for selected values in the range.

Static Values

The calculation value definition for a regional income tax uses a default calculation type of Flat Rate. However, for the lowest and highest incomes, a flat amount applies. For these two values, the Flat Amount calculation type overrides the default type, and uses a monetary value rather than a percentage. The Basis of Calculation Values field is blank, so the values are static.

The following table shows sample static values for this calculation value definition:
Dynamic Values

The calculation value definition for a tax exemption uses a default calculation type of Incremental Rate. The first and last values specify the Flat Amount calculation type, which overrides the default type. The Basis of Calculation Values field specifies the Gross Earnings YTD database item. This means the From and To values represent a percentage of year-to-date gross earnings.

The following table shows sample dynamic values for this calculation value definition:

<table>
<thead>
<tr>
<th>From Value</th>
<th>To Value</th>
<th>Calculation Type Override</th>
<th>Rate or Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>199</td>
<td>Flat Amount</td>
<td>0</td>
</tr>
<tr>
<td>200</td>
<td>999</td>
<td></td>
<td>4 (percent)</td>
</tr>
<tr>
<td>1000</td>
<td>1999</td>
<td></td>
<td>6 (percent)</td>
</tr>
<tr>
<td>2000</td>
<td>999,999,999</td>
<td>Flat Amount</td>
<td>300</td>
</tr>
</tbody>
</table>

The first row defines a flat amount of 300 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.

Involuntary Deduction Calculation Value Definitions

Calculation value definition rules help determine how the payroll process calculates deductions and payments.

All calculation value definitions are at the legislative data group level (LDG) and apply to any employee in that LDG. The Manage Calculation Value Definitions task in the Payroll Calculations work area provides the legislative rules by state for processing of involuntary deductions.

There are multiple rule types.

<table>
<thead>
<tr>
<th>Rule type</th>
<th>What it does</th>
<th>How you can define them</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deduction rules</td>
<td>This value definition group defines the default deduction amount and rate for each deduction type and each state.</td>
<td>1. Start the Manage Calculation Value Definitions task.</td>
</tr>
</tbody>
</table>
### Setting Up Pay Calculation Components

<table>
<thead>
<tr>
<th>Rule type</th>
<th>What it does</th>
<th>How you can define them</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2. Perform a search for Deduction value definition groups. You can narrow this search by providing additional information in the Name field. For example, for state-related dependent calculation rules, query by state name, such as Tennessee% or North Dakota Alimony%.</td>
</tr>
<tr>
<td>Dependent calculation rules</td>
<td>Dependent calculation rules are predefined data used by Creditor Debt and Garnishments involuntary deductions. Some states use them to apply additional exemptions for dependents when calculating disposable income.</td>
<td>3. Select a predefined rule to view its details.</td>
</tr>
<tr>
<td>Exemption rules</td>
<td>Exemption rules determine how much money is available for disposable income by identifying what is protected pay. These rules are set by involuntary secondary classification at both federal and state levels and apply to all employees in your LDG. If you set an override on an involuntary deductions card's calculation component, it impacts only the employee associated with that card.</td>
<td>1. Start the Manage Calculation Value Definitions task. 2. Perform a search for Dependent Calculation Rule value definition groups. You can narrow this search by providing additional information in the Name field. For example, for state-related dependent calculation rules, query by state name, such as Tennessee% or North Dakota Creditor Debt%. 3. Select a predefined rule to view its details.</td>
</tr>
<tr>
<td>Fees rules</td>
<td>Some involuntary deduction types require additional fees payable to the employer, the court, or other third-party organization. These rules define how those fees are levied. To reset a specific processing fee, use the Manage Calculation Value Definitions task to update the fee value to 0 for your LDG. You can also reset all the processing fees.</td>
<td>1. Start the Manage Calculation Value Definitions task. 2. Perform a search for Fees value definition groups. You can narrow this search by providing additional information in the Name field. For example, for state-related fee rules, query by state name, such as Alaska% or Nevada Child Support%. 3. Select a predefined rule to view its details.</td>
</tr>
</tbody>
</table>
You can impose the following types of fees:

- **Organization Fees**
  
  These are court or agency-ordered fees.

  These fees may be:
  
  - Levied each pay period per order
  - Limited to a one time only initial payment
  - Subject to a run, period, or monthly maximum
  - Deducted as a flat amount or percentage, depending on the selected calculation value definition

  **Note:** To use a third-party organization payee for the organization fee payee, use the Manage Third-Party Payment Methods task. Select **External Payee** in the Party Usage Code field. This makes the third-party payment method available for selection as a payee on the employee’s involuntary deductions card.

- **Processing Fees**

  Employers may charge an administrative fee for processing involuntary deductions. Without a payee, these fees do not appear on the payslip.

  These fees may be:
  
  - Levied each pay period per order
  - Limited to a one time only initial payment
  - Subject to a run, period, or monthly maximum
  - Deducted as a flat amount or percentage, depending on the selected calculation value definition

The sum of the involuntary deductions payment and fee cannot exceed the maximum set by either the Consumer Credit Protection Act or state law.
<table>
<thead>
<tr>
<th>Rule type</th>
<th>What it does</th>
<th>How you can define them</th>
</tr>
</thead>
<tbody>
<tr>
<td>The involuntary secondary classification sets these rules at both federal and state levels. They apply to all employees in your LDG. If you set an override on an involuntary deductions card’s calculation component, it impacts only the employee associated with that card.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Limit rules</td>
<td>Limit rules define the maximum amounts and maximum withholding days for involuntary deductions.</td>
<td>1. Start the Manage Calculation Value Definitions task.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Perform a search for Limit value definition groups. You can narrow this search by providing additional information in the Name field. For example, for state-related limit rules, query by state name, such as Alaska Regional Tax Levy %. To search for federal values, use Garnishment% or Creditor Debt %.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Select a predefined rule to view its details.</td>
</tr>
<tr>
<td>Proration rules</td>
<td>The payroll process prorates deductions when:</td>
<td>See the proration rules for the following scenarios:</td>
</tr>
<tr>
<td></td>
<td>• An employee has more than one involuntary deduction of the same type.</td>
<td>• Support Orders and Creditor Debt Each state uses different proration rules for Child Support, Alimony, Spousal Support, and Creditor Debit involuntary deductions. For further information, see the appropriate state’s tax authority.</td>
</tr>
<tr>
<td></td>
<td>• The total amount available to pay them is insufficient to pay all the orders.</td>
<td>• Tax Levies and Bankruptcies An employee can have only one federal tax levy and one bankruptcy order in effect at once, so no proration rules apply.</td>
</tr>
<tr>
<td></td>
<td>Note: For deductions of different types, the process uses subprocessing rules.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Depending on the state and deduction type, the proration rules do one of the following:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Allocate a percentage to each order based on the total dollar amount of the current orders</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Divide the total amount equally across all involuntary deductions</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Fulfill the deductions in the order in which they were received</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The rules used for proration are determined by the state where the employee works, and most states have well-defined regulations for the distribution of money.</td>
<td></td>
</tr>
</tbody>
</table>
Rule type | What it does | How you can define them
---|---|---
Overrides | For information, see the following in the Help Center:
- Involuntary Deduction Calculation Value Override Details for the US
- Involuntary Deduction Calculation Value Overrides for the US |  

Related Topics
- Involuntary Deduction Calculation Value Overrides for the US
- Involuntary Deduction Calculation Value Override Details for the US

### Enterable Values on Calculation Cards: Explained

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>
<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: Explained

The calculation type determines which values you must provide in the Calculation Values section of the Create or Edit Calculation Value Definition page. For example, if you select Flat Amount as the calculation type, then you must provide a flat amount value. You specify a default calculation type for the definition, which you can override on individual rows in the Calculation Values section.

Predefined Calculation Types

You can choose from several predefined calculation types, as described in this table:

<table>
<thead>
<tr>
<th>Calculation Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat Amount</td>
<td>Uses the specified flat amount as the total deduction amount.</td>
</tr>
<tr>
<td>Flat Amount Times Multiplier</td>
<td>Multiplies a flat amount by a multiplier value. If you select this option, you must specify a database item that provides the value of the multiplier.</td>
</tr>
<tr>
<td>Conditional Flat Amount</td>
<td>Uses the specified flat amount if the condition defined in the Calculation section is met.</td>
</tr>
</tbody>
</table>
### Calculation Type

<table>
<thead>
<tr>
<th>Calculation Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat Rate</td>
<td>Applies the specified rate to the balance. For example, to apply a rate of 10 percent, enter 10.</td>
</tr>
<tr>
<td>Incremental Rate</td>
<td>Applies a different rate to portions of the balance. For example, assuming that the balance is 80,000 USD, you could apply a 1 percent rate for the first 20,000 of the balance. A 3 percent rate for the next 30,000, and a 5 percent rate to the next 30,000. This is also referred to as a blended rate.</td>
</tr>
</tbody>
</table>
| Standard Formula 1 | Calculates the total amount based on the following formula: \[ y = Ax - Bz \] Where:  
  - \( y \) is the deducted amount.  
  - \( x \) is the calculated amount.  
  - \( A \) and \( B \) are specified values.  
  - \( z \) is a factor from a predefined formula. The value defaults to 1. |
| Standard Formula 2 | Calculates the value based on the following formula: \[ y = (x - A) x B + Cz \] 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. |
| Text             | Uses the specified character string as the calculated value. |

### Specifying View Objects

A view object is a query result set. You can specify a view object to define the valid values that are available to the selected calculation type.

**Note:**
- The view objects you can specify vary depending on the calculation type. For example, if the calculation type is Conditional Flat Amount, then specify view objects for the condition and flat amount values.
- When you specify a view object, include the fully qualified path name, such as: `oracle.apps.hcm.locUS.payrollSetup.details.publicView.UsStatePVO`
Related Topics

- Personal Calculation Cards: How Their Entries Fit Together

Wage Basis Rules

Tax Wage Basis Rules

Tax wage basis rules determine those employee earnings that are subject to a tax. For deductions, they determine the elements that reduce the amount subject to tax. Each wage basis rule is associated with a primary or secondary element classification. When you define a tax wage basis rule, you can associate it with up to six references that define the context for the rule.

You need to understand:

- How element classifications and wage basis rules work together
- What are the predefined wage basis rules
- How you can create wage basis rules
- How to use the Use the Wage Basis check box

Element Classifications and Wage Basis Rules

The wage basis rules act differently depending on the element's classification.

- Deduction element classifications identify whether they reduce the subject wages. When you view wage basis rules through the manage Component Group Rules task, a check mark indicates the deduction does not reduce.
- Earnings element classifications identify which earnings are subject to the tax.

Predefined Wage Basis Rules

The predefined wage basis rules help determine the taxation of earnings at the federal and state levels. This includes rules for primary classifications of supplemental earnings, imputed earnings, and pretax deductions along with the corresponding secondary classifications.

There are no predefined wage basis rules for local taxes. Unless you define them, they follow the appropriate state rules.

For information about wage basis rules for involuntary deductions, see Involuntary Deduction Wage Basis Rules for the US in the Help Center.

To view wage basis rules:

1. Start the Manage Component Group Rules task from the Payroll Calculation work area. Select your US legislative data group (LDG).
2. Select the Federal component group.
3. In the tree structure, expand the Federal and Wage Basis Rules nodes. Select the No References node.
4. View the wage basis rules for Imputed Earnings, Pretax Deductions, and Supplemental Earnings as they relate to each federal-level tax.

For Earnings, a check mark indicates the earning is subject to that tax. The Not Withholdable Federal Tax column indicates the earning is subject to federal tax but no tax is withheld.
For Pretax Deductions, a check mark indicates that the deduction is subject to taxation and does not reduce subject wages. If no check mark is present, then the deduction is not subject to taxation and does reduce subject wages.

5. Select the Regional component group.
6. In the tree structure, expand the Regional and Wage Basis Rules nodes. Select the State node.
7. View the wage basis rules for Imputed Earnings, Pretax Deductions, and Supplemental Earnings as they relate to each state-level tax.
8. Due to the large volume of data, you can filter the data to view a particular state. Enter a search string in the field above the State column. If no field is available above the State column, select the Filter icon.

To edit the predefined wage basis rules:

1. Start the Manage Component Group Rules task, and query your US LDG.
2. In the tree structure, navigate to the appropriate Wage Basis Rules node.
3. Select Create from the Actions menu.
4. Enter an effective date.
5. If you are updating the State node, select the appropriate state.
6. Select a primary classification and secondary classification.
7. For Subject to wage basis rule, select No, and click Submit. This suspends the predefined rule.
8. Navigate to the Federal Tax or State Tax node under the Related Deductions folder, and select the Wage Basis Rules node.
9. Select Create from the Actions menu.
10. Enter an effective date.
11. If you are updating the State node, select the appropriate state.
12. Select a primary classification and secondary classification.
13. Mark the Subject to wage basis rule as Yes, and click Submit. This creates the new rule.

For example, for Group Term Life (GTL) for applicable federal and some state components, the default rule is Not withholdable. You may want to change this to Withholdable.

User-Defined Wage Basis Rules

There are no predefined wage basis rules at the local level, such as city, county, or school district. While most local wage basis rules follow their state wage basis rules, there are a few states where the local wage basis rules differ. You must create the local wage basis rules in these cases.

For example, at the Ohio city level, Deferred Compensation 401k and Deferred Compensation 401k Catch Up are subject to tax. At the Kentucky local level, all Pretax Section 125 secondary classifications are taxable, such as Dental Care 125, Dependent Care 125, and Vision Care 125).

Create wage basis rules using the Manage Component Group Rules task in the Payroll Calculation work area:

1. In the tree structure, select the Regional node.
   
   To define wage basis rules at the federal level, select the Federal node.
2. Expand the Related deductions node and then the child node appropriate to the tax.
3. Select the Wage Basis Rules node.
4. In the Wage Basis Rules section, click Create.
5. In the Create Wage Basis Rule window, enter the following.

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective Start Date</td>
<td>Use either the implementation date or the earliest date a pay period exists.</td>
</tr>
</tbody>
</table>
Oracle Human Resources Cloud Implementing Payroll for the United States

Chapter 11
Setting Up Pay Calculation Components

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>State</td>
<td>Full state name or the 2-character state abbreviation, such as OH.</td>
</tr>
<tr>
<td></td>
<td>How you configured your state name settings determines how the values appear in this field. For further information, see Configure State Style Formats in the Help Center.</td>
</tr>
<tr>
<td>County</td>
<td>Specify the appropriate county from the list, such as Franklin.</td>
</tr>
<tr>
<td>City</td>
<td>Specify the appropriate city from the list, Columbus.</td>
</tr>
<tr>
<td>Primary Classification</td>
<td>Select the primary classifications to be used in the wage basis.</td>
</tr>
<tr>
<td></td>
<td>For example, city tax rules most commonly use:</td>
</tr>
<tr>
<td></td>
<td>◦ Imputed Earnings</td>
</tr>
<tr>
<td></td>
<td>◦ Pretax Deductions</td>
</tr>
<tr>
<td></td>
<td>◦ Supplemental Earnings</td>
</tr>
<tr>
<td>Select all secondary classifications</td>
<td>If you select Yes for Subject to Wage Basis Rule below, you must select No here.</td>
</tr>
<tr>
<td>Secondary Classification</td>
<td>Select an appropriate secondary classification, such as Deferred Compensation 401k and Deferred Compensation 401k Catchup.</td>
</tr>
<tr>
<td>Subject to Wage Basis Rule</td>
<td>If you select Yes here, you must select No for Select all secondary classifications.</td>
</tr>
</tbody>
</table>

6. Click Submit.

You may need to query by state to view the data you created. If so, enter a value in the field directly above State for the state entered in the previous step. This filters the data in the UI for that state. If a blank field is not available for entry above State, select the filter icon.

These rules are stamped with the LDG and are not overwritten by subsequent upgrades or patches.

7. Repeat these steps for each combination of primary classification, secondary classification, and jurisdiction (state, county, or city) that needs updating.

8. Complete a review of all secondary classifications impacted to determine which entries require corrections.

For example, when working with pretax deductions, determine what Section 125 secondary classifications are impacted for a particular state-county-city or state-county combination. There could be a difference between the treatment of HSAs, FSAs, Dental, Vision, Healthcare, and Dependent Care. One or more may need corrections where others may not.

Use in Wage Basis Check Box

If you are setting up rules for a US LDG, an extra validation step prevents the insertion of a wage basis rule with no secondary classification. You can’t select Use in Wage Basis.

Related Topics

- Configure State Style Formats
Example of State Tax Wage Basis Rules

This example illustrates how wage basis rules can affect a state income tax (SIT) calculation, specifically imputed earnings. The wage basis rules for treatment of imputed earnings for SIT, such as personal use of company car, can vary by state.

For New York SIT, the payroll process calculates imputed earnings for the Personal Use of Company Car secondary classification as subject to tax but not withholdable. The process includes earnings amounts in the SIT subject not withholdable balances. These earnings are subject to state income tax, but the process does not withheld any tax.

For other states, such as California, the payroll process considers imputed earnings amounts for this secondary classification as subject to tax. It includes earnings amounts in the SIT subject withholdable balances.

Scenario

Brittany is a salesperson who receives a salary of 2,000 USD each month, working in her company’s East Coast district in the state of New York. She also has access to a company car. To be taxed properly, she must report her personal use of the car. Last month, she reported personal use that equated to 100 USD.

The following shows the tax calculations that apply for Brittany in New York.

<table>
<thead>
<tr>
<th>Region</th>
<th>Earnings in Salary</th>
<th>Eligible Imputed Earnings</th>
<th>Subject Withholdable Wages</th>
<th>Subject Not Withholdable Wages</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York</td>
<td>2000</td>
<td>100</td>
<td>2000</td>
<td>100</td>
</tr>
</tbody>
</table>

The wage basis rules for the Not Withholdable State tax calculation for New York would be:

<table>
<thead>
<tr>
<th>Region (Reference Value)</th>
<th>Primary Classification</th>
<th>Secondary Classification</th>
<th>Use in Wage Basis?</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York</td>
<td>Imputed Earnings</td>
<td>Personal Use of Company Car</td>
<td>Y</td>
</tr>
</tbody>
</table>

Involuntary Deduction Wage Basis Rules

State and federal wage basis rules exist for all predefined primary and secondary classifications. Wage basis rules define how:

- Earnings contribute to the disposable income for the different involuntary deduction types.
  
  For example, a particular earning type may contribute to disposable income for Child Support deductions in Alabama but are excluded in California.

- Deductions reduce the disposable income for the different involuntary deduction types.
  
  For example, a particular deduction type may reduce the disposable income for Tax Levy deductions but not for Child Support.

You can view, define, and edit these rules through the Manage Component Group Rules task.
Viewing Predefined Wage Basis Rules

To view the wage basis rules that have been predefined at the state and federal level:

1. Start the Manage Component Group Rules task from the Payroll Calculation work area.
2. Query for and select the Involuntary Deductions component group.
3. In the tree structure, expand the Involuntary Deductions node.
   Enlarge the Calculation Component Group Overview pane to view the tree.
4. Expand the Wage Basis Rules node.
5. Select the appropriate node:
   - State to view state-specific rules
   - No References to view federal rules

A table of all wage basis rules displays, organized by state (if appropriate) and deduction type.

Green check marks in the deductions column have different meanings for earnings and deductions:

- For supplemental earnings, they identify the classifications that contribute to the disposable income for that deduction type.
  For example, the Bonus supplemental earning for Alabama is marked as contributing to disposable income for Child Support, Garnishment, and Alimony calculations.
- For deductions, they identify the classifications that are subject to disposable income. However, they do not reduce the disposable income for calculations of the indicated involuntary deductions.
  For example, the Health Care 125 pretax deduction for Alabama is marked as subject to disposable income for Child Support, Garnishment, and Alimony calculations.
- The Employee Requested payroll component has predefined wage basis rules. By default, all earnings and deductions are subject to disposable income for this component. You can modify them to suit your needs.

Creating Wage Basis Rules

To define wage basis rules for a new earnings or deduction secondary classification:

1. Start the Manage Component Group Rules task.
2. Query for and select the Involuntary Deductions component group.
3. In the tree structure, expand the Involuntary Deductions node.
   Enlarge the Calculation Component Group Overview pane to view the tree.
4. Expand the Related Deductions node.
5. Expand the node for the appropriate deduction type.
6. Select the Wage Basis Rules node.
   A table of all wage basis rules displays, organized by state and deduction type.
7. Click Create.
8. In the Create Wage Basis Rule box, specify the following values:

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective Start Date</td>
<td>Use either the implementation date or the earliest date a pay period exists.</td>
</tr>
<tr>
<td>State</td>
<td>Full state name or the 2-character state abbreviation.</td>
</tr>
<tr>
<td>Field Name</td>
<td>Description</td>
</tr>
<tr>
<td>----------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>County</td>
<td>Specify the appropriate county from the list.</td>
</tr>
<tr>
<td>City</td>
<td>Specify the appropriate city from the list.</td>
</tr>
<tr>
<td>Primary Classification</td>
<td>Select the primary classifications to be used in the wage basis. For example, city tax rules most commonly use:</td>
</tr>
<tr>
<td></td>
<td>◦ Imputed Earnings</td>
</tr>
<tr>
<td></td>
<td>◦ Pretax Deductions</td>
</tr>
<tr>
<td></td>
<td>◦ Supplemental Earnings</td>
</tr>
<tr>
<td>Select all secondary classifications</td>
<td>If you select Yes for Subject to Wage Basis Rule below, you must select No here.</td>
</tr>
<tr>
<td>Secondary Classification</td>
<td>If you select No for Select all secondary classifications above, you must select an appropriate secondary classification.</td>
</tr>
<tr>
<td>Subject to Wage Basis Rule</td>
<td>If you select Yes here, you must select No for Select all secondary classifications.</td>
</tr>
</tbody>
</table>

9. Click Submit.

Wage basis rules for the Employee Requested payroll component are predefined. By default, all earnings and deductions are subject to disposable income for this component. You can modify them to suit your needs.

Related Topics
- Configure State Style Formats
- Involuntary Deduction Calculation Value Overrides for the US

FAQ for Wage Basis Rules

When do I need to create wage basis rules for an involuntary deduction?

You must define wage basis rules whenever you create a new secondary classification. For earnings classifications, you must identify the deduction types for which your classification contributes disposable income. For deduction classifications of wage attachment type, you must identify the tax types to which they are subject.
Related Topics
- Define Involuntary Deductions for the US

When should I modify the wage basis rules for an involuntary deduction?

Whenever legislation is passed making an involuntary deduction subject to withholding, you must manually modify its wage basis rules to reflect that change.

⚠️ Note: There is no way to change the rules from subject to not subject.

Related Topics
- Define Involuntary Deductions for the US

Tax Calculation Methods

Tax Calculation Methods

The payroll process uses calculation methods supported by Vertex data. Different calculation methods are available for each type of pay run and each type of jurisdiction. The payroll process includes all earnings types during Regular pay runs, including supplemental earnings, and processes only supplemental earnings types in Supplemental runs.

Tax calculation methods involve the following considerations.

- What taxes does the process calculate
- What taxes are eligible for self adjustment
- What calculation methods are available for
  - Federal income tax
  - Other federal taxes
  - State income tax
  - State unemployment and disability insurance taxes
- How you configure taxes on the organization calculation cards

Calculation by Tax Type

Tax calculations are applicable for the following types.

- Federal income tax (FIT)
- Federal unemployment (FUTA)
- Medicare
- Social Security (SS)
- State income tax (SIT)
- State transit tax
- State unemployment insurance (SUI)
- State disability insurance (SDI)
- County income tax
- City income tax, including boroughs and townships
- School tax
- Family Leave Insurance
- Head taxes, including local services taxes and occupational privilege taxes
- Mental health tax

**Calculation Self Adjustment**

You can perform self adjustments on the following tax types.

- FUTA
- Medicare
- SS
- SDI
- SUI

For additional information, see the Self-Adjustment Methods for Tax Withholding in the Help Center.

**Calculation Methods for Federal Income Tax**

The following calculation methods are available for FIT.

<table>
<thead>
<tr>
<th>Calculation method</th>
<th>Run type</th>
<th>Calculate on period-to-date amount</th>
<th>What it does</th>
</tr>
</thead>
<tbody>
<tr>
<td>Default</td>
<td>Regular</td>
<td>No</td>
<td>Takes the amount paid in a regular run and calculates the tax, independent of how many regular runs are in a particular period.</td>
</tr>
<tr>
<td>Default</td>
<td>Regular</td>
<td>Yes</td>
<td>Takes the amount paid in each period for regular or supplemental runs and calculates the tax, using the period wages as a whole and not independently.</td>
</tr>
<tr>
<td>Aggregation</td>
<td>Supplemental</td>
<td>No</td>
<td>Takes the amount paid in a regular run and calculates the tax, independent of how many regular runs are in a particular period.</td>
</tr>
<tr>
<td>Aggregation</td>
<td>Supplemental</td>
<td>Yes</td>
<td>Takes the amount paid in each period for regular or supplemental runs and</td>
</tr>
</tbody>
</table>
### Calculation Methods for Other Federal Taxes

The following calculation methods are available for FUTA, Medicare, and SS taxes.

<table>
<thead>
<tr>
<th>Calculation method</th>
<th>Run type</th>
<th>Self-adjustment method</th>
<th>What it does</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat Rate</td>
<td>Regular and Supplemental</td>
<td>Bypass Collection</td>
<td>Earnings are exempt from wage accumulation and tax.</td>
</tr>
<tr>
<td>Flat Rate</td>
<td>Regular and Supplemental</td>
<td>No Self Adjust</td>
<td>Withholding calculations do not self-adjust retroactively for any rate changes. The payroll process uses the new rate only for taxable wages.</td>
</tr>
<tr>
<td>Flat Rate</td>
<td>Regular and Supplemental</td>
<td>Self Adjust</td>
<td>Bases the withholding calculations on year-to-date earnings, instead of earnings within a particular period. This provides the most accurate calculation. For retroactive rate changes, the payroll process self-adjusts the tax withholding or liabilities in the next available pay run.</td>
</tr>
<tr>
<td>Flat Rate</td>
<td>Regular and Supplemental</td>
<td>Self Adjust at Maximum</td>
<td>Similar to the Self Adjust method, except adjusts for changes only after the maximum taxable wage base is reached.</td>
</tr>
</tbody>
</table>

### Calculation Methods for State Income Taxes

The following calculation methods are available for SIT.

<table>
<thead>
<tr>
<th>Calculation method</th>
<th>Run type</th>
<th>Resident wage accumulation</th>
<th>What it does</th>
</tr>
</thead>
<tbody>
<tr>
<td>Default</td>
<td>Regular</td>
<td>None or default</td>
<td>Calculates the tax based on the amount paid in the run.</td>
</tr>
<tr>
<td>Calculation method</td>
<td>Run type</td>
<td>Resident wage accumulation</td>
<td>What it does</td>
</tr>
<tr>
<td>--------------------</td>
<td>--------------</td>
<td>------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Default            | Regular      | Credit Resident tax by Work tax, always accumulate wages | 1. Calculates the resident tax.  
2. Reduces the tax by the amount of work tax withheld.  
It always accumulates wages for the residence, even if resident tax is 0 USD. |
| Default            | Regular      | Credit Resident tax by Work tax, accumulate wages if taxed | 1. Calculates the resident tax.  
2. Reduces the tax by the amount of work tax withheld.  
It accumulates wages only if it is withholding taxes. |
| Default            | Regular      | No resident tax if work tax greater than zero, always accrue | Does not withhold residence tax if there is a work tax, but it always accumulates wages. |
| Default            | Regular      | No resident tax if work tax greater than zero         | Does not withhold residence tax if there is a work tax, and it only accumulates wages if there is a resident withholding. |
| Default            | Regular      | No resident tax if work tax on nonresident, always accrue | Does not withhold residence taxes if there is a work state tax. Wages accumulate for the residence. |
| Default            | Regular      | No resident tax if work tax on nonresident, accrue if taxed | Does not withhold residence tax if there is a work state tax. Wages only accumulate when there is a tax withheld. |
| Default            | Regular      | No resident tax if work or residence location mismatch, accrue if taxed | Calculates work tax only and disregards resident tax. |
| Default            | Regular      | Calculate tax independent of all other jurisdictions | Calculates resident tax independent of work tax. |
| Aggregation        | Supplemental | Refer to settings described in Regular runs          | Takes the amount paid in a regular run and calculates the tax, independent of how many regular runs are in a particular period. |
| Alternate Flat Rate| Supplemental | Refer to settings described in Regular runs          | Applies to California only for required 10.23 percent taxation on certain supplemental wages. |
### Setting Up Pay Calculation Components

#### Calculation Methods for State Unemployment and Disability Insurance

The following calculation methods are available for SUI and SDI.

<table>
<thead>
<tr>
<th>Calculation method</th>
<th>Run type</th>
<th>Self-adjustment method</th>
<th>What it does</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat Rate</td>
<td>Regular and Supplemental</td>
<td>Bypass Collection</td>
<td>Earnings are exempt from wage accumulation and tax.</td>
</tr>
<tr>
<td>Calculation method</td>
<td>Run type</td>
<td>Self-adjustment method</td>
<td>What it does</td>
</tr>
<tr>
<td>--------------------</td>
<td>---------------------------</td>
<td>------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Flat Rate</td>
<td>Regular and Supplemental</td>
<td>No Self Adjust</td>
<td>Withholding calculations do not self-adjust retroactively for any rate changes. The payroll process uses the new rate only for taxable wages.</td>
</tr>
<tr>
<td>Flat Rate</td>
<td>Regular and Supplemental</td>
<td>Self Adjust</td>
<td>Bases the withholding calculations on year-to-date earnings, instead of earnings within a particular period. This provides the most accurate calculation. For retroactive rate changes, the payroll process self-adjusts the tax withholding or liabilities in the next available pay run.</td>
</tr>
<tr>
<td>Flat Rate</td>
<td>Regular and Supplemental</td>
<td>Self Adjust at Maximum</td>
<td>Similar to the Self Adjust method, except adjusts for changes but only after the maximum taxable wage base is reached.</td>
</tr>
<tr>
<td>Flat Rate</td>
<td>Regular and Supplemental</td>
<td>Quarterly Self Adjust</td>
<td>Performs adjustments for rate changes on a quarterly basis. Available for state taxes only. Use this method in cases where a state changes its rate midyear. By checking each quarter individually to determine adjustments, it maintains the integrity of the calculations prior to the change.</td>
</tr>
</tbody>
</table>

Organizational Tax Calculations
For information on configuring taxes at the organization level, see Configure Organization Calculation Cards for the US in the Help Center.

Related Topics
- Configure Organization Calculation Cards for the US
- Self-Adjustment Methods for Tax Withholding

Examples of Tax Calculation Methods
The following examples illustrate how the payroll process calculates taxes using the various calculation methods.

Default Method for Federal Runs
For an employee on a biweekly payroll, claiming single zero, the payroll process would calculate the following.
Chapter 11
Implementing Payroll for the United States

Setting Up Pay Calculation Components

<table>
<thead>
<tr>
<th>Period</th>
<th>Payroll Run</th>
<th>Taxable Earnings</th>
<th>Tax Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regular run</td>
<td>2500 USD</td>
<td>440.72 USD</td>
</tr>
<tr>
<td>2</td>
<td>Regular run</td>
<td>5000 USD</td>
<td>1107.95 USD</td>
</tr>
<tr>
<td>3</td>
<td>Regular run 1</td>
<td>2500 USD</td>
<td>440.72 USD</td>
</tr>
<tr>
<td>3</td>
<td>Regular run 2</td>
<td>2500 USD</td>
<td>440.72 USD</td>
</tr>
</tbody>
</table>

**Default Method for Federal Runs Using Period-to-Date Amount**

For an employee on a biweekly payroll, claiming single zero, the payroll process would calculate the following.

<table>
<thead>
<tr>
<th>Period</th>
<th>Payroll Run</th>
<th>Taxable Earnings</th>
<th>Tax Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regular run</td>
<td>2500 USD</td>
<td>440.72 USD</td>
</tr>
<tr>
<td>2</td>
<td>Regular run</td>
<td>5000 USD</td>
<td>1107.95 USD</td>
</tr>
<tr>
<td>3</td>
<td>Regular run 1</td>
<td>2500 USD</td>
<td>440.72 USD</td>
</tr>
<tr>
<td>3</td>
<td>Regular run 2</td>
<td>2500 USD</td>
<td>667.23 USD</td>
</tr>
</tbody>
</table>

In this case, the payroll process:

1. Combines the third period wages.
2. Calculates what would have been withheld had the 5000 USD been paid in one run.
3. Subtracts what was withheld already for that period.
   This determines the difference to withhold for the second regular run of the third period.
   $1107.95 USD - 440.72 USD = 667.23 USD

**Aggregation Method for Supplemental Federal Runs**

For an employee that is:

- On a biweekly payroll, claiming single zero
- Has bonus earnings configured as Supplemental and process and pay with other earnings

In this case, the payroll process calculates the following.

<table>
<thead>
<tr>
<th>Period</th>
<th>Payroll Run</th>
<th>Taxable Earnings</th>
<th>Tax Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Supplemental</td>
<td>5000 USD</td>
<td>1107.95 USD</td>
</tr>
<tr>
<td>2</td>
<td>Regular</td>
<td>2500 USD</td>
<td>440.72 USD</td>
</tr>
<tr>
<td>2</td>
<td>Supplemental</td>
<td>5000 USD</td>
<td>1372.23 USD</td>
</tr>
<tr>
<td>Period</td>
<td>Payroll Run</td>
<td>Taxable Earnings</td>
<td>Tax Due</td>
</tr>
<tr>
<td>--------</td>
<td>-------------</td>
<td>------------------</td>
<td>--------</td>
</tr>
<tr>
<td>3</td>
<td>Regular</td>
<td>2500 USD + 5000 USD</td>
<td>1812.95 USD</td>
</tr>
</tbody>
</table>

**Flat Percentage Method for Federal**

For an employee that is:

- On a biweekly payroll, claiming single zero
- Has bonus earnings configured as Supplemental and process and pay with other earnings

In this case, the payroll process calculates the following.

<table>
<thead>
<tr>
<th>Period</th>
<th>Payroll Run</th>
<th>Taxable Earnings</th>
<th>Tax Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Supplemental</td>
<td>5000 USD</td>
<td>1250 USD</td>
</tr>
<tr>
<td>2</td>
<td>Regular</td>
<td>2500 USD</td>
<td>440.72 USD</td>
</tr>
<tr>
<td>2</td>
<td>Supplemental</td>
<td>5000 USD</td>
<td>1250 USD</td>
</tr>
<tr>
<td>3</td>
<td>Regular</td>
<td>2500 USD + 5000 USD</td>
<td>1812.95 USD</td>
</tr>
</tbody>
</table>

**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>
</tbody>
</table>
### Oracle Human Resources Cloud Implementing Payroll for the United States

#### Chapter 11

**Setting Up Pay Calculation Components**

<table>
<thead>
<tr>
<th>Category</th>
<th>What It Does</th>
</tr>
</thead>
<tbody>
<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 <strong>Amount</strong> or <strong>Percentage</strong>. For example, you can configure a rate definition using the Salary element. If the salary is held as a monetary value, select <strong>Amount</strong>. If the salary is a factor of another value, such as a balance, select <strong>Percentage</strong>.</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>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>Employment Level</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>
</tbody>
</table>
### Setting Up Pay Calculation Components

<table>
<thead>
<tr>
<th>Field</th>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field</td>
<td>Category</td>
<td>Description</td>
</tr>
<tr>
<td>If the employee has multiple assignments, the rates process uses the assignment ID to identify the correct assignment record for the employee.</td>
<td></td>
<td></td>
</tr>
<tr>
<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>
<td></td>
<td></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>Field</td>
<td>Category</td>
<td>Description</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>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 Base Rate option selected.</td>
<td></td>
<td></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>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>If you’re defining rates for use on the Salary page, you must select this option. 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. HCM extracts use this report to send data to third parties.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value by Criteria Name</td>
<td>Category</td>
<td>If you select the Value by Criteria category to define a rate, you must select a Value by Criteria name. A value by criteria definition specifies one or more evaluation conditions that determine a particular value or rate.</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 Returned 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. Be careful that you don’t create a loop. For example, Rate A has minimum value that is based on Rate B, which has a minimum value based on Rate A. This situation would result in a runtime error.</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 is 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.

```plaintext
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></td>
</tr>
<tr>
<td></td>
<td>• Taxable earnings for the last tax year</td>
<td>Balance Dimension</td>
</tr>
<tr>
<td></td>
<td>• Commissions paid in the last quarter</td>
<td>Divisional Balance</td>
</tr>
<tr>
<td>Base Rate</td>
<td>Value from the employee's Base Rate</td>
<td>Employment Level</td>
</tr>
<tr>
<td>Overall Salary</td>
<td>Value from the employee's Overall Salary rate</td>
<td>Employment Level</td>
</tr>
</tbody>
</table>

**Note:** If the rate definition is an Overall Salary Rate, you can’t select Overall Salary as a Contributor Type.

<table>
<thead>
<tr>
<th>Rate Definition</th>
<th>Other rate definitions that contribute to the rate definition you are creating.</th>
<th>Rate Name</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For example you can add regular salary, car allowance, and bonus pay rate contributors together to create an overall salary definition.</td>
<td></td>
</tr>
</tbody>
</table>

Reference Dates

You can select a reference date, which is the date the application uses to retrieve rate contributor information for the rate calculation. The reference date specifies the context for the balance dimension.

For example, to retrieve a rate as of the actual start of an absence, select Absence Start Date. To retrieve a rate as of a specific time period, select a specific time period.
The Reference Date field lists only these types of time definitions:

- Time Span - a period of time, such as three months
- Retrieval Date - a type of time definition that is based on a database item

Selecting a value for the Reference Date field is optional.

Note: If you don’t select a reference date, the application uses the effective as-of date that is used by the rate engine to calculate the rate.

Single or Multiple Rate Contributors

If the rate definition is based on multiple values, you may need to create multiple rate contributors, as explained in this table.

<table>
<thead>
<tr>
<th>Rate</th>
<th>Number of Rate Contributors</th>
</tr>
</thead>
<tbody>
<tr>
<td>A single earning or deduction, such as salary</td>
<td>One</td>
</tr>
<tr>
<td>A combination of earnings, such as the sum of salary and car allowance payments</td>
<td>Multiple, if salary and car allowance are stored as separate rate definitions</td>
</tr>
</tbody>
</table>

Note: All balances and element entries that contribute to a rate must use the same currency.

Example: Using multiple rate contributors, an hourly holiday pay rate could be based on adding together these values, which are all paid at the end of the previous year.

- Salary
- Incentive bonus
- Seniority bonus
- Other changeable components of remuneration

Related Topics

- Create Rate Definitions for Leave

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>
</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>
</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>

Set Absence Payment Rates

In situations where you want the payment to be different than regular salary, you can select a different rate for the salary reduction amount than the payment amount.

In this example, you want to calculate an hourly employee’s absence rate when that rate is different from their base rate. The employee has an hourly wage of 20 USD, and you want to pay them an absence rate of 75 percent of the base (15 USD).
Set an Absence Payment Rate of 75 Percent

In this example, you want to pay sick pay to your salaried nonexempt employees at 75 percent of the normal rate.

1. Define an Element rate definition, and mark this rate definition as a base rate:
   a. In the Payroll Calculation work area, start the Manage Rate Definitions task.
   b. Click Create.
   c. Select the Element category.
   d. Enter an effective date, such as 2010-01-01.
   e. Select your US legislative data group (LDG).
   f. Select Amount as the storage type.
   g. For the Element Name, select an appropriate salary element.

   Eligible elements are:
   - Standard Earnings primary classification
   - Have Regular secondary classification
   - Attached to a salary basis

   h. Click OK.
   i. Enter the following basic information.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Name of the rate definition</td>
</tr>
<tr>
<td>Short Name</td>
<td>Short name of the rate definition</td>
</tr>
<tr>
<td>Base Rate</td>
<td>Select the box</td>
</tr>
<tr>
<td>Periodicity</td>
<td>Annually</td>
</tr>
<tr>
<td>Periodicity Conversion Formula</td>
<td>Standard Rate Annualized</td>
</tr>
<tr>
<td>Currency</td>
<td>US Dollar</td>
</tr>
</tbody>
</table>

   j. Click Submit.

   The task automatically creates the rate contributor, including a default periodicity.

   k. Ensure this periodicity matches the rate definition’s periodicity (for this example, annually).

2. Define a Derived rate definition.

   This rate definition will have a Base Rate contributor type, which utilizes the Element rate definition you defined in the previous step.

   a. In the Payroll Calculation work area, start the Manage Rate Definitions task.
   b. Click Create.
   c. Select the Derived Rate category.
   d. Enter an effective date, such as 2010-01-01.
e. Select your US LDG.

f. Click OK.

g. Enter the basic information.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Name of the rate definition</td>
</tr>
<tr>
<td>Short Name</td>
<td>Short name of the rate definition</td>
</tr>
<tr>
<td>Periodicity</td>
<td>Annually</td>
</tr>
<tr>
<td>Periodicity Conversion Formula</td>
<td>Standard Rate Annualized</td>
</tr>
<tr>
<td>Currency</td>
<td>US Dollar</td>
</tr>
</tbody>
</table>

h. In the Rate Contributors region, click Create.

i. Select the Base Rate contributor type.

j. Click OK.

k. Enter the following.

<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>Annually</td>
</tr>
<tr>
<td>Factor Rule</td>
<td>Value</td>
</tr>
</tbody>
</table>

| Factor Rule           | 0.75                                       |

l. Click Save and Continue.

m. Click Submit.

For further information, see Overview of Absence Rate Definitions for the US in the Help Center.

3. During absence element definition:

a. For How do you want to reduce earnings for employees not requiring a time card, choose Select rate to determine absence deduction amount.

b. For the Rate to Determine Absence Deduction Amount, leave this field blank. By leaving this field blank, the payroll calculation automatically reduces the salary by the regular pay rate.

c. For Which rate should the absence payment calculation use, select the derived sick pay rate you configured previously (75 percent rate).

For further information, see Define Absence Elements for the US in the Help Center.
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.
Configure Rate Definitions for Overall Salary

In this example, you want to configure a rate definition for overall salary that includes multiple rate contributors. This includes the following choices.

<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. |

To accomplish this, you perform the following actions:

1. Configure the overall salary rate definition.
2. Add the regular salary rate contributor.
3. Add the car allowance rate contributor.

**Note:** The overall salary rate definition is a derived rate. To populate the Overall Salary check box, select a salary element in the Element Name field. You then add the regular salary rate and car allowance rate contributors to the rate definition. The rate contributors you add should be elements that you select from the Rate Name field on the Create Rate Contributor page.

Configure the Overall Salary Rate Definition

1. In the Payroll Administration work area, start the Manage Rate Definitions task.
2. Click Create.
3. Complete the following.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category</td>
<td>Derived Rate</td>
</tr>
<tr>
<td>Effective Start Date</td>
<td>Enter the current date.</td>
</tr>
<tr>
<td>Legislative Data Group</td>
<td>Select your legislative data group.</td>
</tr>
</tbody>
</table>

4. Click OK.
5. Complete the following.

<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>
**Add the Regular Salary Rate Contributor**

1. In the **Calculation** section, click **Create**.
2. Select the **Base Rate** contributor type, and click **OK**.
3. Complete the following.

<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. Select the **Rate Definition** contributor type, and click **OK**.
3. Complete the following.

<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.

Tip: If you select Using a schedule, you must also select a frequency, such as once, weekly or daily.

7. Click Next and then Submit.

Using the Rate Calculation Formula: Explained

Oracle provides a rate calculation formula called RATE ENGINE. Applications and other formulas can call this formula to calculate a rate using a rate definition.

To call this formula from a formula:

- Specify the name of the rate definition as an input.
- Optionally pass other formula inputs, such as periodicity. This periodicity overrides the return periodicity specified on the rate definition.

The rate calculation formula returns a value and a periodicity.

Rates Used to Calculate Absences in Payroll

You can specify a rate for use in calculating an absence in an absence plan or an absence element. When processing absence entries in a payroll run, the formula associated with the absence element uses the Rate Converter global formula to convert rates. The formula checks for a rate in this sequence.

1. Absence plan
2. Absence element
3. Compensation salary element

Absence Plan

In Oracle Fusion Absence Management, you can select a rate rule on the Entries and Balances tab of the Create Absence Plan page. The rate rule calculates the units passed to payroll when you record an absence. You can select rate rules for the absence payment, final disbursement, discretionary disbursement, and liability balance calculation.

For third-party absence providers, the application transfers the rate information and override rates in the XML file attached to the Load Absence Batch process.

Absence Element

If you don’t specify rates in the absence plan, you can specify a rate when you create the absence elements. The type of absence information determines the rates you can select. For example, for plans where you transfer accrual balances and absences, you can select different rates for these calculations.

- Absence payments
- Discretionary disbursement
- Final disbursement
- Liability balance rate
As best practice, specify a rate in either the plan or the element. If you specify in both, ensure the rate for the element is same as the rate you selected in the corresponding plan.

**Compensation Salary Element**

If the formula doesn’t find a rate specified in the plan or the element, it uses the compensation salary element.

When you associate a payroll element to a salary basis, you specify an input value that holds the base pay on a worker’s element entry. The monetary amount or rate recorded in the element entry is the salary value in the worker’s salary information held on the assignment. If you specify a rate, the formula uses this rate if it doesn’t find one defined in the absence plan or absence element.

**Related Topics**

- Defining Payroll Elements for Processing Absences: Procedure

**FAQ for Rate Definitions**

How does periodicity conversion work when there are multiple contributors with different periodicities?

Sometimes you may need to add a base salary, which is an annual figure, to a 13th month salary, which is a monthly figure that is calculated from the annual base salary. The base salary in this example is held as an annual amount on an element entry as 24,000. The 13th month salary is 2,000 (24000 / 12). If you add each of these contributors together, the sum of the contributors is 26,000 (24,000 + 2,000).

At this point you have added an annual figure to a monthly figure, but you haven’t indicated what the periodicity of the total is in the Returned Rate Details section on the Create Rate Definitions page. If you select Annual in the Contributor Total Periodicity field, the sum of the contributors is 26,000. If you select Monthly, it converts the contributors to 312,000 (26,000 * 12), which is now the annual figure.

**Note:** When the formula is called to calculate the rate, there is an option to override the return periodicity of the rate.

**Values Defined by Criteria**

**Values Defined by Criteria: Explained**

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. 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. If you use the In operand, you can enter multiple values.</td>
</tr>
<tr>
<td>Rate</td>
<td>Used when you are creating a calculation value. If you select Flat Rate or Incremental Rate as the calculation type, you must enter a rate in this field.</td>
</tr>
</tbody>
</table>

**Criteria Definitions and Evaluation Conditions**

Within the tree structure you create the criteria definitions that hold the actual values or rates. There are many types of values that can be held, such as percentage, number, cash amount, or text.

You can also define a periodicity, which allows the value to be specified as a periodic value. Additionally, you can define a value in a currency that’s different from the default currency specified at the legislative data group.

The supported calculation types include:

- Flat Amount
• Flat Amount Times Multiplier
• Flat Calculation
• Flat Rate
• Incremental Rate
• Number
• Rate Definition
• Standard Formula 1
• Standard Formula 2

Value Definitions
After creating the criteria, you create value definitions to hold the values for each criterion. This is where you enter the calculation types and rates. If you are using a calculation type that’s a flat amount, flat amount times multiplier, or number, you can also specify a periodicity.

To view or modify the calculation values you entered, click the appropriate link to access the Manage Calculation Value Definition task. On this page you can change from and to values, override the calculation type, add new rows, change rates, and change currency. The From Value and To Value fields on this page are monetary.

You can capture multiple values for a single criterion if you specify a unique value identifier for each value. The tree structure shows this identifier instead of the value definition name. For example you may want to pay employees bonuses at different rates based on their annual salaries. In this case you can use value identifiers to define different rates for each salary range using the From Value and To Value fields.

Database Items
Each condition references a database item to identify where the value is used. It also determines the data type of the value, which is text, number, or date. Define conditions using predefined database items or the dynamically created database items that are generated when certain data is created, such as balances and elements.

Here is a partial list of database items that you can reference in the new hire flow:

• Grade
• Job
• Job Code
• BU (Business Unit)
• Location
• Department
• Worker Category
• Assignment Category
• Employee Category
• Salary Basis
• Legal Employer
• Period of Service (Seniority)
• Number of Dependents (between the ages 3 and 18)
Note: You can only reference database items for objects that are defined in the new hire flow, which are used to calculate salary basis. If you reference other types of database items, the process either returns zero or it uses the default criteria.

Operands

You use operands when you’re creating criteria. You can specify whether the value defined by the database item should be equal to, greater than, less than, greater than or equal to, or less than or equal to the literal value.

To capture multiple values for the same criteria, use the In operand. For example if you want to give employees that work in City 1 and City 2 the same bonus, you can create a single evaluation condition for both cities using the In operand.

Value Sets

Specify a value set to provide a dynamic list of values from which you can select an entry. This option is available for input values that provide text only.

Literal Values

If you specify a value set, you can select an entry from a list of values, which is based on the selected value. If you leave the Value Set field blank, you can enter any type of information that is appropriate for the value definition that you are creating.

Related Topics

- Using Values Defined by Criteria to Limit Pension Contributions: Worked Example

Examples of Manage Values Defined by Criteria

Use the Manage Values Defined by Criteria task to calculate or retrieve values based on one or more conditions. You use the values defined by this criteria in:

- Rate definitions
- Any formula used for validation

If you use a third-party payroll product and have a requirement to extract the salary rate details, use the Generate HCM Rates process to calculate rate values. This process:

- Calculates derived rate values, such as those which sum multiple salary components
- Processes primary rates, as you may define rate definitions that calculate values that are different from those stored on an element entry

Note: The values calculated by the Generate HCM Rates process are stored on a rates table. You can extract this information using the HCM Extract tool to send to your third-party payroll providers.

The following examples show 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

Bonuses Payments

You can 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.

<table>
<thead>
<tr>
<th>If you want to</th>
<th>Set up criteria like this</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weight a bonus payment by location</td>
<td>• For employees working in New York, pay a 15 percent bonus.</td>
</tr>
<tr>
<td></td>
<td>• For employees working in San Jose, pay a 13 percent bonus.</td>
</tr>
<tr>
<td></td>
<td>• For employees working in Chicago, pay a 9 percent bonus.</td>
</tr>
<tr>
<td></td>
<td>• For all other employees, pay a 5 percent bonus.</td>
</tr>
<tr>
<td>To pay a bonus based on department, years of service, and annual salary</td>
<td>• If an employee working in sales has less than or equal to 5 years of service and an annual salary over 45,000 USD, pay a 2,000 USD bonus.</td>
</tr>
<tr>
<td></td>
<td>• If an employee working in sales has less than or equal to 10 years of service and an annual salary over 45,000 USD, pay a 5,000 USD bonus.</td>
</tr>
<tr>
<td></td>
<td>• If an employee working in sales has greater than 10 years of service and an annual salary over 45,000 USD, pay a 9,000 USD bonus.</td>
</tr>
<tr>
<td></td>
<td>• For all other employees working in sales, pay a 7 percent bonus based on their annual salary.</td>
</tr>
</tbody>
</table>

Time Rates

You can calculate a time rate based on a set of conditions held in values defined by criteria.

✏️ Note: This does not cover the payroll calculation. However, it does support configuration to calculate a rate based on a set of conditions for a time element in the payroll run.

You can do this in a couple ways.

<table>
<thead>
<tr>
<th>If you want to</th>
<th>Here’s how you do it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create values defined by criteria</td>
<td>You can choose to calculate shift payments that are weighted by the worker’s location. Use the manage values defined by criteria task to define the shift conditions. You could set up criteria like this:</td>
</tr>
<tr>
<td></td>
<td>• Pay 10 USD to employees working in New York.</td>
</tr>
<tr>
<td></td>
<td>• Pay 15 USD to all other employees.</td>
</tr>
<tr>
<td>Create a rate definition</td>
<td>Use the Manage Rate Definitions task to create a rate definition and associate it to the values defined by criteria:</td>
</tr>
<tr>
<td></td>
<td>1. Select Value by criteria in the Category field.</td>
</tr>
<tr>
<td></td>
<td>2. Select Shift value by criteria in the Value by Criteria Name field.</td>
</tr>
<tr>
<td>Create a time element</td>
<td>Use the Manage Elements task to create a shift element:</td>
</tr>
<tr>
<td></td>
<td>1. Select Standard earnings as the primary classification.</td>
</tr>
<tr>
<td></td>
<td>2. Select Time card in the Category field.</td>
</tr>
<tr>
<td></td>
<td>3. Identify the element as having a default rate definition.</td>
</tr>
<tr>
<td></td>
<td>4. Select the shift rate definition in the Rate Name field.</td>
</tr>
</tbody>
</table>
If you want to | Here’s how you do it

Note: Use the Manage Calculation Factors task from the Element Overview page to view the shift calculation steps and value definitions created by the element template.

Using Values Defined by Criteria to Pay Bonuses Based on Age and Location: Worked Example

This example demonstrates how to create criteria to pay employee bonuses at different rates based on age and location. 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 ages and rates should be used? | • Less than age 25, pay 10 percent  
• Less than age 35, pay 14 percent to City 1 employees  
• Less than age 35, pay 16 percent to City 2 employees  
• All other locations and ages greater than 35, pay 5 percent |
| What locations should be used to determine bonus rates? | • City 1  
• City 2 |
| Are there any special conditions that should be added? | 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. |

In this example, we will:

- 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

Prerequisite

In this example we are using HRX_US_REP_LOCATION 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.

Creating 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 the following:  
   Offering: Workforce Deployment
Functional Area: Payroll
Task: Manage Values Defined by Criteria

2. Click Create.
3. Complete the fields, as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Bonus Rate</td>
</tr>
<tr>
<td>Effective Start Date</td>
<td>1/1/15</td>
</tr>
<tr>
<td>Legislative Data Group</td>
<td>Select your legislative data group.</td>
</tr>
</tbody>
</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.

Creating Age Criteria

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

<table>
<thead>
<tr>
<th>Field</th>
<th>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.PER.PERSON_AGE</td>
<td>PER.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 new criteria definition.
6. To create a default group for the age criteria, repeat steps 1 to 3.
7. Complete the fields, as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculation Value Definition Name</td>
<td>Bonus Rate Age Group Default</td>
</tr>
</tbody>
</table>
Creating 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 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>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_ REPLOCATION</td>
<td>HRX_ US_ REPLOCATION</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 new criteria definition.
6. To create a default group for the location criteria, repeat steps 1 to 3.
7. Complete the fields, as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculation Value Definition Name</td>
<td>Bonus Rate 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>
Creating 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 then click OK.
4. Complete the fields, as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculation Value Definition Name</td>
<td>Bonus Rate 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.

Creating Calculation Value Definitions for Locations

1. Select the row with the Location = City 1 criteria definition.
2. Click New.
3. Select Value and then click OK.
4. Complete the fields, as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculation Value Definition Name</td>
<td>Bonus Rate 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 then click OK.
9. Complete the fields, as shown in this table.
Field | Value
--- | ---
Calculation Value Definition Name | Bonus Rate Age Group 2 Location Rate 2

Value Definition Group | Bonus
Retrieval Date | Date Earned
Calculation Type | Flat Rate
Rate | .16

10. Click OK.

Creating 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 then click OK.
4. Complete the fields, as shown in this table.

Field | Value
--- | ---
Calculation Value Definition Name | Age Group Location Default Rate

Value Definition Group | Bonus
Retrieval Date | Date Earned
Calculation Type | Flat Rate
Rate | .05

5. Click OK.
6. To create a calculation value definition for all other employees that don’t meet any criteria, select the row with the last Default Criteria definition.
7. Repeat the steps described above except for the Calculation Value Definition Name field. Enter Bonus Default Rate instead.
8. Click OK.

Modifying Evaluation Conditions
1. To modify the evaluation conditions for 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 then **Submit**.

FAQ for Values Defined by Criteria

Does the order in which I add criteria definitions matter?

Yes. Each criteria definition that you add is defined as a separate level and placed in priority order. The order is used to produce a tree structure, which affects processing and the value that is returned.

For example, if the first criteria definition has the condition of salary greater than 0, and the next criteria definition in the sequence has the condition of salary greater than 100,000, all salaries would meet the first condition and there would be no results for the second condition. To fix this situation, you would reverse the order of the criteria definitions where the condition greater than 100,000 is first in the sequence.

You can change the sequence of the criteria definitions at any time to suit your business needs and fix processing problems.

Payroll Event Groups

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**

**Setting Up Element Proration: Procedure**

Proration calculates proportionate amounts for recurring elements when payroll-relevant data changes during a payroll period. This could include a person joining the enterprise or a mid-period pay increase. Proration creates two payroll run results. The first run result is for the payroll period up to the day before the event. The second one is from the date of the event to the end of the period. When you create an element, you specify its proration event group and the calculation method.

Proration rate conversion rules give you the flexibility of specifying a different rule than that used for periodicity. For example you prorate based on calendar days when using work units for conversion.
To set up element proration, you:

- Review the predefined proration event group to ensure that it includes changes you want to track. You can optionally update the event group or create a new group.
- Create an element and enable proration processing for an element.

### Reviewing the Predefined Event Group

When you create or update a recurring element, you can make it subject to proration.

1. In the Payroll Calculation work area, start the Manage Event Groups task.
2. Search for the predefined event group: Entry Changes for Proration.
3. Review the types of changes that automatically trigger proration for the elements associated with this event group.
   
   You can edit this group or create a new event group for the element, if required. For example, you might want to add changes to calculation cards or assignments.

### Enabling Proration Processing for an Element

To enable proration:

1. Start the Manage Elements task, and click Create.
2. On the Create Element: Additional Details page, select Yes for the following question: Is this element subject to proration?
3. Select the predefined event group (Entry Changes for Proration) or a new group that you created.
4. Select a Proration Units and Proration Rate Conversion Rule.
5. Select a Proration Conversion Rule formula.

**Note:** If the predefined conversion rules don’t meet your requirements, you can create a user-defined formula.

**Related Topics**

- Create and Assign a Work Schedule
- Prorated Earnings and Deductions: How They’re Calculated

### 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)
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.

Related Topics
- Prorated Earnings and Deductions: How They’re Calculated

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>
Periodicity | Valid for Payroll Periods | Number of Periods per Year
---|---|---
Hourly | No | 2920 (365 days multiplied by 8 hours)
Lunar Month | Yes | 13
Periodically | No | Payroll frequency determines the number of periods to use in the rate conversion.
Quarterly | Yes | 4
Semiannually | Yes | 2
Semimonthly | Yes | 24
Workday | No | 260
Weekly | Yes | 52
Work Hour | No | 2080 (260 days multiplied by 8 hours)

**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. 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. For example, the Monthly Lunar period type includes 13 payroll periods.</td>
</tr>
</tbody>
</table>
| Rates | Manage Rate Definitions | Rate definition can specify the following periodicities:  
  - Return periodicity of the rate  
  - Periodicity of each rate contributor  
  - Periodicity of the calculated sum of the rate contributors |
Rate Conversion Formulas

Rate conversion formulas change the periodicity of an amount.

For example, the Standard Rate Annualized conversion formula can convert an annual salary amount to a weekly amount.

The following table describes the predefined formulas.

<table>
<thead>
<tr>
<th>Rate Conversion Rule</th>
<th>Description</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Rate Annualized</td>
<td>Calculates the annual rate using the input periodicity and converts the amount to an output periodicity and rate.</td>
<td>To convert a weekly amount to a semimonthly periodicity, the formula:                                                                                         1. Multiplies the weekly amount by 52.</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>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:                                                                                                       1. Divides the annual amount by 365.</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>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:                                                                                                    (1000<em>12)/(40.00</em>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:                                                           (1000<em>12)/(37.50</em>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>• With a monthly salary of 1000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Assigned a monthly payroll</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The formula checks the work schedule details for the month.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>For a daily conversion:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1000 a month/20 days in the month = 50</td>
<td></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.

\[ \text{Note:} \] 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 have occurred after you ran the original calculation. To process retroactive pay, run the Recalculate Payroll for Retroactive Changes process. This process creates retroactive element entries based on retroactive events. Some retroactive events are automatically created by the process, or you can 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 Entry Changes for Retro event group. You can edit this group or create one for the element, if required.

2. During base element definition, on the Create Element: Additional Details page, select **Yes** for the following questions:
   - Is this element subject to proration?
   - Is this element subject to retroactive changes?

The element template creates nonrecurring retroactive elements with the same attribution of the base element with a couple exceptions:

- If you selected **Process Separately** or **Pay Separately**, the template creates input values on the retroactive element. However, the input value default is set to **N** on the retroactive element. You can override these values at the following levels:
  - Element
  - Element entry
  - Element eligibility
- All retroactive elements are set with a latest entry date of Final Close, regardless of what you select for the base element.

3. Select the predefined event group or a group you have created.
How Retroactive Pay Is Calculated

To process retroactive pay:

1. In the Payroll Calculation work area, review or create retroactive events on the Manage Event Notifications page. You can download results to a Microsoft Excel spreadsheet 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
- Your element setup
The 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: Worked Example

Normally you create retroactive adjustments, such as backdated salary changes, which automatically create retroactive events. This example shows how to create a retroactive event manually. In this example an employee, whose pay rate was supposed to change last pay period, is being terminated. Payroll hasn’t made the change yet, so we need to add the retroactive event manually to generate the correct payslip.
Creating a Payroll Relationship Event

1. Select the Manage Event Notifications task in the Payroll Calculation work area. On the Manage Event Notifications page.
2. Click **Create**.
3. In the Create Payroll Relationship Event window, complete these fields.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approval Status</td>
<td>Awaiting Processing</td>
</tr>
<tr>
<td>Payroll Relationship</td>
<td>The person to process</td>
</tr>
<tr>
<td>Process Date</td>
<td>Date when the retroactive change process is run.</td>
</tr>
</tbody>
</table>

Note: This date indicates when the element change was triggered.

4. Click **Save and Close**.

Creating a Retroactive Event

1. On the Manage Event Notifications page, click the name of the person associated with the event you created.
2. On the Manage Retroactive Events page, click **Create** in the Entry Details section.
3. Select the element you want to reprocess, the date from which to recalculate payroll runs, and a retroactive component.
   The retroactive component is the element from which the change in pay will be paid to the person.
4. Repeat the previous step if you want to recalculate multiple elements for this payroll relationship.
5. Click **Submit**.

FAQs for Pay Calculation Components

Why can't I edit the secondary classifications for a wage basis rule?

You probably defined the rule for the primary classification to include all secondary classifications in the wage basis. Edit the primary classification row and deselect the **Select all secondary classifications** option. You can then edit individual secondary classification rows, and select the **Use in wage basis** option only for those classifications to be considered in the wage basis.

Why can't I create payroll components on the Manage Calculation Information page?

You can view existing components on this page, but you can’t create new components. Use the Manage Elements task to create new elements. Creating some elements also creates associated calculation components. These elements can include involuntary deductions, pensions, and absence payment elements.
Can I delete or edit a cost component group mapping?
Yes. You can delete or edit a cost component group mapping only if it is not referenced in a cost profile.

Can I delete or edit the mapping of a cost component to an analysis group?
Yes. You can delete or edit the mapping of a cost component to an analysis group, even if the cost component or the cost component group is referenced in a cost profile.
12 Setting Up Elements

Payroll Elements

Elements

Some elements are predefined. You can create others to meet your requirements.

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

**Note:** When you define an element, you can enter up to 50 characters for its name. If you enter more than 50 characters, the task automatically truncates it. When creating an overtime earnings element, do not use the name *Overtime* for any element or reporting name. *Overtime* is a reserved term, and including it in user-defined elements interferes with balance initialization.

Predefined Tax Elements

The payroll process uses the following predefined elements for tax and wage attachments. You can’t make any changes to these predefined elements. However, you must create eligibility records for them.

- US Taxation
- Family Leave Insurance Employee Tax
- Federal Income Tax
- Federal Income Tax Not Taken
- Federal Unemployment Tax
- Head Tax Not Taken
- Medicare Employee Tax
- Medicare Employee Tax Not Taken
- Medicare Employer Tax
- Residence City Income Tax
- Residence City Income Tax Not Taken
- Residence County Income Tax
- Residence County Income Tax Not Taken
- Residence County Mental Health Tax
Elements and Element Templates

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 associated items required for payroll processing. You can create as many earnings and deductions as you require using the Manage Elements task in the Payroll Calculations work area.

The element definition templates provide you with an intuitive user interface and help you manage the creation of different types of elements and their associated objects, including:

- Questions you answer to define the details of the element you want to create
- Objects that the template generates, which can include indirect elements, input values, formulas, balances, and other items as illustrated in the following table

For further information, see Indirect Elements for the US in the Help Center.

The element definition process gets a set of rules from the template and processes the predefined template structure to create appropriate data.
Note: The template you use to create elements also depends on the product you enabled for the US. You set this through the Manage Features by Country or Territory task. For example, if you select Payroll, you use a template that generates all the items required for payroll processing. If you selected Human Resources or None, you use a basic template that generates the elements only. For further information, see Select Country Extensions for the US in the Help Center.

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.

The following illustrates how the different options contribute to element creation.

<table>
<thead>
<tr>
<th>Option</th>
<th>What it does</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority Range</td>
<td>Primary classifications have a priority range. When you define an element, you can override the default processing priority with another number from the range. Use this to establish the order in which the element processes with respect to other elements in the primary classification range.</td>
</tr>
<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>You must 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>

Note: The template creates each of these components with the exception of the eligibility rules. You must create those yourself. You can add additional inputs and formulas according to your requirements.

Puerto Rican Elements

To identify deduction elements belonging to Puerto Rico, create a State input value in the results element and populate it with a value of 72. For this configuration, select a Reference of State under the Default Entry Values and Validation section for the results element. Define the State input value with a display sequence of 1.

Modify your fast formula and status processing rules to ensure the correct value is passed to the results element.

Do this only for deduction elements that feed the following Puerto Rico W2 balances:

- W2 Territory Charitable Contributions
- W2 Territory Government Retirement Fund
- W2 Territory Government Employee Savings Plan
- W2 Territory 401k
Payroll Costing of Elements

Costing is the financial accounting of your payroll costs. It breaks down the costs of a payroll into customer-defined units, such as a location, division, or project.

Costing configuration involves:

- Costing payroll payments
- Costing user-defined elements
- Cost the Predefined Tax Elements

Cost Payroll Payments

Costing of payments is a separate post-payments process. If you are not using Oracle Cloud General Ledger, you can disable the Transfer to Subledger Accounting task by copying the US Simplified Flow, creating your own flow, and removing the task.

⊲ Note: For further information on payroll flows, see the Payroll Flow Patterns and Flows for the US in the Help Center.

For further information, see Oracle Cloud Global Human Resources Payroll Costing Guide (1918574.1) on My Oracle Support.

Cost Your User-Defined Elements

When you define elements through the Manage Elements task, the process may create some associated indirect elements:

- Results elements
- Retroactive elements

You must create element eligibility records for these elements as well as the base elements.

You cost these elements using the Costing tab of the element eligibility record of the Manage Elements task.

For further information, see the Element Eligibility for the US in the Help Center.

To set up costing for your user-defined elements:

1. Start the Manage Elements task.
2. Create element eligibility records for the base element.
3. Search for each indirect element.
4. Select each element, and create eligibility records for it.
5. Select Costing, and set up costing for the element eligibility records.

Cost the Predefined Tax Elements

When you create a tax card for a person, it automatically creates a US Taxation element entry. You must define eligibility for this element as an open link. Do not cost this element.

The US Taxation element has the following related elements.

<table>
<thead>
<tr>
<th>Element Name</th>
<th>Input Value</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Leave Insurance Employee Tax</td>
<td>FLI Tax Calculated</td>
<td></td>
</tr>
<tr>
<td>Element Name</td>
<td>Input Value</td>
<td>Notes</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>---------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Family Leave Insurance Employee Tax Not Taken</td>
<td>FLI Tax Calculated</td>
<td>You must cost this element the opposite of the Family Leave Insurance Employee Tax base element.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>For example, if you are crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.</td>
</tr>
<tr>
<td>Federal Income Tax</td>
<td>Tax Calculated</td>
<td></td>
</tr>
<tr>
<td>Federal Income Tax Not Taken</td>
<td>Tax Calculated</td>
<td>You must cost this element the opposite of the Federal Income Tax base element.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>For example, if you are crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.</td>
</tr>
<tr>
<td>Federal Unemployment Tax</td>
<td>Tax Calculated</td>
<td></td>
</tr>
<tr>
<td>Head Tax Not Taken</td>
<td>Tax Calculated</td>
<td>You must cost this element the opposite of the Work Head Tax base element.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>For example, if you are crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.</td>
</tr>
<tr>
<td>Medicare Employee Tax</td>
<td>Tax Calculated</td>
<td></td>
</tr>
<tr>
<td>Medicare Employee Tax Not Taken</td>
<td>Tax Calculated</td>
<td>You must cost this element the opposite of the Medicare Employee Tax base element.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>For example, if you are crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.</td>
</tr>
<tr>
<td>Medicare Employer Tax</td>
<td>Tax Calculated</td>
<td></td>
</tr>
<tr>
<td>Residence City Tax</td>
<td>Tax Calculated</td>
<td></td>
</tr>
<tr>
<td>Residence City Income Tax Not Taken</td>
<td>Tax Calculated</td>
<td>You must cost this element the opposite of the Resident City Income Tax base element.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>For example, if you are crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.</td>
</tr>
<tr>
<td>Residence County Tax</td>
<td>Tax Calculated</td>
<td></td>
</tr>
</tbody>
</table>
## Chapter 12
### Setting Up Elements

<table>
<thead>
<tr>
<th>Element Name</th>
<th>Input Value</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residence County Income Tax Not Taken</td>
<td>Tax Calculated</td>
<td>You must cost this element the opposite of the Resident County Income Tax base element. For example, if you are crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.</td>
</tr>
<tr>
<td>Residence County Mental Health Tax</td>
<td>Tax Calculated</td>
<td></td>
</tr>
<tr>
<td>Residence School District Tax</td>
<td>Tax Calculated</td>
<td></td>
</tr>
<tr>
<td>Residence School Tax Not Taken</td>
<td>Tax Calculated</td>
<td>You must cost this element the opposite of the Residence School District Tax base element. For example, if you are crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.</td>
</tr>
<tr>
<td>Residence State Income Tax</td>
<td>Tax Calculated</td>
<td></td>
</tr>
<tr>
<td>Residence State Income Tax Not Taken</td>
<td>Tax Calculated</td>
<td>You must cost this element the opposite of the Residence State Income Tax base element. For example, if you are crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.</td>
</tr>
<tr>
<td>Social Security Employee Tax</td>
<td>Tax Calculated</td>
<td></td>
</tr>
<tr>
<td>Social Security Employee Tax Not Taken</td>
<td>Tax Calculated</td>
<td>You must cost this element the opposite of the Social Security Employee Tax base element. For example, if you are crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.</td>
</tr>
<tr>
<td>Social Security Employer Tax</td>
<td>Tax Calculated</td>
<td></td>
</tr>
<tr>
<td>State Disability Insurance Employee Tax</td>
<td>Tax Calculated</td>
<td></td>
</tr>
<tr>
<td>State Disability Insurance Employee Tax Not Taken</td>
<td>Tax Calculated</td>
<td>You must cost this element the opposite of the State Disability Insurance Employee Tax base element. For example, if you are crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.</td>
</tr>
</tbody>
</table>
### Element Name

<table>
<thead>
<tr>
<th>Element Name</th>
<th>Input Value</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Disability Insurance Employer Tax</td>
<td>Tax Calculated</td>
<td>Debit the Not Taken element from account 1234.</td>
</tr>
<tr>
<td>State Transit Tax</td>
<td>Tax Calculated</td>
<td></td>
</tr>
<tr>
<td>State Transit Tax Not Taken</td>
<td>Tax Calculated</td>
<td>You must cost this element the opposite of the State Transit Tax base element. For example, if you are crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.</td>
</tr>
<tr>
<td>State Unemployment Insurance Employee Tax</td>
<td>Tax Calculated</td>
<td></td>
</tr>
<tr>
<td>State Unemployment Insurance Employee Tax Not Taken</td>
<td>Tax Calculated</td>
<td>You must cost this element the opposite of the State Unemployment Insurance Employee Tax base element. For example, if you are crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.</td>
</tr>
<tr>
<td>State Unemployment Insurance Employer Tax</td>
<td>Tax Calculated</td>
<td></td>
</tr>
<tr>
<td>Voluntary Plan Employee Disability Insurance Tax</td>
<td>Tax Calculated</td>
<td>You must cost this element the opposite of the Voluntary Plan Employee Disability Insurance Tax base element. For example, if you are crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.</td>
</tr>
<tr>
<td>Voluntary Plan Employee Disability Insurance Tax Not Taken</td>
<td>Tax Calculated</td>
<td></td>
</tr>
<tr>
<td>Voluntary Plan Employer Disability Insurance Tax</td>
<td>Tax Calculated</td>
<td></td>
</tr>
<tr>
<td>Work City Tax</td>
<td>Tax Calculated</td>
<td>You must cost this element the opposite of the Work City Income Tax base element. For example, if you are crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.</td>
</tr>
<tr>
<td>Work City Income Tax Not Taken</td>
<td>Tax Calculated</td>
<td></td>
</tr>
</tbody>
</table>
### Element Name | Input Value | Notes
--- | --- | ---
Work County Tax | Tax Calculated | 
Work County Income Tax Not Taken | Tax Calculated | You must cost this element the opposite of the Work County Income Tax base element. For example, if you are crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.
Work County Mental Health Tax | Tax Calculated | 
Work County School District Tax | Tax Calculated | 
Work Head Tax | Tax Calculated | 
Work School Tax Not Taken | Tax Calculated | You must cost this element the opposite of the Work County School District Tax base element. For example, if you are crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.
Work State Income Tax | Tax Calculated | 
Work State Income Tax Not Taken | Tax Calculated | You must cost this element the opposite of the Work State Income Tax base element. For example, if you are crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.

When you calculate payroll, the process:

1. Processes the element entry for the US Taxation element.
2. Creates run results for the related elements based on their element entries.
3. Feeds tax elements with indirect results.

These tax elements are fed with indirect results. If you want the costing to override the default for the tax elements, you must:

1. Manually define eligibility for each of them.
2. Cost the individual element eligibility records for the indirect results.

To do so:

1. Start the Manage Elements task.
2. Create element eligibility records for the tax elements described above.
3. Cost the element eligibility records for the tax element on the **Costing** tab.
   
   Cost the Not Taken elements opposite of the others.
For example, if you credit account 1234 for the Federal Income Tax element, then you must debit account 1234 for the Federal Income Tax Not Taken element.

**Related Topics**

- Oracle Cloud Global Human Resources Payroll Costing Guide
- Oracle Fusion Global Payroll: Setup of Information Elements for Payroll Relationship Level Costing
- Payroll Flow Patterns and Flows for the US

### Maintaining Elements: Explained

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.

### How Elements Hold Payroll Information for Multiple Features

Elements are the 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 them.

Here are some examples of how you can use elements.

<table>
<thead>
<tr>
<th>How the element is used</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>
</tbody>
</table>
### How the element is used

<table>
<thead>
<tr>
<th>How the element is used</th>
<th>Examples of elements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Benefits</strong></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><strong>Time and Labor</strong></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><strong>Payroll</strong></td>
<td>Regular Standard Earnings</td>
</tr>
<tr>
<td></td>
<td>Bonus Earnings</td>
</tr>
<tr>
<td></td>
<td>Tax Deduction</td>
</tr>
<tr>
<td></td>
<td>Involuntary Deduction</td>
</tr>
</tbody>
</table>

For further information, see the following sections.

### Base Pay Management

You must set up salary basis and payrolls before you hire employees. Use the Manage Salary Basis task in the Compensation work area.

Once you establish the salary basis, to manage a worker’s base pay:

1. Attach an earnings element to each salary basis.
2. Assign a salary basis to each worker (hourly, monthly, or annual).

When a manager or compensation specialist enters a base pay amount for a worker, the payroll process writes the amount to an element entry using the element input value you 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
- Associate an absence element with an absence plan to transfer the following information for payroll processing:
  - Payments for absent time during personal time off
  - Accrual disbursement at the end of absence plan year
  - Accrual disbursement when plan enrollment ends
  - Absence liability amounts

You can process the payments through standard payroll processing or use HCM extracts to transfer the information to a third-party payroll application.

For further information, see Oracle Cloud Human Capital Management for the United States: Absence Management (2308118.1) on My Oracle Support.
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 that create dependent payroll attributes and time card fields for element input values.

You can automate the routine import of time card entries to payroll using predefined flows.

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

Related Topics
- Create Compensation Payroll Elements
- Define Earning and Deduction Definitions for the US

Element Classifications

Primary Element Classifications: Explained
Primary element classifications are defined by Oracle Fusion to meet legislative requirements, and are supplied to users with the product.

Primary Classifications
Elements are grouped into primary classifications, such as Earnings and Voluntary Deductions. In a human resources department, you can use the primary classifications to identify groups of elements for information and analysis purposes. In a payroll department, the classifications control processing, including the sequence in which elements are processed and the balances they feed. Oracle Fusion provides primary classifications and some balances, mainly to reflect tax legislation. They are designed to meet the legislative requirements of your country, so you cannot change or delete them. You can create additional balances to be fed by any of the primary classifications.

Secondary Element Classifications
You can use secondary classifications to manage wage basis rules for deductions and taxes. You can’t remove or change any predefined secondary classifications, and you can’t disable any of the predefined balance feeds created for them. They are subsets of the primary classifications.
Predefined Classifications

These are the available predefined secondary classifications:

<table>
<thead>
<tr>
<th>Primary Classification</th>
<th>Secondary Classifications</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absences</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Maternity</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Other</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Sickness</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Vacation</td>
<td></td>
</tr>
<tr>
<td>Balance Initialization</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Employee Tax Credits</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Employee Tax Deductions</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Employer Liabilities</td>
<td>• Benefits Employer Paid</td>
<td></td>
</tr>
<tr>
<td>Employer Taxes</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Imputed Earnings</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Cash Tips Reported</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Domestic Partner Dependent</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Domestic Partner Nondependent</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Group Term Life</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Moving Expense Nonqualified and Taxable</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Moving Expense Qualified and Nontaxable</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Noncash Award</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Personal Use of Company Car</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Retiree Domestic Partner Dependent</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Retiree Domestic Partner Nondependent</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Retiree Employer Health Care 125</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Retiree Employer Health Care Other</td>
<td></td>
</tr>
<tr>
<td>Information</td>
<td>• Allocated Tips</td>
<td></td>
</tr>
<tr>
<td>Involuntary Deductions</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Alimony</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Bankruptcy Order</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Child Support</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Creditor Debt</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Debt Collection Improvement Act</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Educational Loan</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Employee Requested</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Garnishment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Regional Tax Levy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Spousal Support</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Tax Levy</td>
<td></td>
</tr>
<tr>
<td>Nonpayroll Payment</td>
<td>• Expense Reimbursement</td>
<td></td>
</tr>
</tbody>
</table>

Do not use this element classification for retiree deductions.

For further information, see Oracle Cloud Human Capital Management for United States: Payroll Involuntary Deductions (1597039.1) on My Oracle Support.
### Primary Classification

<table>
<thead>
<tr>
<th>Primary Classification</th>
<th>Secondary Classifications</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pretax Deductions</td>
<td>• Deferred Compensation 401k&lt;br&gt;• Deferred Compensation 401k Catch-Up&lt;br&gt;• Deferred Compensation 403b&lt;br&gt;• Deferred Compensation 457&lt;br&gt;• Dental Care 125&lt;br&gt;• Dependent Care 125&lt;br&gt;• Flexible Spending Account&lt;br&gt;• Health Care 125&lt;br&gt;• Health Savings Account&lt;br&gt;• Health Savings Account Catch-Up&lt;br&gt;• Nonqualified Deferred Compensation&lt;br&gt;• Retiree Dental Care 125&lt;br&gt;• Retiree Flexible Spending Account&lt;br&gt;• Retiree Health Care 125&lt;br&gt;• Retiree Health Savings Account&lt;br&gt;• Retiree Health Savings Account Catch-Up&lt;br&gt;• Retiree Vision Care 125&lt;br&gt;• Vision Care 125</td>
<td>Do not use this element classification for retiree deductions. For further information, see Define Pretax Deduction Elements for the US in the Help Center.</td>
</tr>
<tr>
<td>Standard Earnings</td>
<td>• Overtime&lt;br&gt;• Premium&lt;br&gt;• Regular&lt;br&gt;• Regular Not Worked&lt;br&gt;• Shift&lt;br&gt;• Tips Regular</td>
<td></td>
</tr>
<tr>
<td>Supplemental Earnings</td>
<td>• Awards and Prizes&lt;br&gt;• Bonus&lt;br&gt;• Cafeteria&lt;br&gt;• Commission&lt;br&gt;• Deceased Employee Wages&lt;br&gt;• Deferred Compensation Distribution&lt;br&gt;• Dismissal Payments&lt;br&gt;• Job-Related Educational Assistance&lt;br&gt;• Jury Duty Pay&lt;br&gt;• Moving Expense Nonqualified&lt;br&gt;• Moving Expense Qualified&lt;br&gt;• Paid Time Off Payout&lt;br&gt;• Pensions and Annuities&lt;br&gt;• Retiree Nontaxable Payments&lt;br&gt;• Retiree Pension and Annuities&lt;br&gt;• Retiree Profit Sharing&lt;br&gt;• Sick Pay&lt;br&gt;• Tips Supplemental&lt;br&gt;• Travel Taxable Reimbursement</td>
<td></td>
</tr>
<tr>
<td>Voluntary Deductions</td>
<td>• Benefits After Tax&lt;br&gt;• Deferred Compensation 401k Roth&lt;br&gt;• Deferred Compensation 401k Roth Catch-Up</td>
<td>For further information, see Voluntary Deductions for the US in the Help Center.</td>
</tr>
</tbody>
</table>
### Secondary Classification Definition

Sometimes you must create a new secondary classification to suit your business needs.

To create a secondary classification:

1. Start the Manage Element Classifications task in the Payroll Calculation work area.
2. Enter your US legislative data group, and click **Search**.
3. Select the appropriate primary classification in the search results.

   **Note:** You can’t create secondary classifications for the Involuntary Deductions primary classification.

4. Click **Edit**.
5. In the Secondary Classifications section, select **Create**.
6. Enter the new name and start date.
7. Click **OK**.
8. Create any new wage basis rules as needed.

**Related Topics**

- Oracle Cloud Human Capital Management for United States: Payroll Involuntary Deductions
- Tax Wage Basis Rules for the US

### 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. These classifications control the element template questions you answer to define the element.

**Primary Classifications**

Primary classifications meet the legislative requirements of your country or territory, so you can’t change them.

In a Human Resources department, you can use the primary classifications to identify groups of elements for information and analysis purposes. In a Payroll department, the classifications control processing, including the sequence in which elements are processed and the balances they feed.

**Secondary Classifications**

Secondary classifications are subsets of the primary classifications. Use them to manage wage basis rules for deductions and taxes. You can’t remove or change any predefined secondary classifications. You can create your own secondary classifications.
Subclassifications

Subclassifications provide a way to feed balances. An element may automatically inherit subclassifications from its primary classification. Elements can have only one primary and secondary classification, but multiple subclassifications. You can optionally select additional subclassifications for an element to control the balances it feeds.

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 is treated as a separate subclassification. In this case, 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

Element Employment Level

Element Employment Levels

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
- 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

Indirect Elements

During the creation of your elements, depending on the options you selected, the element template may automatically create related indirect elements. These are also referred to as shadow elements.

There are two kinds of indirect element.

<table>
<thead>
<tr>
<th>Kind of indirect element</th>
<th>What it is for</th>
</tr>
</thead>
<tbody>
<tr>
<td>Results element</td>
<td>The element template may create results elements when you define elements of the following primary classifications:</td>
</tr>
<tr>
<td></td>
<td>• Employee Tax Deductions</td>
</tr>
<tr>
<td></td>
<td>• Employer Liabilities</td>
</tr>
<tr>
<td></td>
<td>• Standard Earnings</td>
</tr>
<tr>
<td></td>
<td>• Supplemental Earnings</td>
</tr>
<tr>
<td></td>
<td>• Imputed Earnings</td>
</tr>
<tr>
<td></td>
<td>• Involuntary Deductions</td>
</tr>
<tr>
<td></td>
<td>• Nonpayroll Payment</td>
</tr>
<tr>
<td></td>
<td>• Pretax Deductions</td>
</tr>
<tr>
<td></td>
<td>• Voluntary Deductions</td>
</tr>
</tbody>
</table>

Results elements use the following naming convention: `<User Element> Results`.

These indirect elements are nonrecurring.

The payroll process feeds values to these elements taking into consideration frequency rules and formulas such as skip formulas, proration formulas, and so on.
Retroactive elements are automatically created when you select Yes to the Is this element subject to retroactive changes question.

The element template creates these elements nonrecurring with the same attribution of the base element with a couple of exceptions.

- If you selected Process Separately or Pay Separately, the template creates input values on the retroactive element. However, the input value default is set to N. You can override these values at the following levels:
  - Element
  - Element entry
  - Element eligibility
- All retroactive elements are set with a latest entry date of Final Close, regardless of what you select for the base element.

Retroactive elements use the following naming convention: `<User Element> Retro`.

The element template may create retroactive elements for the following primary classifications:

- Employer Liabilities, excluding deferred compensation
- Imputed Earnings
- Nonpayroll Payment
- Pretax Deductions, excluding deferred compensation
- Standard Earnings
- Supplemental Earnings
- Voluntary Deductions

Related Topics

- How Retroactive Pay Is Calculated for the US

Define Payroll Elements for Processing Absences

To calculate and process absence payments, you need to define Absence elements.

Defining an Absence element involves:

1. Defining the element
2. Completing the absence detail questions
3. Completing the accrual liability and balance payment questions
4. Completing the absence payment questions
5. Submitting the element
6. Defining element eligibility records and cost distributions

For further information, see Define Absence Elements for the US in the Help Center.
Define an Absence Element

Use the Manage Elements task in the Payroll Calculation work area. Select the Absence primary classification and a secondary classification:

- Maternity
- Sickness
- Vacation
- Other

Complete the Absence Detail Questions

The questions in the Absence Details section of the element template help determine the more detailed questions it asks later.

1. Enter the calculation units to use when reporting the absence, such as 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.

2. Select the work units conversion rule to calculate the absence rate.

3. 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>
<tr>
<td>No Entitlement</td>
<td>No Entitlement Absences</td>
</tr>
</tbody>
</table>

Complete the Accrual Liability and Balance Payment Questions

If you are going to transfer accrual balances, complete these questions.

<table>
<thead>
<tr>
<th>Question</th>
<th>Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculate absence liability?</td>
<td>1. Select <strong>Yes</strong> if you calculate liability.</td>
</tr>
<tr>
<td></td>
<td>2. Select a liability rate.</td>
</tr>
<tr>
<td></td>
<td>Leave blank if the liability rate is the same as the absence payment rate.</td>
</tr>
<tr>
<td></td>
<td>Usually the rate is the same as the absence payment rate. 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 <strong>Yes</strong> 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></td>
<td>3. Select the tax method to use for the final disbursement.</td>
</tr>
<tr>
<td>Does this plan enable partial payment of balance?</td>
<td>1. Select <strong>Yes</strong> 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>
Complete the Absence Payment Questions

Answer these questions on how you want to handle the absence payments:

1. Select a method to reduce regular earnings if employees don’t complete a time card, or if the time card entries aren’t used as a basis for calculating pay.

<table>
<thead>
<tr>
<th>Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce regular earnings by absence</td>
<td>Reduces regular earnings by the absence payment. The employee is paid the same</td>
</tr>
<tr>
<td>payment</td>
<td>gross amount as their regular salary.</td>
</tr>
</tbody>
</table>

2. Select the tax method to use for the absence payment.

3. 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:

1. Using absence element entries
2. Using any standard earnings elements that reduce regular earnings

The salary balance isn’t reduced beyond zero.

Submit the Element

When you are finished with the questions, you submit the element. The template automatically configures a base pay element, balances, formulas, and calculation components.

It also configures indirect elements, depending on the options selected in the template to transfer absence information.
Define Element Eligibility Records and Cost Distributions

Define element eligibility records for all the elements generated by the template, such as for your accrual, entitlement, discretionary and final disbursement elements.

If your enterprise calculates cost distributions, provide costing information for all the element eligibility records.

For example, for an accrual element:

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 costs the change in the liability balance since the last payroll period, debits the expense account, and credits the liability account.

Related Topics

- Costing of Elements: Critical Choices
- Define Absence Elements for the US
- Importing Absence Entries to Payroll: Procedure
- Rates Used to Calculate Absences in Payroll

Define Payroll Elements for an Absence Accrual Plan

In this example, you want 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>
</tbody>
</table>
Decisions to Consider | In This Example
--- | ---
Does your absence plan enable balance payments when enrollment ends? | Yes
Which rate should the final disbursement payment use? | Final Disbursement Rate
Does your absence plan enable payment of partial accrual balances? | Yes
Which rate should the partial disbursement payment use? | Partial Disbursement Rate
How do you want to calculate deductions for paid absences for employees not requiring a time card? | Reduce regular earnings by absence payment
  - Reduce regular earnings by the amount of the absence payment so that the worker does not get paid twice?
  - Select a rate to determine the absence deduction amount?

Prerequisites
Before you begin, make sure you configured a rate definition to determine the monetary value of a unit of absence.

Depending on your enterprise, configure 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.

Define an Absence Element
1. In the Setup and Maintenance work area or the Payroll Calculation work area, start the Manage Elements task.
2. Click Create.
3. In the Create Element window, complete the following fields.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative Data Group</td>
<td>Select your US 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 following.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Vacation Payment</td>
</tr>
</tbody>
</table>
In the Absence Plan Details section, complete the following.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting Name</td>
<td>Vacation Payment</td>
</tr>
<tr>
<td>What type of absence information do you want transferred to payroll?</td>
<td>Accrual Balances and Absences</td>
</tr>
<tr>
<td>What calculation units are used for reporting?</td>
<td>Days</td>
</tr>
</tbody>
</table>

7. Click Next.

8. On the Create Elements: Additional Details page, in the Accrual Liability and Balance Payments section, complete the following.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculate absence liability?</td>
<td>Yes</td>
</tr>
<tr>
<td>Which rate should the liability balance calculation use?</td>
<td>Leave blank</td>
</tr>
</tbody>
</table>

*Note: The payroll process uses the employee’s regular salary rate for the liability calculation.*

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<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 the payout amount to be taxed?</td>
<td>Regular</td>
</tr>
<tr>
<td>Does this plan enable partial payment of the balance?</td>
<td>Yes</td>
</tr>
<tr>
<td>Which rate should the discretionary disbursement use?</td>
<td>Discretionary disbursement rate</td>
</tr>
<tr>
<td>Which taxation method should the discretionary disbursement payment use?</td>
<td>Regular</td>
</tr>
</tbody>
</table>

9. On the Create Elements: Additional Details page, in the Absence Payments section, complete the following.
Field | Value
---|---
**How do you want to reduce earnings for employees not requiring a time card?** | Reduce regular earnings by absence payment.

**Which rate should the absence payment calculation use?** | Absence payment

10. Click **Next**.
11. On the Create Element: Review page, review the information that you entered so far.
12. Click **Submit** to open the Element Summary page.

The template generates all the related elements, balances, and formulas.

**Define Element Eligibility**

1. In the Element Overview section of the Element Summary page, select **Element Eligibility**.
2. Select **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 these steps on the Element Summary page to define eligibility for each element.

**Related Topics**

- Overview of Absence Management for the US
- Process and Administer Absences for the US
- Set Up Absence Plans for the US

**Create Elements for Time Card Entries**

To process pay based on time card entries, use nonrecurring elements, such as elements for regular, overtime, double-time, and shift pay. When you create a time card element, the template generates all the necessary components, such as indirect elements, balances, formulas, and calculation components. You can then transfer those elements to your time provider.

There are several options available to you when configuring earnings elements for use with time cards.

<table>
<thead>
<tr>
<th>What you want to do</th>
<th>How you do it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Define earnings elements</td>
<td>Any elements of the following classifications are eligible for use with time cards:</td>
</tr>
</tbody>
</table>

- Imputed Earnings
- Nonpayroll Payment
- Standard Earnings
- Supplemental Earnings
Chapter 12
Setting Up Elements

<table>
<thead>
<tr>
<th>What you want to do</th>
<th>How you do it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use Manage Elements task from the Payroll Calculations work area to define these elements. Be sure to select the <strong>Time Card</strong> category.</td>
<td></td>
</tr>
<tr>
<td>Configure existing elements for use with time cards</td>
<td>If you already have elements of the Standard category, you can still use them with Oracle Fusion Time and Labor.</td>
</tr>
<tr>
<td>Populate your elements with Oracle Fusion Time and Labor attributes and fields</td>
<td>Once you have configured your elements, there are a couple additional steps required.</td>
</tr>
<tr>
<td>- Generate data dictionary time attributes</td>
<td></td>
</tr>
<tr>
<td>- Create time card fields</td>
<td></td>
</tr>
<tr>
<td>Tag earnings for employees working outside their primary jurisdiction</td>
<td>When an employee works short intervals in jurisdictions outside their primary, some jurisdictions require they be taxed in those jurisdictions. In these cases, you must tag the employee’s earnings with the jurisdictions to ensure proper taxation.</td>
</tr>
<tr>
<td>Set up costing overrides</td>
<td>You can specify additional attributes in Oracle Fusion Time and Labor to enter costing segment values on time cards.</td>
</tr>
</tbody>
</table>

For details on these steps, see the following sections.

### Define Earnings Elements

To define an earnings element for use with time cards:

1. Start the Manage Elements task from the Payroll Calculations work area.
2. Select a primary classification.
   - Imputed Earnings
   - Nonpayroll Payment
   - Standard Earnings
   - Supplemental Earnings
3. 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 element’s formula uses 8 hours to convert days to hours.
   b. Optionally, select a default rate to calculate the pay rate for this element.
      When calculating the run result for the element entry, the formula uses the default rate unless you enter an override rate on the element.
6. Complete the element eligibility information for:
   - The new time element
   - Its associated retroactive and related elements, such as the result and calculation elements
Note: To report standard overtime separately from premium overtime, create two elements, such as overtime and overtime premium elements. If you are reporting them together, create a single overtime element that includes the straight and premium pay for all overtime hours and then modify its fast formula.

Configure Standard-Category Elements

If you already have elements with the Standard category rather than the Time Card category, you can still use them with Oracle Fusion Time and Labor time cards.

1. Run the Create Time Card Calculation Components process from the Payroll Checklists or Payroll Administration work area.
2. Select the element you want to modify.
   
   It must use the Hours * Rate calculation rule.
3. Complete the element eligibility information for the element and its associated retroactive and related elements, including the result element and the element with a suffix of CIR.
4. When the process finishes, run the Compile Formula process from the Manage Payroll Calculations work area.
   
   To process multiple elements, perform a bulk compile by entering wild cards in the Formula and Formula Type parameters.

Create Time Card Fields for Your Elements

After creating or converting your elements, you need to create 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>What you need to do</th>
<th>How you do it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generate data dictionary time attributes</td>
<td>Create dependent payroll attributes for all element input values, such as hours and rate.</td>
</tr>
<tr>
<td></td>
<td>You must run the Generate Data Dictionary Time Attribute process after making any changes to your time elements, including:</td>
</tr>
<tr>
<td></td>
<td>• Creating or deleting elements</td>
</tr>
<tr>
<td></td>
<td>• Editing input values</td>
</tr>
<tr>
<td></td>
<td>• Editing element eligibility records</td>
</tr>
</tbody>
</table>

Caution: If you do not run the process, it may negatively impact the setup of time card fields, the validation of payroll time types, or the transfer of time data to the payroll process.

Create time card fields | Create time card fields, using the data dictionary time attributes for the specified legislative data group. |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>You can use the Manage Time Card Fields task to create time card fields for single and multiple attributes.</td>
</tr>
</tbody>
</table>

If you are using a third-party time provider, create an HCM extract for the time card elements. The extract you create must include the element’s mapping ID that you specify in the XML file when you transfer the time entries to payroll. For further information, see Oracle Global Human Resources Cloud Implementing Time and Labor in the Help Center.
Tag Earnings for Alternate Taxation

When an employee works short intervals in jurisdictions outside their primary, some jurisdictions require they be taxed in those jurisdictions. In these cases, you must tag the employee's earnings with those jurisdictions to ensure proper taxation.

For further information, see Tag Standard and Time Card Earnings for Alternate Taxation in the Help Center.

Set Up Costing Overrides

You can specify additional attributes in Oracle Fusion Time and Labor to enter costing segment values on time cards. The segments must match the segments that you can enter on element entries.

To do this:

1. Create your time card element.
2. Define costing on the element eligibility record of the results element.
3. Run the Generate Data Dictionary Time Attributes process from the Setup and Maintenance work area.
4. Create a dependent costing field for your time card.
5. Configure the dependent costing field data sources and filters.
6. Modify the time card layout to include this field.

For further information, see Oracle Global Human Resources Cloud Implementing Time and Labor in the Help Center.

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 process uses the department specified for the overtime hours to derive the costing results.

To view the results of the costing overrides transferred to and processed in payroll:

1. On the Accounting Distribution work area, select Search Person.
2. On the Search Person page, search for the person.
3. Click the Actions down arrow, and select View Person Process Results in Process Results.
4. Go into the person's Statement of Earnings.
5. Select Costing Results.

Related Topics

• Configure Dependent Fields for Labor Costing Overrides
• How Elements Hold Payroll Information for Multiple Features for the US
• Processing Time Entries in Payroll: Explained
• Time Card Required Option: Critical Choices

Element Input Values

Element Input Values: Explained

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 Required, you must also select Displayed and Allow User Entry.</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>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>
</tbody>
</table>
### Field Value

<table>
<thead>
<tr>
<th>Field Value</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<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.</td>
</tr>
<tr>
<td></td>
<td>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 <strong>Reference</strong> field. Then the run result value of the input value works as a context value when updating the balance.</td>
</tr>
<tr>
<td></td>
<td>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 <strong>Reference</strong> 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>
<tr>
<td>Integer</td>
<td>12345</td>
<td>12,345</td>
</tr>
<tr>
<td>Number</td>
<td>12345.6789</td>
<td>12,345.6789</td>
</tr>
<tr>
<td></td>
<td>0.123456789</td>
<td>0.123456789</td>
</tr>
<tr>
<td>Day</td>
<td>123</td>
<td>123</td>
</tr>
<tr>
<td></td>
<td>0.123</td>
<td>0.123</td>
</tr>
<tr>
<td>Money</td>
<td>12345</td>
<td>12345.00</td>
</tr>
<tr>
<td></td>
<td>-12345.67</td>
<td>&lt;12345.67&gt;</td>
</tr>
<tr>
<td>Hours in decimal format, 1 place</td>
<td>12345</td>
<td>12345.0</td>
</tr>
<tr>
<td>Hours in decimal format, 2 places</td>
<td>12345</td>
<td>12345.00</td>
</tr>
<tr>
<td>Hours in decimal format, 3 places</td>
<td>12345</td>
<td>12345.000</td>
</tr>
<tr>
<td>Hours expressed as a numeric value</td>
<td>12345</td>
<td>12345</td>
</tr>
</tbody>
</table>
Unit of Measure | Sample Entry Value | Display in Application
--- | --- | ---
Hours and minutes expressed as numeric values | 12345 | 12345:00
Hours, minutes, and seconds expressed as numeric values | 12345 | 12345:00:00
Date | 2016-06-21 | 21-Jun-2016
Time | 13:05 | 1:05 PM

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
- Element Entries: How Element Setup Affects Entries and Their Entry Values
- Create and Edit Profile Options

Using a Value Set for an Element Input Value: Worked Example

You can use value sets to provide a dynamic list of values for an element input value. Use a value set for lists containing values that already exist in tables, such as person name or number, legislative data group, or payroll statutory unit. The benefit of this approach is that you don’t have to create and maintain a lookup type. Using value sets helps maintain consistency and accuracy in your data.

Note: The only type of value set supported for element input values is the table-based value set. Oracle Fusion Global Payroll doesn’t support other value set types, such as Independent or Format Only.

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

Offering: Workforce Deployment
Functional Area: Payroll
Task: Manage Value Sets

Create value sets using the Manage Value Sets task. You select the Table validation type to define a value set that filters values from an existing table using a SQL statement.

The following table provides the required values that you enter when you create a value set for use on the Manage Elements page.

Field | Value
--- | ---
Module | Global Payroll
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}`

To 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>
</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>
</tbody>
</table>

Tip: To avoid failure of the value set, use IDs instead of names in case the display name changes in the future.
<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<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>

Note: LDG_IP is the input value name.

3. Click Save.

Adding the Value Set Codes to the Manage Elements Page

1. From the Payroll Calculation Work Area, click the Manage Elements task.
2. Create a new element to meet your requirements and then click Submit.
3. When the Element Summary page displays, click the Input Values folder.
4. Click Actions and then select Create Input Values.
5. Enter the name LDG_IP and the display sequence for the input value.
6. Select Character as the Unit of Measure.
7. Enter LDG_VS in the Value Set field.
8. Go to the Default field and select a legislative data group.
9. Click Save.
10. Click Submit.
11. Repeat these steps to create an element input value using the ELE_VS value set.

You can override the default values on the Element Eligibility - Input Values page for a specific eligibility record.

Element Entries
Enabling Automatic, Multiple, or Additional Element Entries: Critical Choices

You can select options for an element to define how you can update its element entries. The options include:

- Automatic entry
- Allow multiple entries in same period
- Additional entry

**Automatic Entry**

When you create an element, you can select Yes for the question: Should every person eligible for the element automatically receive it? This setting selects the Automatic entry option by default for all eligibility records you create for that element. However, you can override the selection for any specific eligibility record before you save it.

When you select this option, saving the eligibility record initiates a payroll flow to create element entries for all eligible workers. To monitor this flow:

- You can view the progress of the process in the Automatic Entry Status field. If the status shows that an error occurred, you can save the eligibility record again to resubmit the flow.
- If you have access to payroll work areas, you can also monitor the progress of the Generate Automatic Element Entries flow on the Processes and Reports tab. You can navigate to the Processes and Reports tab through these work areas: Payroll Dashboard, Payroll Checklist or Payroll Calculation.

Any updates to the employment records of eligible workers, including hires and terminations, automatically update, create, or end the element entries, as appropriate.

💡 **Tip:** If you select the Automatic entry option, you can't also select Allow multiple entries in same period.

**Allow Multiple Entries in Same Period**

This option enables you to give a person more than one entry of the element in the same pay period. For example, if you enter overtime hours on a weekly basis for a person that is paid monthly, you might need to enter five entries on an overtime element in each period.

If you are creating a net-to-gross element, you must select Allow multiple entries in same period.

📝 **Note:** An element with the Automatic entry option selected cannot allow multiple entries in the same period.

**Additional Entry**

This option enables you to add an occasional one-time entry for recurring elements. This additional entry can override or add to the normal entry amount.

**Related Topics**

- Element Entry Methods: Explained
- Status of Flow Tasks
Determining an Element's Latest Entry Date: Critical Choices

An element’s latest entry date determines how element entries process after a person is terminated or transferred to another payroll. The options include: final close, last standard earning date, and last standard process date. These are the predefined options. You can create others that fit your business needs.

Final Close
This option enables the element to stay open for entries beyond a person’s last day worked. For example, you may want the element to stay open to pay a severance package.

Last Standard Earning Date
This option stops all element entries on the date the person leaves. You should use this option for recurring entries such as salary.

Tip: If you select the last standard earning date option, also select proration for the element. This ensures that the element is processed up to this date, even if it isn’t active at the end of a payroll period.

Last Standard Process Date
The value for last standard process date is automatically set to the last day of the pay period in which the person is terminated. You can, however, set it to a later period when you terminate a person. It stops all element entries on the last standard process date or on the date the assignment ends, if this is earlier.

Related Topics

- Element Entries: How Element Setup Affects Entries and Their Entry Values
- Element Duration Dates in Payroll: Explained

Default Values for Element Entries: Critical Choices

You specify default values for element entries using the Manage Elements task in the Payroll Calculation work area. Your element setup controls when the default value affects element entries. You can apply the default value only when an element entry is created, or you can apply the latest default value at runtime. Another option is to use a formula to provide default values on one or more entry values.

You can:

- Set a default value for an input value, or select a defaulting formula for the element.
- Override the default value or formula for a specific group of employees identified by an element eligibility record.
- Override the default value for specific employees on their element entries.

Defining Elements to Provide Default Values at Element Entry Creation

When you create or edit input values, you can specify a default value. If you don’t select the Apply default at runtime option, then subsequent updates to the default value have no effect on existing element entries. Users can override or change the default value at any time.
Defining Elements to Provide Default Values at Runtime

To use this method, enter the default value and select the **Apply default at runtime** option for the input value. If the element entry value is left blank, the payroll process uses the current default value from the element or element eligibility record. If you enter a value in the element entry value, the manual entry overrides the default value and updates to the default value don’t affect that entry. You can clear the entry if you want to restore the default value.

Using a Formula to Provide Default Values

You can create a formula of type element input validation to provide default values for one or more entry values. Select this formula in the Defaulting Formula field for an element or element eligibility record. The order of precedence is as follows:

- A formula at the element eligibility level overrides a formula at the element level.
- If you enter a default value for the input value and select a defaulting formula, the formula overrides the default value.

**Related Topics**

- **Element Entries: How Element Setup Affects Entries and Their Entry Values**

**Element Input Validation Formula Type**

You can use an element input validation formula to validate one or more element entry values. You can also use this formula type to provide a default value for an element entry value, or to calculate entry values based on the user’s entries in other entry values.

You select the formula on the Element Summary page in the following fields:

<table>
<thead>
<tr>
<th>Page Section</th>
<th>Field</th>
<th>Purpose</th>
<th>When the Formula Runs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Element Details, or</td>
<td>Validation Formula</td>
<td>To validate one or more entry values for the element based on entries in</td>
<td>When you save the element entry.</td>
</tr>
<tr>
<td>Element Eligibility</td>
<td></td>
<td>entries in other entry values.</td>
<td></td>
</tr>
<tr>
<td>Element Details, or</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>Element Eligibility</td>
<td></td>
<td>takes input from these or other entry values.</td>
<td></td>
</tr>
<tr>
<td>Element Details, or</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>Element 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 the appropriate type for the element input value.</td>
</tr>
<tr>
<td>Validation formula at element or element eligibility level</td>
<td>Any element input value name that corresponds to an entry value.</td>
<td>Replace spaces in the input value name with underscores in the input variable name. It doesn’t matter whether you use uppercase or lowercase for the name.</td>
</tr>
<tr>
<td>Defaulting formula</td>
<td>None</td>
<td>Use database items or other logic instead.</td>
</tr>
<tr>
<td>Calculation formula</td>
<td>Any element input value name of an entry value.</td>
<td>Replace spaces with underscores. You don’t need to provide all of the available entry values.</td>
</tr>
</tbody>
</table>

Return Values
The following return values are available to formulas of this type.

<table>
<thead>
<tr>
<th>Formula Usage</th>
<th>Return Values</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Validation formula at any level.</td>
<td>formula_status</td>
<td>Must be either ‘S’ (success) or ‘E’ (error). Required.</td>
</tr>
<tr>
<td>Validation formula at any level.</td>
<td>formula_message</td>
<td>Text of message passed to user if the validation fails. Optional.</td>
</tr>
</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:

```plaintext
inputs are entry_value(date)
if(entry_value = '01-APR-2008' (date)) then
  (formula_message = 'Valid date'
   formula_status = 'S'
  )
else(formula_message = 'Invalid date'
   formula_status = 'E'
  )
return formula_message, formula_status
```

Validation formula at element or element eligibility level:

```plaintext
inputs are hours_worked, rate, earning_date(date), comment(text)
if(hours_worked > 80) then
  (formula_message = 'You are within the working limit.'
   'formula_status = 'S'
  )
else
  (formula_message = 'You have worked too many hours.'
   'formula_status = 'E'
  )
return formula_message, formula_status
```

Calculation formula at element or element eligibility level:

```plaintext
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:

```plaintext
if(CATEGORY = 'S') then
```
Formula Result Rules for Elements: Explained

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>
| 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. There are three severity levels for a message rule:  
  • 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
Element Eligibility

Element Eligibility

Element eligibility is the method of determining which employees are eligible for an element. If you want an element to be available for an employee, you must setup eligibility.

During element definition, when you select **Create Element Eligibility** in the Element Overview panel, the following tabs are available in the General Information area.

<table>
<thead>
<tr>
<th>Tab</th>
<th>What you can do here</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Information</td>
<td>In this area you define the criteria of employees that are eligible for this element:</td>
</tr>
<tr>
<td></td>
<td>• If you want to have all employees eligible for this element, add the eligibility record with no criteria.</td>
</tr>
<tr>
<td></td>
<td>• If you want only certain employees to be eligible for this element, add the eligibility record with your specific criteria.</td>
</tr>
<tr>
<td></td>
<td>The available criteria in this area are:</td>
</tr>
<tr>
<td></td>
<td>• Legal Employer</td>
</tr>
<tr>
<td></td>
<td>• Department</td>
</tr>
<tr>
<td></td>
<td>• Job</td>
</tr>
<tr>
<td></td>
<td>• Grade</td>
</tr>
<tr>
<td></td>
<td>• Employment Category</td>
</tr>
<tr>
<td></td>
<td>• Location</td>
</tr>
<tr>
<td></td>
<td>• Position</td>
</tr>
<tr>
<td></td>
<td>• Payroll</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Input Values</th>
<th>Input values can be:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• The same default value for each set of eligibility criteria</td>
</tr>
<tr>
<td></td>
<td>• Changed to different default values for each set of eligibility criteria you create</td>
</tr>
</tbody>
</table>
Eligibility Criteria

You define element eligibility using the following criteria.

<table>
<thead>
<tr>
<th>Level</th>
<th>Available criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Relationship</td>
<td>• Payroll Statutory Unit</td>
</tr>
<tr>
<td></td>
<td>• Relationship Type</td>
</tr>
<tr>
<td>Assignment</td>
<td>• Legal Employer</td>
</tr>
<tr>
<td></td>
<td>• Department in which the person works</td>
</tr>
<tr>
<td></td>
<td>• Job</td>
</tr>
<tr>
<td></td>
<td>• Grade</td>
</tr>
<tr>
<td></td>
<td>• Employment Category</td>
</tr>
<tr>
<td></td>
<td>• People Group</td>
</tr>
</tbody>
</table>

**Note:** You set up all the people groups appropriate for your enterprise. For example, you could group people by company within a multi-company enterprise or by union membership.

- Location of person’s office
- Position
- Payroll
- All payrolls eligible

**Tip:** You must define element eligibility for every element, including predefined elements and indirect 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.
Element Types

As a guideline, when the element template creates a base, results, and retroactive element, you must:

1. Set up element eligibility records for the base, results, and retroactive elements.

   The base, results, and retroactive element eligibility records can serve different purposes. For example, you might create two records for the base element to limit who is eligible, and one open record for the results, if you cost the element results for your eligible people the same way.

2. Specify costing information for the results and retroactive element eligibility records.

   **Note:** To capture costing information for your retroactive payments, you must either:
   - Set up costing for your retroactive elements through element eligibility.
   - Determine at which hierarchy level you must configure costing in order to capture costing information for your retroactive payments. For further information, see Global Human Resources Costing Guide (1918574.1) on My Oracle Support.

You must define element eligibility for the following elements. Set up costing for them as well if required.

<table>
<thead>
<tr>
<th>Primary Classification</th>
<th>Secondary Classification</th>
<th>Indirect Elements Generated</th>
<th>Input Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Earnings</td>
<td>All</td>
<td>&lt;User Element&gt; Results</td>
<td>Earnings Calculated</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&lt;User Element&gt; Retro Results</td>
<td></td>
</tr>
</tbody>
</table>

- **Note:** If you also need to cost hours, you must cost the appropriate hours input value in the Results element.

| Supplemental Earnings         | All                      | <User Element> Results               | Earnings Calculated       |
|                               |                          | <User Element> Retro Results         |                           |

| Imputed Earnings              | All                      | <User Element> Results               | Earnings Calculated       |
|                               |                          | <User Element> Retro Results         |                           |

| Nonpayroll Payment            | All                      | <User Element> Results               | Earnings Calculated       |
|                               |                          | <User Element> Retro Results         |                           |

| Pretax Deductions             | Deferred Compensation 401K | <User Element> Results               | Deduction Calculated     |

| Pretax Deductions             | Deferred Compensation 401K Catch Up | <User Element> Results | Catchup Deduction Calculated |

| Pretax Deductions             | All other than Deferred Compensation 401K and Deferred Compensation 401K Catch Up | <User Element> Results | Pay Value |
|                               |                                                        | <User Element> Retro |                           |
### Oracle Human Resources Cloud Implementing Payroll for the United States

#### Chapter 12 Setting Up Elements

<table>
<thead>
<tr>
<th>Primary Classification</th>
<th>Secondary Classification</th>
<th>Indirect Elements Generated</th>
<th>Input Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Tax Deductions</td>
<td>All</td>
<td>&lt;Predefined Element&gt;</td>
<td>Tax Calculated</td>
</tr>
<tr>
<td>Employer Liabilities (deferred compensation)</td>
<td>N/A</td>
<td>&lt;User Element&gt; Employer Match Results</td>
<td>Employer Match Calculated</td>
</tr>
</tbody>
</table>

**Note:** Automatically generates when you answer **Yes** to the employer match question on the element template.

<table>
<thead>
<tr>
<th>Employer Liabilities</th>
<th>All</th>
<th>&lt;User Element&gt; Results</th>
<th>Pay Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Involuntary Deductions</td>
<td>All</td>
<td>&lt;User Element&gt; Results</td>
<td>Deductions Calculated</td>
</tr>
<tr>
<td>Involuntary Deductions</td>
<td>All fees</td>
<td>&lt;User Element&gt; Organization Fee Results</td>
<td>Fee Calculated</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&lt;User Element&gt; Person Fee Results</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>&lt;User Element&gt; Processing Fee Results</td>
<td></td>
</tr>
<tr>
<td>Voluntary Deductions</td>
<td>All other than Roth Deferred Compensation</td>
<td>&lt;User Element&gt; Results</td>
<td>Pay Value</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&lt;User Element&gt; Retro</td>
<td></td>
</tr>
<tr>
<td>Voluntary Deduction</td>
<td>Roth Deferred Compensation</td>
<td>&lt;User Element&gt; Results</td>
<td>Deduction Calculated</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&lt;User Element&gt; Retro</td>
<td></td>
</tr>
</tbody>
</table>

For further information, see the following in the Help Center:

- Indirect Elements for the US
- Payroll Costing of Elements for the US

### Multiple Rules of Eligibility

You can define more than one eligibility record for each element. Doing so is useful when you want only certain groups of people to be available for an element, but not all of them. There cannot be any overlap between the eligibility records.

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.

**Examples of Eligibility Criteria**

You can restrict who can receive an element entry like the following.

- 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.
- 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.

**Maintaining Element Eligibility: Explained**

After saving an element eligibility record, you can only make certain changes. You can’t update the eligibility criteria. The following table summarizes the actions you can take.

<table>
<thead>
<tr>
<th>Action</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change the input value default values and validation</td>
<td>These changes affect all new entries, and updates to existing entries. Changes to runtime defaults affect existing entries too.</td>
</tr>
<tr>
<td>Delete the element eligibility record</td>
<td>Existing recurring entries are ended automatically when you end the element’s eligibility.</td>
</tr>
</tbody>
</table>

*Note:* You can’t delete the element eligibility record if any nonrecurring entries exist at the date you want to end the record. You must delete existing entries before you end the element’s eligibility.

**Adding Eligibility Rules for Predefined Elements: Procedure**

If the country extension on the Manage Features by Country or Territory page is set to Payroll or Payroll Interface, you must add element eligibility records for predefined statutory deduction elements before you hire any workers.

To search for the predefined elements:

1. In the Setup and Maintenance work area, go to the following:
   - Offering: Workforce Deployment
   - Functional Area: Payroll
   - Task: Manage element
2. Click **Go to Task**.
3. Search for the predefined elements, which are as follows:
### Country or Territory | Predefined Element
--- | ---
US, Canada, Mexico | US Taxation, CA Taxation, MX Taxation
Australia, India, Singapore | Statutory Deductions
Kuwait, Saudi Arabia, United Arab Emirates | Social Insurance, Gratuity
China | Aggregation Information
UK | Tax and NI, Pensions Automatic Enrollment
Netherlands | Tax and Social Insurance Calculations
France | French Payroll Processing

> 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**.

### Example of Defining Element Eligibility

There are a variety of ways you can use eligibility definition to configure your element behavior.

#### Define an On-Call Hours Element

In this example, you use element eligibility to define an "on-call hours" element that applies to multiple jobs.

1. Complete the element template, and navigate to the Element Summary page.
2. To make this element available to only your employees with a job title of Security Specialist or Security Manager, you set up two eligibility records on the **General Information** tab:
   - One indicating this element is available for employees with a job title of Security Specialist
   - Another indicating this element is available for employees with a job title of Security Manager
3. To assign different rate calculations to your Security Specialists and Security Managers:
   - Select the **Input Values** tab for each of the eligibility records you defined.
b. For the Security Specialist eligibility record, you want to pay double their regular rate.
   Insert a default multiple of 2.

c. For the Security Manager eligibility record, you want to pay triple their regular rate.
   Insert a default multiple of 3.

4. To cost each "on-call hours" payment differently for each eligibility record:
   a. Select the Costing tab for each of the eligibility records you defined.
   b. For each employee type, specify the appropriate General ledger account number segment.

Earnings Elements

Define Earnings Elements

You can define US earnings elements using the Manage Elements task in the Payroll Calculations work area. Like any standard element, you must create eligibility criteria for them.

Here are some things to consider before you define earnings elements.

- What options are you selecting in the element template?
- Would this element apply to time card eligible employees?
- Should the payroll process perform gross-up for the earnings?
- Is this an overtime earnings element?
- What indirect elements are generated for this earning?
- How would these earnings be taxed?

For further information, see Examples of Creating Earnings Elements for the US in the Help Center.

Select Earnings Options in the Element Template

The Manage Elements task provides questions for creating earnings. Here are some things to consider when creating these element types:

- Setting involuntary deductions eligibility
- Selecting a rate calculation rule
- Selecting a periodicity conversion rule
- Setting retroactive pay eligibility
- Reducing regular earnings
- Identifying the date earned

How You Set Involuntary Deductions Eligibility

When creating earnings elements, the element template provides an option for choosing how to process and pay the element. For earnings elements, this setting affects how the payroll process calculates involuntary deductions:
Chapter 12
Setting Up Elements

### How to Select a Rate Calculation Rule

During earnings element definition, you can choose from one of these calculation rules:

- Factor
- Flat Amount
- Hours * Rate
- Percentage of Earnings

When using Hours * Rate, the rate is derived by one of these methods:

- Employee’s salary basis
- Through element entry

**Note:** To ensure proper overtime calculation, Standard Earnings of Premium secondary classification must use the Hours * Rate rule.

### How to Select a Periodicity Conversion Rule

This information can assist you when selecting the periodicity conversion rule:

---

<table>
<thead>
<tr>
<th>Earnings Setting</th>
<th>Earnings Calculation</th>
<th>Involuntary Deduction Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process and pay with other earnings</td>
<td>Payroll process calculates the earnings in the regular run.</td>
<td>Payroll run deducts the involuntary deduction order or calculated amount and applicable fees from the regular process run.</td>
</tr>
<tr>
<td></td>
<td>In this case, the payroll process uses regular tax rates.</td>
<td></td>
</tr>
<tr>
<td>Process separately, but pay with other earnings</td>
<td>Payroll process calculates and taxes the earnings through a separate payroll action, but it’s paid with the other earnings. They appear as single entries in the Statement of Earnings and payslip.</td>
<td>Payroll run deducts the order amount from the regular process only. It’s not deducted again from the process separate run unless the order amount has not been fully satisfied in the regular run.</td>
</tr>
<tr>
<td></td>
<td>In this case, the payroll process uses supplemental tax rates. For supplemental runs, earnings are always taxed at the supplemental rate.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Use this setting for earnings that require special tax rules, such as bonuses.</td>
<td>The exception to this is for order amount overrides entered as a rate. For these cases, the amount is deducted from both the regular and process separate runs. Any applicable fees are deducted from the regular process only.</td>
</tr>
<tr>
<td>Process separately and pay separately</td>
<td>Each earning is processed in a separate payroll action. They are paid separately from other earnings and appear as separate Statement of Earnings and payslip entries.</td>
<td>Not recommended for earnings that are subject to involuntary deductions.</td>
</tr>
<tr>
<td></td>
<td>In this case, the payroll process uses supplemental tax rates. For supplemental runs, earnings are always taxed at the supplemental rate.</td>
<td></td>
</tr>
<tr>
<td>Rate Conversion Rule</td>
<td>Description</td>
<td>Example</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Standard Rate Annualized             | Calculates the annual rate using the input periodicity, and converts the amount to an output periodicity and rate. | To convert a weekly amount to a semimonthly periodicity, the payroll process:  
  1. Multiplies the weekly amount by 52.  
  2. Divides the result by 24. |
| Standard Rate Daily                  | Calculates the daily rate using the input periodicity, and converts the amount to an output periodicity and rate. | To convert an annual amount to daily periodicity, the payroll process:  
  1. Divides the annual amount by 365.  
  2. Multiplies the result by the number of days in the payroll period. |
| Standard Working Hours Rate Annualized| Uses the employee’s standard working hours to convert the monetary value and their working hours to an annual value before calculating the rate. | Employee works 40 hours a week with a monthly salary of 1000 USD:  
  \((1000 \times 12)/(40.00 \times 52) = 5.77 \text{ USD per hour}\) |
| Assignment Working Hours Rate Annualized| Uses the employee’s working hours to convert the monetary value and their working hours to an annual value before calculating the rate. | Employee works 40 hours a week, with a 37.5 standard working hours a week, and a monthly salary of 1000 USD:  
  \((1000 \times 12)/(37.50 \times 52) = 6.15 \text{ USD per hour}\) |
| Periodic Work Schedule Rate Annualized | Uses the employee’s work schedule for the payroll period for daily and hourly conversions. | Employee has a monthly salary of 1000 USD and is assigned a monthly payroll. The payroll process checks the work schedule details for the month.  
For a daily conversion:  
1000 USD per month/20 days in the month = 50 USD per day  
  \(\text{Note:}\) For compensation calculations where the employee is not assigned a payroll, the rate is calculated using the weekly rate calculation. The amount is converted to an annual figure and divided by the number of days or hours in that week based on the work schedule. |

**Note:** Do not use this conversion rule for retirees.
How to Set Retroactive Pay Eligibility

Retroactive pay is where an employee receives an adjustment in the current pay period for a payment that was adjusted from a previously processed payroll period. A recalculation is required and is accomplished through the Recalculate Payroll for Retroactive Changes process. Here’s what happens when you run this process, it:

1. Determines which payroll runs are effected.
2. Recalculates them to find the changes.
3. Brings those changes into the current period.

During earnings element definition, the flow includes a question that identifies retroactive pay processing eligibility for the element. If you enable retroactive processing, the template:

- Associates the retroactive pay event with the element
- Generates the appropriate indirect elements

For further information, see Indirect Elements for the US in the Help Center.

How to Reduce Regular Earnings by Absence Payments

When defining an Absence element, the absence template provides a question on whether or not the element should reduce regular earnings. By selecting Yes, you can reduce the regular earnings with the absence entitlement calculation.

This setting reduces only earnings and hours for elements attached to a salaried salary basis where no time cards are used.

For example: A salaried employee is paid biweekly and reports 16 hours of vacation time-off this pay period. This is what the employee’s Statement of Earnings would look like if regular earnings are reduced:

<table>
<thead>
<tr>
<th>Earnings Type</th>
<th>Hours</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Salary</td>
<td>64</td>
<td>6400 USD</td>
</tr>
<tr>
<td>Vacation Pay</td>
<td>16</td>
<td>1600 USD</td>
</tr>
</tbody>
</table>

The sum of hours worked and not worked equals the regular hours. However, this is what the employee’s Statement of Earnings would look like if the regular earnings were not reduced:

<table>
<thead>
<tr>
<th>Earnings Type</th>
<th>Hours</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Salary</td>
<td>80</td>
<td>8000 USD</td>
</tr>
<tr>
<td>Vacation Pay</td>
<td>16</td>
<td>1600 USD</td>
</tr>
</tbody>
</table>

How to Identify the Date Earned

The Manage Elements task provides the Date Earned input value for all nonrecurring element entries, such as for overtime earnings elements. Use this input value to capture the date the earnings were earned. When provided, the payroll process does not use proration and allocation.
If you do not provide a Date Earned, the entry is distributed across all applicable overtime periods within the pay period. If there are multiple overtime periods within the payroll period, the US proration formula ensures the results are allocated against the overtime period that spans the date earned.

**Configure the Element for Time Card Employees**

If you want to use this element with employees reporting their hours through time cards:

1. Define the earnings element using the Time Card category.
2. To use the element for tagging purposes, run the Generate Data Dictionary Time Attributes process.
3. If you allocate time entry hours to different work jurisdictions, set up your time card layout to allow for these entries.

For further information, see Configure Time Cards for the US in the Help Center.

**Enable Net-to-Gross Processing for This Element**

You can perform net-to-gross processing of earnings elements. The payroll process calculates the gross amount required to meet the net pay. You select which taxes and other deductions you are willing to pay by selecting the balances used during net-to-gross processing.

When defining earnings of standard or supplemental types, the template provides a question that enables net-to-gross processing.

Federal, state, and local levels of taxes are available for inclusion or exclusion.

For further information, see How the Payroll Process Calculates Net-to-Gross Earnings for the US in the Help Center.

**Define Overtime Earnings**

The earnings of nonexempt employees working are subject to overtime calculations. These are the things to consider before you define the earnings element:

- Naming the element
- Calculating earnings for nonexempt employees
- Configuring the element for overtime calculations
- Choosing a premium calculation rate rule
- Allocating earnings
- Calculating overtime for time card employees

For further information, see Oracle Cloud Human Capital Management for the United States: Overtime Rate Configuration Guide (1600746.1) on My Oracle Support.

**What Are the Special Rules for the Element Name**

When creating an overtime earnings element, do not use *Overtime* as part of the element or reporting name. *Overtime* is a reserved term, and including it in user-defined elements interferes with balance initializations.

**How Nonexempt Employees Affect Earnings Calculations**

The payroll process determines if an employee is eligible for overtime according to the exempt or nonexempt status of the person’s job. You set a job’s status with the *Status* field in the United States Job Information section of the Manage Job task. For further information, see Oracle Cloud Human Capital Management for the United States: Overtime Rate Configuration Guide (1600746.1) on My Oracle Support.
A setting of nonexempt affects the calculation of only Standard Earnings elements of the Premium secondary classification. The payroll process includes the employee’s assignment Overtime Period in its calculations. It does not affect the payroll calculations of elements with Overtime secondary classification.

### How to Configure the Element for Overtime Calculations

Your selections during earnings element definition determine its eligibility for overtime calculations:

<table>
<thead>
<tr>
<th>Question</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Should this element be included in the earnings calculation of the overtime base rate?</td>
<td>Determines how the payroll process calculates the overtime base rate. Selecting <strong>Yes</strong> creates a balance feed to the Overtime Earnings predefined balance.</td>
</tr>
<tr>
<td>Should this element be included in the hours calculation of the overtime base rate?</td>
<td>Hours worked represents the total number of hours an employee worked during a pay period. Selecting <strong>Yes</strong> creates a balance feed to the Overtime Hours predefined balance.</td>
</tr>
</tbody>
</table>

### How to Select the Premium Calculation Rate Rule

When defining Standard earning elements of Premium secondary classification, you must specify the Overtime calculation rate rule. The two options are:

<table>
<thead>
<tr>
<th>Calculation Rate Rule</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blended Rate</td>
<td>Rate is based on the calculation of the employee’s gross hourly rate. Determined by dividing the Overtime earnings by Overtime hours.</td>
</tr>
<tr>
<td>Higher of Blended or Normal Rate</td>
<td>Uses either the blended rate or the normal rate, whichever is higher. The normal rate is defined either on the salary basis or through element entry input values.</td>
</tr>
</tbody>
</table>

The blended rate differs from regular rate only when the employee is paid with supplemental earnings, such as bonus or commission.

### How the Payroll Process Allocates Earnings

Allocation is the process of attributing income to the overtime period during which it was earned, even if the payroll run spans multiple overtime periods.

For example: A payroll run includes two overtime periods: January 01 to 07 and January 08 to 14. The Date Earned for the element entry is January 08. Therefore, the payroll process creates no results for January 01 through 07, and instead, it allocates the overtime earnings to January 08 through 14.

If you do not specify an Earned Date, then the payroll process allocates the total overtime amount between the overtime periods.

The process determines the number of allocated Overtime Periods for the assignment and pay period based on the calendar days. Then it allocates the earnings accordingly. A pay period can have several contributing overtime periods with a length of any number of days.
How the Payroll Process Calculates Overtime for Time Card Employees

You identify employees that must submit a time card through the **Time Card Required** check box. This check box is available on the Manage Payroll Relationship and New Hire tasks.

This includes hourly paid and nonexempt workers.

When selected, and you have attached the earnings element to a salary basis, the payroll process does not process the salary element. Instead, the employee is paid through nonrecurring time card entries. The payroll process derives the worker’s hours from your time reporting application, such as Oracle Fusion Time and Labor or a third-party interface.

If you did not select the check box, the payroll run processes the salary element.

Generate the Indirect Elements for Earnings

During the creation of your elements, depending on the options you selected, the element template may automatically create related indirect elements. For further information, see Indirect Elements for the US in the Help Center.

Calculate Taxes for this Earning

How you configure your earnings can impact how the payroll process calculates the taxes. Here’s some things to consider before you define your earnings element:

- Setting tax annualization
- Distributing earnings across work locations
- Taxing wages cumulatively
- Understanding regular and supplemental payroll run

How You Set Tax Annualization

When you define a Standard, Supplemental, or Imputed Earnings element, you can configure earnings to:

- Process separately but pay with other earnings
- Process separately and pay separately

If you select **Yes** for one of these options, the template invites you to tax the earning across multiple pay periods. If you agree, the template applies a Taxation Pay Periods input value to the element. This value sets the annualization calculation factor.

**Note:** The Taxation Pay Periods input value is not available for existing elements. If you want to implement tax annualization for an earning, you must create an element with the option enabled.

You use the Taxation Pay Periods input value to set the number of pay periods for the earnings’ tax annualization.

For example, here’s how different values can impact federal income tax calculations for a semimonthly pay period, assuming the employee is claiming Single / Zero and using 2018 withholding tables:

<table>
<thead>
<tr>
<th>Input Value</th>
<th>Pay Amount Annualized</th>
<th>Calculation</th>
<th>Tax Withheld</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blank (pay periods determined by the payroll calendar)</td>
<td>2,500 USD semimonthly earnings * 24 pay periods = 60,000 USD</td>
<td>60,000 - 42,400 = 17,600 USD 17,600 * 22 percent = 3,872 USD 3,872 + 4,453.50 = 8,325.50 USD</td>
<td>346.90 USD</td>
</tr>
</tbody>
</table>
Chapter 12
Setting Up Elements

<table>
<thead>
<tr>
<th>Input Value</th>
<th>Pay Amount Annualized</th>
<th>Calculation</th>
<th>Tax Withheld</th>
</tr>
</thead>
</table>
| 9           | 2,500 USD semimonthly earnings * 9 pay periods = 22,500 USD | 22,500 - 13,225 = 9,275 USD  
9,275 * 12 percent = 1,113 USD  
1,113 + 952.50 = 2,065.50 USD  
2,065.50 / 9 = 229.50 USD | 229.50 USD |
| 18          | 2,500 USD semimonthly earnings * 18 pay periods = 45,000 USD | 45,000 - 42,400 = 2,600 USD  
2,600 * 22 percent = 572 USD  
572 + 4,453.50 = 5,025.50 USD  
5,025.50 / 18 = 279.19 USD | 279.19 USD |

How to Distribute Earnings
For employees working in multiple locations, you must ensure the correct amount of work is attributed to the appropriate jurisdictions. This can affect tax calculations.

Here are the methods you can distribute earnings:

<table>
<thead>
<tr>
<th>Method</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tagged Earnings</td>
<td>Associate an earning to a specific state, county, or city through element entry.</td>
</tr>
<tr>
<td>Employee Earnings Distribution</td>
<td>Use this calculation card to select the individual work locations and the percentage of time worked at each.</td>
</tr>
<tr>
<td>Overrides Card</td>
<td></td>
</tr>
<tr>
<td>Earnings Distribution by Jurisdiction</td>
<td>Earnings at the assignment level require no distribution, as the assignment is associated with a single jurisdiction. This is the default method.</td>
</tr>
</tbody>
</table>

For further information, see Earnings Distributions for the US in the Help Center.

How to Set Up Cumulative Wage Taxation
For employees whose earnings are accrued unevenly across the year, you select to calculate their federal income tax deductions through a cumulative withholding method. This applies to regular and supplemental payroll runs, and if implemented, applies to all earnings elements of Regular and Commission secondary classifications for that employee.

You select this withholding method with the **Cumulative Taxation** field on the employee’s Tax Withholding card at the federal level. Use the Manage Calculation Cards task in the Payroll Calculations work area.

What’s the Difference Between Regular and Supplemental Runs
This table describes how regular and supplemental payroll runs calculate federal taxes, based on the default settings:
### Setting Up Elements

<table>
<thead>
<tr>
<th>Payment Type</th>
<th>Process and Pay Option</th>
<th>Regular Payroll Run Taxation</th>
<th>Supplemental Payroll Run Taxation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard</td>
<td>Process and pay with other earnings</td>
<td>Annualized</td>
<td>N/A</td>
</tr>
<tr>
<td>Standard</td>
<td>Process and pay with other earnings</td>
<td>Annualized, Aggregation</td>
<td>N/A</td>
</tr>
<tr>
<td>Standard</td>
<td>Process separately but pay with other earnings</td>
<td>Annualized (Standard Earnings) + Tiered Flat Rate (Supplemental Earnings)</td>
<td>N/A</td>
</tr>
<tr>
<td>Standard</td>
<td>Process separately and pay separately</td>
<td>Annualized (Standard Earnings) + Tiered Flat Rate (Supplemental Earnings) for two separate pays</td>
<td>N/A</td>
</tr>
<tr>
<td>Supplemental</td>
<td>Process and pay with other earnings</td>
<td>Annualized, Aggregation</td>
<td>Tiered Flat Rate</td>
</tr>
<tr>
<td>Supplemental</td>
<td>Process separately but pay with other earnings</td>
<td>Annualized (Standard Earnings) + Tiered Flat Rate (Supplemental Earnings)</td>
<td>Tiered Flat Rate</td>
</tr>
<tr>
<td>Supplemental</td>
<td>Process separately and pay separately</td>
<td>Tiered Flat Rate</td>
<td>Tiered Flat Rate</td>
</tr>
<tr>
<td>Supplemental</td>
<td>Process separately and pay separately</td>
<td>Annualized (Standard Earnings) + Tiered Flat Rate (Supplemental Earnings) for two separate pays</td>
<td>Tiered Flat Rate</td>
</tr>
</tbody>
</table>

For further information, see How Supplemental Earnings Are Calculated in a Regular Run in the US in the Help Center.

**Related Topics**
- **Earnings Elements for the US**

### Examples of Creating Earnings Elements

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

**Defining an Earnings Element**

1. In the Payroll Calculation work area, click **Manage Elements**.
2. Click **Create**.
3. Complete the following fields:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative Data Group</td>
<td>Your US legislative data group</td>
</tr>
</tbody>
</table>
Oracle Human Resources Cloud Implementing Payroll for the United States

Chapter 12
Setting Up Elements

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Classification</td>
<td>Standard Earnings</td>
</tr>
<tr>
<td>Secondary Classification</td>
<td>Regular</td>
</tr>
</tbody>
</table>

4. Click Continue.
5. Enter a name and other basic detail.
   You can enter up to 50 characters for the element name. If you enter more than 50 characters, the task automatically shortens the name.
6. Respond to the following questions:

<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><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>
<td></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>

7. Click Next.
8. On the Additional Details page, complete the fields, as shown in the following 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>
</tbody>
</table>
### Question and Answer

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<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?</td>
<td>Yes</td>
</tr>
<tr>
<td>Should this element be included in the hours calculation of the FLSA overtime base rate?</td>
<td>Yes</td>
</tr>
</tbody>
</table>

9. Click **Next**.
10. Verify the information is correct.
11. Click **Submit**.
12. In the Element Overview section, select Actions, Create Element Eligibility.
13. On the Element Eligibility name field, enter **REGULAR SALARY ELIG**.
14. In the Eligibility Criteria section, select All payrolls eligible.
15. Click **Submit**.

### Defining a Regular Earnings Element to Reduce Regular

To create a Regular earnings element that reduces regular:

2. Change the processing priority of this element to 2100.
3. Complete the element definition, and submit.
4. Start the Manage Balance Definitions task.
5. Properly set the effective as-of date.
6. For the Reduce Regular Earnings balance, create a new balance feed using your base element name. Select the Pay Value input value with the **Add** option.
7. For the Reduce Regular Hours balance, create a new balance feed using your base element name. Select the Hours Worked input value with the **Add** option.

**Related Topics**
- Create Compensation Payroll Elements
- Defining Payroll Elements for Payroll Interface: Worked Example

### Earnings Distributions

For employees working in multiple locations, you must make sure you attribute the correct amount of work to the appropriate jurisdictions. This can affect tax calculations if the jurisdictions have different tax rates.

You have multiple options on how to distribute earnings.
What you can do | How you do it
---|---
Tag the earnings | Use the Manage Elements task in the Payroll Calculations work area.
Use the Employee Earnings Distribution Overrides card | Use the Manage Calculations Card in the Payroll Calculations work area.
Distribute earnings based on the jurisdiction | If there is not an Employee Earnings Distribution Overrides card, the payroll process determines the percentage distribution for each, based on work hours.

For further information, see the following sections.

**Tagged Earnings**

Tagged earnings are earnings you associated to a locality through element entry. You can do this at the assignment level by manual entry through the Manage Elements task on the Payroll Calculation work area. The input values are State, County, and City. You can also associate or tag an earning through time card entries. The payroll process uses the provided values in its calculations.

When you use tagged earnings, the input values already contain the exact jurisdiction. Therefore, the payroll process does not derive the jurisdictions nor the distributions.

**Example of Using Tagged Earnings**

An employee works in four locations. The employee’s total work hours is 40 per week, 10 hours at each location. To distribute by tagged earnings, the earnings element must allow multiple entries in a payroll period. You define separate element entries for each of the employee’s work locations, entering their hours and rate.

<table>
<thead>
<tr>
<th>Location</th>
<th>Hours per Week</th>
</tr>
</thead>
<tbody>
<tr>
<td>Texas</td>
<td>10</td>
</tr>
<tr>
<td>San Jose, CA</td>
<td>10</td>
</tr>
<tr>
<td>Los Angeles, CA</td>
<td>10</td>
</tr>
<tr>
<td>Arizona</td>
<td>10</td>
</tr>
</tbody>
</table>

**Employee Earnings Distribution Overrides Card**

This calculation card lets you enter every location at which an individual employee may work. You can also specify the percentage of their time spent there.

For further information, see Employee Earnings Distribution Overrides Card in the Help Center.

**Example of Using the Card**

Consider the same employee from the previous example. In this case, you defined Texas as the primary work location on the employee’s assignment. You would configure the Employee Earnings Distribution Overrides card to reflect distributions of 25 percent for San Jose, California; Los Angeles, California; and Arizona each. The remaining 25 percent is automatically attributed to the primary Texas location.
Earnings Distribution by Jurisdiction
If there is not an earnings distribution card, the payroll process determines the percentage distribution for each, based on work hours.
If the total percent of earnings distribution is less than 100 percent, the payroll process allocates the remaining percentage to the primary work location.

Example of Using Jurisdictions
Consider the same employee from the previous examples. They would have a single payroll relationship and three assignments, each working in Texas, California, and Arizona. Their distribution would be 10, 20, and 10 hours.

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Hours</th>
<th>Distribution Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Texas (primary work location)</td>
<td>10</td>
<td>25</td>
</tr>
<tr>
<td>California</td>
<td>20</td>
<td>50</td>
</tr>
<tr>
<td>Arizona</td>
<td>10</td>
<td>25</td>
</tr>
</tbody>
</table>

Related Topics
- Earnings Elements for the US
- Element Entry Methods: Explained
- Employee Earnings Distribution Overrides Card

Define Augment Elements
You define your augment elements through the Manage Elements task in the Payroll Calculations work area. They can be any element of Supplemental Earnings primary classification.
This involves:
- Defining elements
- Defining element entries
- Processing augments
How You Create the Elements

To define augment elements:

1. Start the Manage Elements task in the Payroll Calculations work area.
2. Create an earnings element with the following settings:

<table>
<thead>
<tr>
<th>Template Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Classification</td>
<td>Supplemental Earnings</td>
</tr>
<tr>
<td>Does this element recur each payroll period?</td>
<td>Nonrecurring</td>
</tr>
<tr>
<td>Prorate this earning across all periods during which it was earned, and consider it for overtime calculations, such as for commissions, bonuses, incentives, and other nondiscretionary earnings?</td>
<td>Yes</td>
</tr>
<tr>
<td>Note: When you select Yes, the task performs the following:</td>
<td></td>
</tr>
<tr>
<td>◦ Defaults the calculation rule to Flat Amount</td>
<td></td>
</tr>
<tr>
<td>◦ Creates an indirect element named &quot;&lt;Base Element Name&gt; Premium Adjustment&quot;</td>
<td></td>
</tr>
<tr>
<td>◦ Creates two input values: Earned Start Date and Earned End Date</td>
<td></td>
</tr>
<tr>
<td>What is the calculation rule?</td>
<td>Flat amount</td>
</tr>
<tr>
<td>Is this element subject to retroactive changes?</td>
<td>No</td>
</tr>
<tr>
<td>Should this element be included in the earnings calculation of the overtime base rate?</td>
<td>Yes</td>
</tr>
</tbody>
</table>

3. Specify the following input values for the element:
   - Earned Start Date
     Must be equal to or later than the employee’s hire date.
   - Earned End Date
   - Total Amount

   Note: Do not mark your Premium Adjustment element as "Process Separately" or "Pay Separately from other elements" when the Augment element’s earned start and end dates are between the payroll period start and end dates.

4. Create an eligibility link for the <Base Element Name> Premium Adjustment element and the base supplemental element.
How You Define the Element Entries
For earnings to be associated with a person, you must create an element entry for the eligible employees and the base augment element.

Note: When you create the base augment element entry, the task automatically creates a "<Base Element Name> Premium Adjustment" element entry with the same effective start and end dates as the base augment’s earned start and end date element entry values. If you leave the earned start and end date element entry values blank, <Base Element Name> Premium Adjustment uses the payroll start and end dates.

Once you have created the element entries, you must run the Recalculate Payroll for Retroactive Changes process for the payroll period in which the base augment element was created. This process picks the <Base Element Name> Premium Adjustment element and creates retroactive payment entries for the adjusted premium amount.

How to Process Augments
Once you have created the augment element, you must run the Recalculate Payroll for Retroactive Changes process for the payroll period in which the base augment element was created. This process picks the <Base Element Name> Premium Adjustment element and creates retroactive payment entries for the adjusted premium amount.

Related Topics
- Augment Elements
- Overview of Overtime Configuration for the US
- Special Overtime Configuration Options for the US

How Supplemental Earnings Are Calculated in a Regular Run
During a regular payroll run, the payroll process can use different taxation methods when processing supplemental earnings.

What Settings Affect Earnings Calculations
The state of the person’s residence or employment can determine how the payroll process calculates their taxes.

How the Payroll Process Calculates the Taxes
The payroll process performs the following steps:

1. It attempts to use the aggregation calculation method.
2. If that method is not applicable for the employee’s work or residence state, it does one of the following:
   - For Georgia, it uses the tiered flat rate tax method.
   - For Ohio, it uses the aggregation tax method.
   - For all other states, it uses the Vertex default method.

For further information, see the Vertex Payroll Tax Calculation Guide for the United States.
Time Cards

You can configure payroll processing for employees who submit their hours through time cards. This involves the following actions.

<table>
<thead>
<tr>
<th>What you want to do</th>
<th>How you do it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create the time card elements</td>
<td>Use the Manage Elements task in the Payroll Calculations work area.</td>
</tr>
<tr>
<td>Set up tagging in Oracle Fusion Time</td>
<td>This optional step involves:</td>
</tr>
<tr>
<td>and Labor</td>
<td>• Generating Time Attributes for Data Dictionary</td>
</tr>
<tr>
<td></td>
<td>• Defining Time Entry Tagging Layout</td>
</tr>
<tr>
<td></td>
<td>• Defining Time Entry Tagging Components</td>
</tr>
<tr>
<td></td>
<td>• Changing Time Layout Sets</td>
</tr>
<tr>
<td></td>
<td>• Defining Worker Profiles</td>
</tr>
<tr>
<td></td>
<td>• Viewing the Time Cards Calculation Card</td>
</tr>
</tbody>
</table>

For further information, see the following sections.

Create the Time Card Elements

To create an element that is available for use in time cards:

1. In the Payroll Calculation work area, start the Manage Elements task.
2. Click Create.
3. Select your US legislative data group.
4. Select your primary and secondary classification.
   The following classifications are available for time cards.

<table>
<thead>
<tr>
<th>Primary Classification</th>
<th>Secondary Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imputed Earnings</td>
<td>All</td>
</tr>
<tr>
<td>Nonpayroll Payment</td>
<td>All</td>
</tr>
<tr>
<td>Standard Earnings</td>
<td>All</td>
</tr>
<tr>
<td>Supplemental Earnings</td>
<td>All</td>
</tr>
</tbody>
</table>

5. Select the Time Card category.
6. Complete your element definition, and click Submit.
7. Set up eligibility for the element and any results elements the template created.
8. To use this element for tagging purposes, run the Generate Data Dictionary Time Attributes process from the Setup and Maintenance work area.
   You must have Time and Labor privileges to run this process.
The element is now automatically available for use.

For further information, see the Implementing Time and Labor and Using Time and Labor documents in the Help Center.

**Generate Time Attributes for the Data Dictionary**

To generate time attributes for the Oracle Fusion Time and Labor data dictionary, run the Generate Data Dictionary Time Attributes task from your implementation project.

This task enables element attributes for use on time cards.

For further information, see Time Attributes and the Data Dictionary in the Help Center.

**Define a Time Entry Tagging Layout**

If you allocate time entry hours to different work jurisdictions, you must set up your time card layout to allow for these entries.

1. Log in as a user with Oracle Fusion Time and Labor privileges.
2. Search for and start the Manage Time Entry Layout Components task from the Setup and Maintenance work area.
3. In the Search region of the Manage Time Entry Layout Components task, click Create.
4. Select **Single attribute time card field**, and click OK.
5. Enter the following in **General Properties**.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Provide a meaningful name of your time card layout.</td>
</tr>
<tr>
<td>Description</td>
<td>Provide a meaningful description.</td>
</tr>
</tbody>
</table>

6. In **Time Attribute and Data Source**, enter the following.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Attribute</td>
<td>Payroll Time Type</td>
</tr>
<tr>
<td>Filtered Data Source for Time Entry</td>
<td>List of Payroll Time Types for User</td>
</tr>
<tr>
<td>Unfiltered Data Source for Setup Tasks</td>
<td>List of Payroll Time Types for Administrator</td>
</tr>
</tbody>
</table>

7. Click **Add Filters**.

8. In the Filters window, enter the following.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Filter Variable</td>
<td>pAssignmentId</td>
</tr>
<tr>
<td>First Filter Input Attribute</td>
<td>Assignment</td>
</tr>
<tr>
<td>Second Filter Variable</td>
<td>pEffectiveDate</td>
</tr>
<tr>
<td>Second Filter Input Attribute</td>
<td>Start Time</td>
</tr>
</tbody>
</table>
9. Click OK.

10. In Default Values and Display Properties, enter the following.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population Method for New Entry</td>
<td>No default value</td>
</tr>
<tr>
<td>Display Type</td>
<td>Smart choice list</td>
</tr>
<tr>
<td>Display Name</td>
<td>Provide a meaningful name for your time attribute</td>
</tr>
<tr>
<td>Required on the Time Card</td>
<td>Yes</td>
</tr>
</tbody>
</table>

11. Click Next.

Define the Time Entry Tagging Components

On the Create Time Card Field: Dependent Field Definition page of the Manage Time Entry Layout Components task, you define the time entry tagging components at the following levels:

- State
- County
- City

To do this:

1. Define your State tagging field.
   a. Click Create.
   b. Enter the following on the Create Dependent Time Card Field window.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Provide a meaningful name for your first tagging field, such as: State</td>
</tr>
<tr>
<td>Dependent Time Attribute</td>
<td>ORA_HRX_US_EARN_STATE</td>
</tr>
<tr>
<td>Availability</td>
<td>For all independent time attribute values</td>
</tr>
</tbody>
</table>

   Note: Selecting this returns a warning message. Click Yes to dismiss.

c. Click OK.

d. Enter the following on the Dependent Time Card Field Properties page.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filtered Data Source for Time Entry</td>
<td>List of values for payroll US state field for Geocode</td>
</tr>
</tbody>
</table>
Field | Value
---|---
Unfiltered Data Source for Setup Tasks | List of values for payroll US state field for Geocode

Population Method for New Entry | No default value

Display Type | Smart choice list

Display Name | Provide a meaningful name, such as: State

Enable override on layouts | Select

Required on the Time Card | No

e. Click **Save**.

2. Define your County tagging field.

a. Click **Create**.

b. Enter the following on the Create Dependent Time Card Field window.

Field | Value
---|---
Name | Provide a meaningful name for your first tagging field, such as: County

Dependent Time Attribute | ORA_HRX_US_EARN_COUNTY

Availability | For all independent time attribute values

> **Note:** Selecting this returns a warning message. Click **Yes** to dismiss.

c. Click **OK**.

d. Enter the following on the Dependent Time Card Field Properties page.

Field | Value
---|---
Filtered Data Source for Time Entry | List of values for payroll US county field for Geocode

Unfiltered Data Source for Setup Tasks | List of values for payroll US county field for Geocode

Population Method for New Entry | No default value

Display Type | Smart choice list

Display Name | Provide a meaningful name, such as: County
Enable override on layouts | Select  
---|---
Required on the Time Card | No

e. Click **Add Filters**.
f. In the Filters window, enter the following.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Filter Variable</td>
<td>pCodeLevel1</td>
</tr>
<tr>
<td>Filter Input Attribute</td>
<td>ORA_HRX_US_EARN_STATE</td>
</tr>
</tbody>
</table>

g. Click **OK**.
h. Click **Save**.

3. Define your City tagging field.

a. Click **Create**.
b. Enter the following on the Create Dependent Time Card Field window.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Provide a meaningful name for your first tagging field, such as: City</td>
</tr>
<tr>
<td>Dependent Time Attribute</td>
<td>ORA_HRX_US_EARN_CITY</td>
</tr>
<tr>
<td>Availability</td>
<td>For all independent time attribute values</td>
</tr>
</tbody>
</table>

> **Note:** Selecting this returns a warning message. Click **Yes** to dismiss.

c. Click **OK**.
d. Enter the following on the Dependent Time Card Field Properties page.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filtered Data Source for Time Entry</td>
<td>List of values for payroll US city field for Geocode</td>
</tr>
<tr>
<td>Unfiltered Data Source for Setup Tasks</td>
<td>List of values for payroll US city field for Geocode</td>
</tr>
<tr>
<td>Population Method for New Entry</td>
<td>No default value</td>
</tr>
<tr>
<td>Display Type</td>
<td>Smart choice list</td>
</tr>
<tr>
<td>Field</td>
<td>Value</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>Display Name</td>
<td>Provide a meaningful name, such as: City</td>
</tr>
<tr>
<td>Enable override on layouts</td>
<td>Select</td>
</tr>
<tr>
<td>Required on the Time Card</td>
<td>No</td>
</tr>
</tbody>
</table>

e. Click **Add Filters**.
f. In the Filters window, enter the following.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Filter Variable</td>
<td>pCodeLevel1</td>
</tr>
<tr>
<td>First Filter Input Attribute</td>
<td>ORA_HRX_US_EARN_STATE</td>
</tr>
<tr>
<td>Second Filter Variable</td>
<td>pCodeLevel2</td>
</tr>
<tr>
<td>Second Filter Input Attribute</td>
<td>ORA_HRX_US_EARN_COUNTY</td>
</tr>
</tbody>
</table>

g. Click **OK**.

4. Click **Save** and then **Next**.
5. Click **Save and Close**.

**Change the Time Layout Sets**

Once you have defined your tagging components, you must change your time layout sets to use the new components.

1. From the Setup and Maintenance work area, search for and start the Manage Time Layout Sets task.
2. Click **Create**.
3. In **Time Consumer**, select **Payroll**.
4. Click **Generate Layout Set**.
5. Enter a meaningful name for your layout set, such as: **ABC_Company_Timecard_Lay**.
6. On the Time Entry Layout line, select **Configure Layout**.
7. Click **Edit Layout**.
8. In **Time Card Fields**, replace Payroll Time Type with the time card layout fields you created.
   For further information, see Defining Time Entry Tagging Layout above.
9. Click **OK**.
10. Click **Add**.
11. Add the three fields you created for State, County, and City.
   Click **ADD** for each.
12. Click **Save and Close**.
13. Click **Yes** and then **OK**.
14. Click **Save and Close**.
   The task copies this configuration to the other layouts listed on the Layout Sets page.
Define the Worker Profiles

Once you have configured your time card layout to enable tagging, you must create a worker profile and assign it to all employees that will be using the Tagging feature.

1. From the Setup and Maintenance work area, search for and start the Manage Worker Time Entry Profiles task.
2. Click Create.
3. Enter a meaningful name for your profile, such as: ABC_Company_Tagging_Time_Entry_Profile.
4. Enter an appropriate effective start date.
5. For Layout Set, select the layout you created previously.
6. Click OK.
7. On Worker View and Manager View, select all of the items that you want to enable for each.
8. Click Next until you reach the Review page.
9. Click Save and Close and then OK.
10. Click Troubleshoot.
11. For each employee requiring the Tagging feature:
   a. Search for and select the employee.
   b. Click Assign Profile to Person.
   c. Search for and select your profile.
   d. Specify the effective date as the From Date.
   e. Click OK.
12. Click Save and Close and then OK.

View the Time Cards Calculation Card

When an employee tags time worked in another jurisdiction on their time card, the Load Time Card Batches process transfers this data into their Time Cards calculation card. The payroll process uses this information when calculating payroll.

To view an employee’s Time Cards calculation card:

1. From the Payroll Calculations work area, select Search Person.
2. Query for your employee.
3. Click Actions, and select Manage Calculation Cards.
4. Select Time Cards.
5. Change the effective date to a date that has been tagged.
6. In the Calculation Component area, select the element the employee used to tag the earning.
7. In the Work Hours: Details section, select the Enterable Calculation Values on Calculation Cards tab.
   The information here includes the hours and the jurisdiction details.

Related Topics
- Time Attributes and the Data Dictionary

Tag Standard and Time Card Earnings for Alternate Taxation

When an employee works short intervals in jurisdictions outside their primary, some jurisdictions require they be taxed in those jurisdictions. In these cases, you must tag the employee’s earnings with those jurisdictions to ensure proper taxation. You can accomplish this for both time card and standard category elements.
Tag Time Card Earnings

If you allocate time entry hours to different work jurisdictions, you must set up your time card layout to allow for these entries.

Enabling tagging for time card earnings involves the following.

<table>
<thead>
<tr>
<th>What you need to do</th>
<th>How you do it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Define time entry tagging layout</td>
<td>Use the Manage Time Entry Layout Components task to define the tagging layout.</td>
</tr>
<tr>
<td></td>
<td>This specifies the layout as a single attribute time card field.</td>
</tr>
<tr>
<td>Define time entry tagging components</td>
<td>The time entry tagging components consist of state, county, and city attributes.</td>
</tr>
<tr>
<td>Change time layout sets</td>
<td>You need to change your time layout sets to use the components you have defined.</td>
</tr>
<tr>
<td>Define worker profiles</td>
<td>Use the Manage Worker Time Entry Profiles task to define a worker profile for any employee that would need to tag their earnings.</td>
</tr>
<tr>
<td>View the calculation card</td>
<td>Use the Manage Calculations Card task to verify the Time Card you created for each employee.</td>
</tr>
</tbody>
</table>

For details on these steps, see the following sections.

Define Time Entry Tagging Layout

To define your time entry tagging layout:

1. Log in as a user with Oracle Cloud Time and Labor privileges.
2. Search for and start the Manage Time Entry Layout Components task from the Setup and Maintenance work area.
3. Click Create.
4. Select Single attribute time card field, and click OK.
5. Enter the following in the General Properties section.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Provide a meaningful name of your time card layout</td>
</tr>
<tr>
<td>Description</td>
<td>Provide a meaningful description</td>
</tr>
</tbody>
</table>

6. In the Time Attribute and Data Source section, enter the following.

<table>
<thead>
<tr>
<th>For this field</th>
<th>Select this value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Attribute</td>
<td>Payroll Time Type</td>
</tr>
<tr>
<td>Filtered Data Source for Time Entry</td>
<td>List of Payroll Time Types for User</td>
</tr>
<tr>
<td>Unfiltered Data Source for Setup Tasks</td>
<td>List of Payroll Time Types for Administrator</td>
</tr>
</tbody>
</table>

7. Click Add Filters.
8. In the Filters window, enter the following.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Filter Variable</td>
<td>pAssignmentId</td>
</tr>
<tr>
<td>First Filter Input Attribute</td>
<td>Assignment</td>
</tr>
<tr>
<td>Second Filter Variable</td>
<td>pEffectiveDate</td>
</tr>
<tr>
<td>Second Filter Input Attribute</td>
<td>Start Time</td>
</tr>
</tbody>
</table>

9. Click OK.

10. In the Default Values and Display Properties sections, enter the following.

<table>
<thead>
<tr>
<th>For this field</th>
<th>Select this value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population Method for New Entry</td>
<td>No default value</td>
</tr>
<tr>
<td>Display Type</td>
<td>Smart choice list</td>
</tr>
<tr>
<td>Display Name</td>
<td>Provide a meaningful name for your time attribute</td>
</tr>
<tr>
<td>Required on the Time Card</td>
<td>Yes</td>
</tr>
</tbody>
</table>

11. Click Next.

**Define Time Entry Tagging Components**

On the Create Time Card Field: Dependent Field Definition page of the Manage Time Entry Layout Components task, you define tagging fields at the following levels:

- State
- County
- City

Perform the following:

1. Define your State tagging field.
   a. Click Create.
   b. Specify the following on the Create Dependent Time Card Field window.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Provide a meaningful name for your first tagging field, such as State</td>
</tr>
<tr>
<td>Dependent Time Attribute</td>
<td>ORA_HRX_US_EARN_STATE</td>
</tr>
<tr>
<td>Availability</td>
<td>Select For all independent time attribute values</td>
</tr>
</tbody>
</table>
c. Click **OK**.

d. Specify the following on the **Dependent Time Card Field Properties** page.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filtered Data Source for Time Entry</td>
<td>Select <strong>List of values for payroll US state field for Geocode</strong></td>
</tr>
<tr>
<td>Unfiltered Data Source for Setup Tasks</td>
<td>Select <strong>List of values for payroll US state field for Geocode</strong></td>
</tr>
<tr>
<td>Population Method for New Entry</td>
<td>Select <strong>No default value</strong></td>
</tr>
<tr>
<td>Display Type</td>
<td>Select <strong>Smart choice list</strong></td>
</tr>
<tr>
<td>Display Name</td>
<td>Provide a meaningful name, such as State</td>
</tr>
<tr>
<td>Enable override on layouts</td>
<td>Select this option</td>
</tr>
<tr>
<td>Required on the Time Card</td>
<td>Select <strong>No</strong></td>
</tr>
</tbody>
</table>

**Note:** Selecting this returns a warning message. Click **Yes** to dismiss.

e. Click **Save**.

2. Define your County tagging field.

a. Click **Create**.

b. Specify the following on the **Create Dependent Time Card Field** window.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Provide a meaningful name for your second tagging field, such as County</td>
</tr>
<tr>
<td>Dependent Time Attribute</td>
<td>ORA_HRX_US_EARN_COUNTY</td>
</tr>
<tr>
<td>Availability</td>
<td>Select <strong>For all independent time attribute values</strong></td>
</tr>
</tbody>
</table>

**Note:** Selecting this returns a warning message. Click **Yes** to dismiss.

c. Click **OK**.

d. Specify the following on the **Dependent Time Card Field Properties** page.
Define your City tagging field.

**a.** Click **Create**.

**b.** Specify the following on the **Create Dependent Time Card Field** window.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Provide a meaningful name for your second tagging field, such as City</td>
</tr>
<tr>
<td>Dependent Time Attribute</td>
<td>ORA_HRX_US_EARN_CITY</td>
</tr>
<tr>
<td>Availability</td>
<td>For all independent time attribute values</td>
</tr>
</tbody>
</table>

**Note:** Selecting this returns a warning message. Click **Yes** to dismiss.

c. Click **OK**.
d. Specify the following on the **Dependent Time Card Field Properties** page.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filtered Data Source for Time Entry</td>
<td>List of values for payroll US city field for Geocode</td>
</tr>
<tr>
<td>Unfiltered Data Source for Setup Tasks</td>
<td>List of values for payroll US city field for Geocode</td>
</tr>
<tr>
<td>Population Method for New Entry</td>
<td>No default value</td>
</tr>
<tr>
<td>Display Type</td>
<td>Smart choice list</td>
</tr>
<tr>
<td>Display Name</td>
<td>Provide a meaningful name, such as City</td>
</tr>
<tr>
<td>Enable override on layouts</td>
<td>Select</td>
</tr>
<tr>
<td>Required on the Time Card</td>
<td>No</td>
</tr>
</tbody>
</table>

e. Click **Add Filters**.
f. In the **Filters** window, specify the following.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Filter Variable</td>
<td>pCodeLevel1</td>
</tr>
<tr>
<td>First Filter Input Attribute</td>
<td>ORA_HRX_US_EARN_STATE</td>
</tr>
<tr>
<td>Second Filter Variable</td>
<td>pCodeLevel2</td>
</tr>
<tr>
<td>Second Filter Input Attribute</td>
<td>ORA_HRX_US_EARN_COUNTY</td>
</tr>
</tbody>
</table>

g. Click **OK**.
h. Click **Save** and then **Next**.

4. Click **Save and Close**.

**Change Time Layout Sets**

Once you have defined your tagging components, change your time layout sets to use the new components:

1. From the Setup and Maintenance work area, search for and start the Manage Time Layout Sets task.
2. Click **Create**.
3. In the Time Consumer section, select **Payroll**.
4. Click **Generate Layout Set**.
5. Enter a meaningful name for your layout set.
6. On the **Time Entry Layout** line, select **Configure Layout**.
7. Click **Edit Layout**.
8. In the **Time Card Fields** section, replace **Payroll Time Type** with the time card layout fields you created.
For further information, see Define Time Entry Tagging Layout above.

9. Click OK.
10. Click Add.
11. Add the three fields you created for State, County, and City.
   Click ADD for each.
12. Click Save and then Close.
13. Click Yes and then OK.
14. Click Save and Close.

The task copies this configuration to the other layouts listed on the Layout Sets page.
15. Click Save and Close.

Define Worker Profiles
Once you have configured your time card layout to enable tagging, create a worker profile and assign it to all employees that would use the tagging feature:

1. Define the worker profile.
   a. From the Setup and Maintenance work area, search for and start the Manage Worker Time Entry Profiles task.
   b. Click Create.
   c. Enter a meaningful name for your profile.
   d. Enter an appropriate effective start date.
   e. For Layout Set, select the layout you created previously.
   f. Click OK.
   g. On the Worker View and Manager View tabs, select all the items you want to enable for each.
   h. Click Next until you reach the Review page.
   i. Click Save and Close and then OK.
   j. Click Troubleshoot.
2. Assign eligible employees to the profile.
   a. Search for and select an employee requiring the tagging feature.
   b. Click Assign Profile to Person.
   c. Search for and select the profile you created.
   d. For From Date, specify the effective date.
   e. Click OK.
3. Click Save and Close and then OK.

View the Time Cards Calculation Card
When an employee tags their time as worked in another jurisdiction on their time card, the Load Time Card Batches process transfers this data into their Time Cards calculation card. The payroll process uses this information when calculating payroll.

To view an employee’s Time Cards calculation card:

1. From the Payroll Calculations work area, select Search Person and perform a search for the employee.
2. Click Actions, and select Manage Calculation Cards.
3. Select Time Cards.
4. Change the effective date to a date you have tagged.
5. In the Calculation Component area, select the element the employee used to tag the earning.
6. In the Work Hours: Details section, select Enterable Calculation Values on Calculation Cards.
The information here includes the hours, and the jurisdiction details.

**Tag Standard Earnings**

To tag earnings for elements that use the Standard category:

1. Navigate to the employee’s element entries page.
2. Click **Create**, and then enter your effective date and element name.
3. Click **Continue**.
4. Enter your hours or amount.
5. Select the appropriate state from the list.
6. Select the appropriate county from the list.
7. Select the appropriate city from the list.
8. Click **Submit**.

You can perform tagging on any Regular or Supplemental Earnings element.

**California Bonus and Stock Option Payments**

California taxes the withholding rates on bonus and stock option payments at a different supplemental withholding rate than other earnings. To support employees that earn these kinds of payments, you need to perform some additional configuration steps:

<table>
<thead>
<tr>
<th>What you need to do</th>
<th>How you do it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deploy the Element Information extensible flexfield</td>
<td>Use the Manage Extensible Flexfields task from the Setup and Maintenance work area.</td>
</tr>
<tr>
<td>Set the alternate rate on your Supplemental Earnings element</td>
<td>Use the Manage Elements task in the Payroll Calculations work area.</td>
</tr>
</tbody>
</table>

The following sections describe these steps in detail.

**Element Information Extensible Flexfield**

Before you can create or modify Supplemental Earning elements, you must deploy the Element Information extensible flexfield:

1. Start the Manage Extensible Flexfields task from the Setup and Maintenance work area.
2. Search for the `payelement%` flexfield code.
3. Select the search result, and click **Deploy Flexfield**.
4. Click **Done**.

**Supplemental Earnings Elements**

To set the alternate rate on a Supplemental Earnings element:

1. Start the Manage Elements task in the Payroll Calculations work area.
2. Create the element, using the Supplemental Earnings primary classification and Bonus secondary classification.
3. Complete and save the element.

In addition to saving the element, the task creates multiple indirect elements to support it.
4. Restart the Manage Elements task, and search for the element you just created, using a wildcard at the end of the name. This returns the element and all associated indirect elements. For example, for an element named "CA Supplemental Bonus", you might use a string of CA Supp%. Select and edit the Calculator indirect element.
5. On the Element Details page, in the Element Information EFF region, expand the Calculation Method section.
6. Enter the following values.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>State</td>
<td>CA</td>
</tr>
<tr>
<td>Supplemental Tax Method</td>
<td>Alternate Flat Rate</td>
</tr>
</tbody>
</table>

8. Click Done.

Related Topics
- Define Elements, Balances, and Formulas: Overview

California Flat Sum Bonuses

Flat sum bonuses earned in California require special overtime calculation. This method is based on the employee’s regular hours only and results in a higher overtime rate than the federal method.

To create an overtime element for California bonuses:

1. Start the Manage Elements task, and click Create.
2. Select the Supplemental Earnings primary classification.
3. Select the Bonus secondary classification.
4. Select the Flat calculation rule.
5. Select Yes to the overtime rules prompts.
6. Submit the element definition.
7. In the Element Summary page, edit the definition in correction mode.
8. In the Element Information region, select CA in the State field.
10. Click Save and Submit.
11. Define regular and premium overtime elements. For further information, see Configure Overtime Rate Elements for the US in the Help Center.
12. Search for and open the regular overtime element for editing.
13. Set its Multiple field element entry value to 1.5.
14. Search for and open the premium overtime element for editing.
15. Set its Multiple field element entry value to 1.5.

Related Topics
- Configure Overtime Rate Elements for the US
- How Overtime Rates Are Calculated for the US
- Overview of Overtime Configuration for the US
Involuntary Deductions

Define Involuntary Deductions

Involuntary deductions consist of multiple components, each with their own configuration. This involves:

1. Defining third-party payees
   
   For further information, see the Creating Third Parties: Points to Consider topic in the Help Center.

2. Creating third-party payment methods
   
   For further information, see below.

3. Defining involuntary deductions elements, including eligibility
   
   For further information, see below.

4. Defining element costing information
   
   For further information, see below.

5. Setting calculation values for individual Involuntary Deductions card components
   
   For further information, see the following in the Help Center:
   
   - Involuntary Deduction Calculation Value Definitions for the US
   - Involuntary Deduction Calculation Value Overrides for the US
This figure shows the steps involved in creating an involuntary deduction:

```
Create Third-Party Payees

Create Third-Party Payment Methods

Create Involuntary Deduction Element

Create Involuntary Deduction Card

Add Involuntary Deduction Component to Card

Enter Values for Deduction Amounts

Create Calculation Card

Element Entry Created for Related Element

Process Payroll
```

Additionally, you can use a payroll batch loader to upload involuntary deduction data. For further information, see Oracle Fusion US Payroll: How to Load Involuntary Deductions with Payroll Batch Loader (2022585.1) on My Oracle Support.

You can create an employee involuntary deduction report in your temp folder using the provided report definition. For further information, see Oracle Fusion US Payroll: How to Run a Report Listing of All Employees with Active Garnishments (2204126.1) on My Oracle Support.

Create Third-Party Payment Methods

You must identify how your involuntary deductions payments should be made to the third-party payees. Payees are linked to the employee through their Involuntary Deductions card and can be defined as either individuals or organizations.

For example, you might set up direct deposit for the payee of a child support deduction.

Because payment methods must be set independent of the Involuntary Deductions card, third-party payments must be set up before you create the card. For further information, see Creating Third-Party Payment Methods: Procedure in the Help Center.
Define Involuntary Deductions Elements

Define an involuntary deduction element for each involuntary deduction type you must process.

The following involuntary deduction types are available:

<table>
<thead>
<tr>
<th>Secondary Classification</th>
<th>Level</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alimony</td>
<td>Regional</td>
<td>Payment for support made under an involuntary deduction order to a divorced person by the former spouse. For further information, see Alimony Deductions for the US in the Help Center.</td>
</tr>
<tr>
<td>Bankruptcy Order</td>
<td>Federal</td>
<td>Federal court procedure that helps individuals get rid of their debts and repay their creditors. When an individual declares bankruptcy, a trustee of the federal court generally handles the payments to the individual's creditors. For further information, see Bankruptcy Order Deductions for the US in the Help Center.</td>
</tr>
<tr>
<td>Child Support</td>
<td>Regional</td>
<td>Payment a noncustodial parent makes as a contribution to the cost of raising their child. For further information, see Child Support Deductions for the US in the Help Center.</td>
</tr>
<tr>
<td>Creditor Debt</td>
<td>Regional</td>
<td>Involuntary deduction ordered against the subject of a successful lawsuit. When a creditor, lender, debt collector, attorney or other party wins the lawsuit a judgment is made to withhold earnings. Those earnings are used to pay the third party. For further information, see Creditor Debt Deductions in the Help Center.</td>
</tr>
<tr>
<td>Debt Collection Improvement Act</td>
<td>Federal</td>
<td>Federal agencies are given authority to administratively garnish for debts owed to the US government. Examples of federal debts collected under this federal process are defaulted loans administered by: Federal Housing Administrations, Veterans Housing Administration, Housing and Urban Development, Student loans administered directly by the US Department of Education, Social Security Administration. For further information, see Debt Collection Improvement Act Deductions in the Help Center.</td>
</tr>
</tbody>
</table>
To define an involuntary deductions element:

1. Start the Manage Elements task in the Payroll Calculation work area.
2. Create a new element with a primary classification of Involuntary Deduction.
3. Select an appropriate secondary classification.
4. Answer the questions on each page of the Create Element flow.

When defining deductions of Tax Levy type, select No for Processing stop when total is reached. There could be additional penalties and interest due. A Federal tax levy should continue to deduct until it has been released.

5. Define eligibility for the element. To define open eligibility, enter a name for the element eligibility record but do not specify any criteria.
6. Save your work.
The application automatically creates all associated balances, feeds, input values, formulas, and related elements required for payroll processing. It also creates a calculation component that you can add to an employee’s involuntary deductions card.

Define Element Costing Information

When you define an involuntary deductions element, one or more related indirect elements are also created. For further information, see Indirect Elements for the US in the Help Center.

Create element eligibility records for the base and results elements and cost the input values for the results elements as described in the following table.

<table>
<thead>
<tr>
<th>Involuntary Deduction</th>
<th>Element Eligibility Record to Cost</th>
<th>Input Value to Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee</td>
<td>Organization Fee</td>
<td>FeeCalculated</td>
</tr>
<tr>
<td></td>
<td>Person Fee</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Processing Fee</td>
<td></td>
</tr>
<tr>
<td>All others</td>
<td>Results</td>
<td>DeductionsCalculated</td>
</tr>
</tbody>
</table>

To cost your involuntary deductions elements:

1. Start the Manage Elements task.
2. Create element eligibility records for the base element.
3. Search for each results element:
   - <base element name> Organization Fee Results
   - <base element name> Person Fee Results
   - <base element name> Processing Fee Results
   - <base element name> Results
4. Select each element, and create eligibility records for it.
5. Click the Costing tab, and set up costing for the element eligibility records.

For further information, see Element Eligibility for the US in the Help Center.

Related Topics

- Creating Third-Party Payment Methods: Procedure
- Involuntary Deduction Calculation Value Definitions for the US
- Involuntary Deduction Calculation Value Overrides for the US
- Involuntary Deduction Processing Rules for the US: Explained
- Involuntary Deductions Card for the US
How the Payroll Process Calculates Involuntary Deduction Payroll Run Results

When calculating deductions, the payroll process:

1. Calculates the disposable income using the disposable income rules.
2. Looks at the exemption rules to calculate the amount exempt from withholding.
3. Using these amounts, it calculates the amount available to deduct.

This generates a number of run result values to assist you in understanding what calculations were made during the payroll run. These values are included as part of the involuntary deduction results element.

Run Result Values

The following are the payroll run result values for involuntary deductions.

<table>
<thead>
<tr>
<th>Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ActualOrderAmount</td>
<td>Order amount you entered on the Involuntary Deductions Card component. This is represents the override value.</td>
</tr>
<tr>
<td>AvailableCBEarnings</td>
<td>Amount of available earnings by calculation breakdown ID.</td>
</tr>
<tr>
<td>AvailableEarnings</td>
<td>Amount of available earnings calculated by the payroll process. View the run result values of the base element to see the disposable income for the period and the run.</td>
</tr>
<tr>
<td>DeductionsCalculated</td>
<td>Amount of the involuntary deduction calculated by the payroll process. Shows the actual amount deducted in the payroll run.</td>
</tr>
<tr>
<td>OrderNumber</td>
<td>Reference code.</td>
</tr>
<tr>
<td>ProtectedPayAmt</td>
<td>Amount of protected pay calculated by the payroll process.</td>
</tr>
<tr>
<td>ReferenceCode2</td>
<td>Element entry ID value generated from the Involuntary Deductions Card component.</td>
</tr>
<tr>
<td>ThirdPartyPayee</td>
<td>Internal ID of the third-party payee.</td>
</tr>
<tr>
<td>TotalOwedAmount</td>
<td>Total owed amount entered on the Involuntary Deductions Card component. This represents the override value on the card component, if you entered one.</td>
</tr>
<tr>
<td>l_area1</td>
<td>Numeric state code.</td>
</tr>
</tbody>
</table>
Involuntary Deduction Processing Order

The payroll process uses processing priority rules when an employee has multiple involuntary deductions of different classifications and cannot satisfy them all. These rules determine the order in which the deductions are processed.

Set the Subprocessing Order

Use the **Subprocessing Order** field in the Manage Calculation Cards task to set the priority of the calculation components attached to the Involuntary Deductions Card. The lower the number, the higher the priority. Deductions with lower numbers are processed first.

<table>
<thead>
<tr>
<th>Use this subprocessing order range</th>
<th>For these secondary classifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - 100</td>
<td>Alimony</td>
</tr>
<tr>
<td></td>
<td>Child Support</td>
</tr>
<tr>
<td></td>
<td>Spousal Support</td>
</tr>
<tr>
<td>101 - 200</td>
<td>Bankruptcy Order</td>
</tr>
<tr>
<td>201 - 300</td>
<td>Tax Levy, Federal</td>
</tr>
<tr>
<td>301 - 400</td>
<td>Tax Levy, State</td>
</tr>
<tr>
<td>401 - 500</td>
<td>Debt Collection Improvement Act</td>
</tr>
<tr>
<td>501 - 600</td>
<td>Educational Loan</td>
</tr>
<tr>
<td>601 - 700</td>
<td>Garnishment</td>
</tr>
<tr>
<td>701 - 800</td>
<td>Creditor Debt</td>
</tr>
<tr>
<td>801 - 900</td>
<td>Employee Requested</td>
</tr>
</tbody>
</table>

For example, an employee has both a child support and a garnishment order. Enter **10** for the child support component and **610** for the garnishment component. This ensures the child support processes before the garnishment.

In cases where:

- There are duplicate involuntary deduction components
- The same element is used
- Either no subprocessing order or duplicate subprocessing orders are specified

The elements are processed in order by the lowest element entry ID (the order in which the element entries were created).
Base Processing Priorities

Each state has its own rules for which deduction type they want satisfied first. As the employer, you are responsible for understanding and enforcing these rules when assigning deductions to employees.

The base processing priority for involuntary orders is:

1. Alimony, Child Support, Spousal Support
2. Bankruptcy Order
   Upon receipt of a bankruptcy order, all orders other than Child Support must cease.
3. Any orders effective before the start of any Tax Levy deductions
4. Federal Tax Levy
   Use the processing priorities to ensure that any orders received before a federal tax levy are assigned a lower priority than the tax levy. This ensures those deductions are processed first.
   For non-child support or bankruptcy orders received after the tax levy order, you must give them a higher priority so they are processed later.
5. Regional Tax Levy
6. Debt Collection Improvement Act
7. Educational Loan
8. Garnishment
9. Creditor Debt
10. Employee Requested

Related Topics
- Involuntary Deduction Calculation Value Overrides for the US
- Involuntary Deduction Processing Rules for the US: Explained
- Involuntary Deductions Card for the US

Involuntary Deduction Fee Processing

You can process involuntary deduction fees for the following payee types.

<table>
<thead>
<tr>
<th>Payee type</th>
<th>Used by</th>
<th>What it does</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order Amount Payee</td>
<td>All deductions</td>
<td>This is the payee for the involuntary deduction order. It can be either a third-party person payee or third-party organization.</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Note:</strong> For child support orders, this value appears on field 23 of the IWO form.</td>
</tr>
<tr>
<td>Processing Fee Payee</td>
<td>Subject to individual state rules</td>
<td>This is the processing fee incurred by the employee and payable either to the employer or a third party responsible for processing involuntary deductions.</td>
</tr>
</tbody>
</table>

ORACLE
Payee type | Used by | What it does
--- | --- | ---
| | | These fees are defined by the state rules and are automatically deducted during the payroll run. To display the fee on the SOE and employee payslip, you must create a payee definition for the employer. Associate it with the deduction’s calculation component, as described below.

<table>
<thead>
<tr>
<th>Payee type</th>
<th>Used by</th>
<th>What it does</th>
</tr>
</thead>
<tbody>
<tr>
<td>External Organization Fee Payee</td>
<td>All except:</td>
<td>This is normally reserved for child support orders but can be imposed for any state-mandated involuntary deduction. If no payee is specified, no organization fee is deducted.</td>
</tr>
<tr>
<td>• Bankruptcy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• DCIA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Educational Loan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Tax Levy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Person Fee Payee</td>
<td>Employee Requested deductions</td>
<td>Payee for the employee-requested deduction. If no payee is specified, no person fee is deducted.</td>
</tr>
</tbody>
</table>

Fee processing involves:
- Fee Priority
- Payee Definition
- Payee Assignment
- Element Configuration

**Fee Priority**
Fees have priority during payroll processing and are deducted first.

For Creditor Debt and Garnishment deductions, you can change this behavior with the Calculate Fee After Deduction override.

For further information, see Involuntary Deduction Calculation Value Override Details for the US in the Help Center.

**Payee Definition**
You define each fee recipient as either a person or organization through the Manage Third Parties task.

To use a third-party organization payee for the involuntary deduction payments (such as for the order amount payee), select External Payee in the Party Usage Code field in the Payee definition. This makes the card component method available for selection as a payee on the employee's Involuntary Deductions Card.

**Payee Assignment**
Once defined, you must associate the fee recipients to the involuntary deduction’s calculation component.

1. Start the Manage Calculation Cards task.
2. Search for the employee, and select their Involuntary Deductions Card.
3. Create or edit the calculation component associated with the involuntary deduction.
4. Select Calculation Component Details, and expand Involuntary Deduction Payment Details.
5. For each fee type that is applicable, specify the payee.
Element Configuration

When creating earnings elements, you must specify how to process and pay the element. The settings you choose affect how the payroll process calculates involuntary deductions. The process generates run result values to assist you in understanding what calculations were made during the payroll run.

The earning settings for involuntary deduction calculations describe when the payroll run should process the calculation.

<table>
<thead>
<tr>
<th>If you select this</th>
<th>The payroll process does this</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process and pay with other earnings</td>
<td>Payroll run deducts the order amount and applicable fees from the regular process run.</td>
</tr>
<tr>
<td>Process separately, but pay with other earnings</td>
<td>Payroll run deducts the order amount from the regular process only. The order amount is not</td>
</tr>
<tr>
<td></td>
<td>deducted again from the process separate run unless the order amount has not been fully satisfied</td>
</tr>
<tr>
<td></td>
<td>in the regular run.</td>
</tr>
<tr>
<td></td>
<td>If the order amount override is entered as a rate, the amount is deducted from both the regular</td>
</tr>
<tr>
<td></td>
<td>and process separate runs. The applicable fees are deducted from the regular process only.</td>
</tr>
<tr>
<td>Process separately and pay separately</td>
<td>Not recommended for involuntary deductions.</td>
</tr>
</tbody>
</table>

The payroll process:

1. Calculates the disposable income using disposable income rules.
2. Looks at exemption rules to calculate the amount exempt from withholding.
3. Using these amounts, it can calculate the amount available to deduct.

⚠️ Note: The process calculates disposable income once, based on the highest processing priority card component. The exception to this is for regional tax levies, which have a separate disposable income calculation.

The run result values are included as part of the involuntary deduction results element. The following describes these run result values.

<table>
<thead>
<tr>
<th>Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ThirdPartyPayee</td>
<td>Internal ID of the third-party payee.</td>
</tr>
<tr>
<td>DeductionsCalculated</td>
<td>Amount of the involuntary deduction calculated in payroll. Shows the actual amount deducted in the</td>
</tr>
<tr>
<td></td>
<td>payroll run.</td>
</tr>
<tr>
<td>OrderNumber</td>
<td>Reference code.</td>
</tr>
<tr>
<td>l_area1</td>
<td>Numeric state code.</td>
</tr>
<tr>
<td>AvailableEarnings</td>
<td>Amount of disposable earnings calculated in payroll.</td>
</tr>
<tr>
<td>AvailableCBEarnings</td>
<td>Amount of disposable earnings by calculation breakdown ID.</td>
</tr>
<tr>
<td>ProtectedPayAmt</td>
<td>Amount of protected pay calculated in payroll.</td>
</tr>
</tbody>
</table>
Net-to-Gross Earnings

Net-to-Gross Earnings Elements

You can define net-to-gross bonus earnings for your employees.

- Include all tax calculations
- Exclude certain taxes from the gross-up calculation, but still withhold them
- Impute net-to-gross earnings

> Note: For further information, see Create Net-to-Gross Earnings Elements for the US in the Help Center.

You identify an earnings element as eligible for gross up by selecting Yes to the Calculate gross amount from specified net amount prompt during element definition.

Net-to-Gross Earnings: How They're Calculated

When you create an earnings element, you can indicate that it must pay 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 Calculations 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

What Settings Affect Net-to-Gross Processing

You define which deductions the payroll process uses to calculate the gross amount from the specified net amount.

You must create the earnings element as a net-to-gross 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, you specify the limits of the net-to-gross 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.

**Note:** If these values are the same across most entries, you can enter a default value on the element eligibility record.

### How the Formulas Calculate the Gross Amount

The formulas for net-to-gross processing do the following:

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:
   a. Sets the lower gross limit to the desired net amount, and the higher gross limit to twice the desired amount.
   b. Runs a function to provide the first guess of the gross.
   c. Returns three values to the element’s input values: low gross, high gross, and additional amount.
3. The element’s payroll formula runs.
   It 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 net-to-gross 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 above or below the balance total by an acceptable margin, the processing ends and 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.

By default, the following tax balances are included in the gross up processing:

- City Withheld
- County Withheld
- FIT Withheld
- Family Leave Insurance Employee Withheld
- Head Tax Withheld
- Medicare Employee Withheld
- SDI Employee Withheld
- SIT Withheld
- SUI Employee Withheld
- School Withheld
- Social Security Employee Withheld
Create Net-to-Gross Earnings Elements for the US

These examples demonstrate how to create net-to-gross (gross-up) earnings elements under a variety of conditions.

- Define net-to-gross earnings that include all tax calculations
- Define net-to-gross earnings that exclude specific taxes but still withhold them
- Define imputed net-to-gross earnings

Define Net-to-Gross Earnings that Include All Tax Calculations

In this example, you have an employee that that you want to pay a bonus of 500 USD net pay. They have already earned over 1-million USD in bonuses, so this bonus must be taxed at the highest rate.

1. In this case, you would perform the following operations.

<table>
<thead>
<tr>
<th>What you need to do</th>
<th>What happens</th>
</tr>
</thead>
<tbody>
<tr>
<td>Define a bonus net-to-gross earnings element</td>
<td>Use the Manage Elements task to define a net-to-gross earnings element for the bonus. This element allows you to enter the net payment you want the employee to receive. The payroll process uses it to determine what the gross amount should be.</td>
</tr>
<tr>
<td>Configure federal income tax (FIT) withholding</td>
<td>Because the employee has already received over 1 million USD in supplemental earnings, you must update their Tax Withholding card to withhold at the highest FIT supplemental rate.</td>
</tr>
<tr>
<td>Define element entries</td>
<td>Use the Manage Element Entries task to define element entries for the element. For <strong>Net</strong>, enter the amount of the bonus, <strong>500.00</strong>. Use <strong>To Within</strong> to inform the payroll process how close to the net amount it must get during its calculations.</td>
</tr>
</tbody>
</table>

**Note:** The higher the precision, the longer the payroll calculations may take.

For example, if you enter a **Net** of 500.00 USD, and your **To Within** amount is 1.00, the employee could receive anywhere between 499.00 and 501.00 USD.

Run a QuickPay

This generates the net-to-gross bonus payment.

The following sections describe these operations in detail.
Define the Bonus Net-to-Gross Earnings Element
To configure an element to perform net-to-gross on an employee bonus:

1. Start the Manage Elements task from the Payroll Calculations work area.
2. Define the net-to-gross earning element.

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<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>
<tr>
<td>Element name / Reporting name</td>
<td>Bonus GU</td>
</tr>
<tr>
<td>Employment Level</td>
<td>Assignment level</td>
</tr>
<tr>
<td>Recurring or Nonrecurring</td>
<td>Nonrecurring</td>
</tr>
<tr>
<td>Process the element only once in each payroll period?</td>
<td>Yes</td>
</tr>
<tr>
<td>Can person have more than one entry in period?</td>
<td>Yes</td>
</tr>
<tr>
<td>Process and pay separate or with other earnings?</td>
<td>Process separately and pay separately</td>
</tr>
<tr>
<td>Tax across multiple pay periods?</td>
<td>No</td>
</tr>
<tr>
<td>Prorate across all periods earned and consider for FLSA?</td>
<td>No</td>
</tr>
<tr>
<td>Calculation Rule</td>
<td>Flat amount</td>
</tr>
<tr>
<td>Default Periodicity</td>
<td>Periodically</td>
</tr>
<tr>
<td>Periodicity Conversion Rule</td>
<td>Periodic Work Schedule Rate Annualized</td>
</tr>
<tr>
<td>Work Units Reported</td>
<td>None</td>
</tr>
<tr>
<td>Subject to Retro</td>
<td>No</td>
</tr>
<tr>
<td>Calculate gross amount from specified net amount?</td>
<td>Yes</td>
</tr>
</tbody>
</table>
3. Create element eligibility by clicking Element Eligibility in the Element Overview section and then selecting Create Element Eligibility from the Actions menu.

4. Click Submit and then Done.

Configure Federal Income Tax Withholding

Because the employee has already received over 1 million USD in supplemental earnings, you must update their Tax Withholding card to withhold at the highest FIT supplemental rate.

To do this:

1. Navigate to the employee’s Manage Payroll Calculation Information page, and open their Tax Withholding card for editing.
2. Override the Supplemental Rate percentage for the Federal component. Set it to the highest tax rate.

Define Element Entries

To define the element entries for the net-to-gross element:

1. Start the Manage Element Entries task.
2. Search for the person receiving the earnings.
3. Click Create.
4. Enter an appropriate effective date, and select the net-to-gross earnings element you defined previously.
5. As this person is receiving a 500 USD bonus, enter $500.00 in the Net field.
6. Change To Within to 1.00.
7. Click Submit and Done.

Perform a QuickPay Operation to Generate the Net-to-Gross Payment

To process the net-to-gross bonus payment using the QuickPay action:

1. Calculate quick pay, using the Supplemental run type. Make sure you include your Bonus GU element in the run. For further information, see How QuickPay Is Processed in the Help Center.
2. Once the process completes, view the Statement of Earnings to review the results.

Exclude Specific Taxes from the Gross-up Calculation but Still Withhold Them

When calculating a net-to-gross payment, you are not required to include all taxes as part of the net-to-gross calculation, as long as the required taxes are still withheld.

In this example, you have an employee receiving a bonus of 1000 USD. As their manager, you want to pay the employee’s portion of Social Security and Medicare tax on this bonus but not federal. You do not want to include FIT as part of the net-to-gross calculation, but you still want to withhold the FIT tax.

To do this:

1. Define the net-to-gross element, as described in the previous example.
2. In the Element Overview section of the base element, click **Gross Balance Exclusions**.
3. Select **Exclude Balances** for the FIT Withheld tax.
4. Click **Save**.

In this case, the payroll process would perform the following calculations:

<table>
<thead>
<tr>
<th>Calculations</th>
<th>Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Gross Bonus) - (Social Security Tax) - (Medicare) = (Subtotal)</td>
<td>1082.84 - 67.14 - 15.70 = 1000 USD</td>
</tr>
<tr>
<td>(Subtotal) - (FIT) = (Net)</td>
<td>1000 - 238.22 = 761.78 USD</td>
</tr>
</tbody>
</table>

Define Imputed Net-to-Gross Earnings that Include All Tax Calculations

In this example, you have awarded an employee with a 500 USD gift card. You want to:

- Process an imputed gross-up earnings for the amount.
- Calculate the taxes on this amount, and pay them on the employee’s behalf.

1. In this case, you would perform the following operations.

<table>
<thead>
<tr>
<th>What you need to do</th>
<th>What happens</th>
</tr>
</thead>
</table>
| Define an imputed net-to-gross earnings element          | Use the Manage Elements task to define a net-to-gross earnings element for the bonus.  
|                                                          | This element performs the gross-up of the taxes that are due for the value of the gift card. |
| Set the processing priority                              | Use the Manage Elements task to change the priority of the imputed earnings element and all of its indirect elements.  
|                                                          | This ensures that the imputed element is processed in the correct order. |
| Modify the element’s fast formulas                       | Use the Manage Fast Formula task to modify the fast formula. |
| Define a supplemental earnings element                   | Use the Manage Elements task to define a supplemental earnings element.  
|                                                          | This element creates the additional earnings needed to withhold the proper taxes. |
| Update your imputed earnings element’s status processing rule | Use the Manage Elements task to update the status processing rule to coincide with the changes you made to the fast formula. |
| Define element entries                                   | Use the Manage Element Entries task to define element entries for your imputed net-to-gross element.  
|                                                          | Here you enter the net amount of your imputed earnings. |
| Run a QuickPay                                           | This generates the net-to-gross imputed earnings transaction. |

The following sections describe these operations in detail.
Define the Imputed Earnings Net-to-Gross Element

To configure an element to perform gross-up on an imputed earning:

1. Start the Manage Elements task from the Payroll Calculations work area.
2. Define the imputed net-to-gross earning element.

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Classification</td>
<td>Imputed Earnings</td>
</tr>
<tr>
<td>Secondary Classification</td>
<td>Noncash Award</td>
</tr>
<tr>
<td>Category</td>
<td>Standard</td>
</tr>
<tr>
<td>Element Name and Reporting Name</td>
<td>Imputed GU Award</td>
</tr>
<tr>
<td>Employment Level</td>
<td>Assignment level</td>
</tr>
<tr>
<td>Recurring or Nonrecurring</td>
<td>Nonrecurring</td>
</tr>
<tr>
<td>Process the element only once in each payroll period?</td>
<td>Yes</td>
</tr>
<tr>
<td>Can person have more than one entry in period?</td>
<td>No</td>
</tr>
<tr>
<td>Process and pay separate or with other earnings?</td>
<td>Process separately but pay with other earnings</td>
</tr>
<tr>
<td>Tax across multiple pay periods?</td>
<td>No</td>
</tr>
<tr>
<td>Prorate across all periods earned and consider for FLSA?</td>
<td>No</td>
</tr>
<tr>
<td>Calculation Rule</td>
<td>Flat amount</td>
</tr>
<tr>
<td>Default Periodicity</td>
<td>Periodically</td>
</tr>
<tr>
<td>Periodicity Conversion Rule</td>
<td>Standard Rate Annualized</td>
</tr>
<tr>
<td>Work Units Reported</td>
<td>None</td>
</tr>
<tr>
<td>Subject to Retro</td>
<td>No</td>
</tr>
<tr>
<td>Calculate gross amount from specified net amount?</td>
<td>Yes</td>
</tr>
</tbody>
</table>
3. Create element eligibility by clicking Element Eligibility in the Element Overview section and then selecting Create Element Eligibility from the Actions menu.
4. Click Submit and then Done.

Set the Processing Priority
You want your net-to-gross elements to run in the proper order. Therefore, you need to update the processing priority for your imputed earnings element and all of its indirect elements.
To do this:

1. Start the Manage Elements task.
2. Select the element’s effective date.
3. For the base imputed earnings element and all indirect elements, change the priority number to 3250.

Modify the Element’s Fast Formulas
Modify two of the new element’s fast formulas to properly process the imputed earnings gross-up calculation.
To do this:

1. Start the Manage Fast Formulas task in the Payroll Calculations work area.
2. Search for and select the formula name "Imputed GU Award Earnings".
3. Click Edit and then Correct.
4. Insert a row at the end of the Defaults section.
   In the new row, enter:
   ```
   DEFAULT FOR IMPUTED_GU_AWARD_CLASSIFICATION IS ''
   ```
5. Find the Grossup Processing Begin section.
6. Insert a row after the EXITING FLAT AMOUNT FORMULA statement.
   In the new row, enter:
   ```
   If IMPUTED_GU_AWARD_CLASSIFICATION = 'Taxable Benefits' then
   (if (additional_amount was not defaulted and additional_amount > 0) then
   (L_value = l_value - additional_amount))
   l_periodicity = 'PRD'
   ```
7. Change the return l_value line to:
   ```
   return l_value, additional_amount, l_periodicity
   ```
8. Click Submit, and then compile your formula.
9. Click Done.
10. Search for and select the "Imputed GU Award_EARN_BASE" formula.
11. Click Edit and then Correct.
12. Find the section with the GET_OUTPUT statements, and add the following rows after the last statement:
l_periodicity = GET_OUTPUT('L_PERIODICITY', 'PRD')
additional_amount = GET_OUTPUT('ADDITIONAL_AMOUNT', 0)

13. Find the Return section, and add a comma to the \texttt{l\_multiple} statement:
\texttt{l\_multiple,}

After that line, add the following:
\texttt{l\_periodicity,}
\texttt{additional\_amount}

14. Click \textbf{Submit}, and compile your formula.
15. Click \textbf{Done}.

Define a Supplemental Earnings Element
You now need an element to that creates the additional earnings needed to withhold the proper taxes.
To do this:

1. Use the Manage Elements task to define a Supplemental Earnings element.

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Classification</td>
<td>Supplemental Earnings</td>
</tr>
<tr>
<td>Secondary Classification</td>
<td>Awards and Prizes</td>
</tr>
<tr>
<td>Category</td>
<td>Standard</td>
</tr>
<tr>
<td>Element Name and Reporting Name</td>
<td>Award Noncash</td>
</tr>
<tr>
<td>Employment Level</td>
<td>Assignment level</td>
</tr>
<tr>
<td>Recurring or Nonrecurring</td>
<td>Nonrecurring</td>
</tr>
<tr>
<td>Process the element only once in each payroll period?</td>
<td>Yes</td>
</tr>
<tr>
<td>Can person have more than one entry in period?</td>
<td>No</td>
</tr>
<tr>
<td>Process and pay separate or with other earnings?</td>
<td>Process and pay with other earnings</td>
</tr>
<tr>
<td>Tax across multiple pay periods?</td>
<td>No</td>
</tr>
<tr>
<td>Calculation Rule</td>
<td>Flat amount</td>
</tr>
<tr>
<td>Default Periodicity</td>
<td>Periodically</td>
</tr>
<tr>
<td>Periodicity Conversion Rule</td>
<td>Standard Rate Annualized</td>
</tr>
</tbody>
</table>
2. Create element eligibility by clicking Element Eligibility in the Element Overview section and then selecting Create Element Eligibility from the Actions menu.
3. Click Submit.
4. Configure the Periodicity Conversion Rule input value:
   a. Select the Periodicity Conversion Rule input value.
   b. Click Edit and then Correct.
   c. Deselect Required.
   d. Click Submit.
5. Configure the Reporting Unit input value:
   a. Select the Reporting Unit input value.
   b. Click Edit and then Correct.
   c. Deselect Required.
   d. Click Submit.
6. Click Done.

**Update Your Imputed Earnings Element’s Status Processing Rule**

You need to update the status processing rule to coincide with the changes you made to the fast formula.

To do this:

1. Using the Manage Elements task, query for and select your Imputed GU Award element, using the effective date of the element.
2. Select the Imputed GU Award Earnings status processing rule.
3. Add a row.

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Result Returned</td>
<td>ADDITIONAL_ AMOUNT</td>
</tr>
<tr>
<td>Result Rule</td>
<td>Indirect Result</td>
</tr>
<tr>
<td>Target Element Name</td>
<td>Award Noncash</td>
</tr>
<tr>
<td>Target Input Value</td>
<td>Amount</td>
</tr>
</tbody>
</table>

4. Add another row.
Define Element Entries
To define the element entries for the net-to-gross element:

1. Start the Manage Element Entries task.
2. Search for the person receiving the earnings.
3. Click Create.
4. Enter an appropriate effective date, and select the imputed earnings element you defined previously.
5. Enter the net value you want to use for the net-to-gross calculation in the Net field.
6. Click Submit and Done.

Perform a QuickPay Operation to Generate the Imputed Net-to-Gross Payment
To process the imputed net-to-gross payment using the QuickPay action:

1. Perform a QuickPay operation using the Regular run type and the pay period during which you entered the Imputed Gross-Up Earnings element to the person’s element entry. Deselect any elements on element entry that you don’t want processed.
   Deselect all elements except:
   - US Taxation
   - Imputed GU Award
   For further information, see How QuickPay Is Processed in the Help Center.
2. Once the process completes, view the Statement of Earnings to review the results.

Related Topics
- Balances in Net-to-Gross Calculations: Points to Consider
- How QuickPay is Processed

Pretax Deductions
Define Pretax Deduction Elements

Here's how the different parts of a Pretax Deductions element work together to help you process employee deductions. You define pretax deductions using the Manage Elements task. Like any standard element, you must create eligibility criteria for them.

<table>
<thead>
<tr>
<th>What you want to do</th>
<th>How you do it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Define the type of pretax deduction</td>
<td>Use the Manage Elements task to select the Pretax Deductions primary element classification and appropriate secondary classification.</td>
</tr>
<tr>
<td>Choose a contribution type for deferred compensation deductions</td>
<td>Deferred compensation pretax deductions offer a variety of contribution types beyond the base, such as employer-match, catch-up, and Roth. For some deduction types, you make this selection during element definition. For others, you use the employee’s Benefits and Pensions calculation card.</td>
</tr>
<tr>
<td>Update the wage basis rules for your new deduction</td>
<td>The Manage Element task applies the appropriate wage basis rules automatically. You can use the Manage Component Group Rules task to verify them. You can also define rules as required.</td>
</tr>
<tr>
<td>Configure the balance feeds</td>
<td>After defining the elements and configuring the contributions, you need to configure the appropriate balance feeds.</td>
</tr>
<tr>
<td>Create the eligibility criteria</td>
<td>Create eligibility criteria for each element you define. For further information, see Element Eligibility for the US in the Help Center.</td>
</tr>
<tr>
<td>Verify the contribution limits</td>
<td>The predefined contribution limits help ensure the employee is in compliance with statutory limits. However, there are some cases where you need to adjust the limits for individual employees. For further information, see Compensation Limits for Deferred Compensation Plans in the Help Center.</td>
</tr>
<tr>
<td>Enable iterative processing</td>
<td>In cases where a pretax deduction is equal to or higher than the person’s gross pay, the payroll process can withhold them iteratively. This ensures it properly withholds statutory deductions, such as taxes and involuntary deductions. For further information, see Iterative Processing for Pretax Deductions on the Help Center.</td>
</tr>
</tbody>
</table>

For further information, see the following sections.

Secondary Classifications for Pretax Deductions

You use the Pretax Deductions primary element classification to calculate the deduction from the gross income. It reduces the total taxable income of the employee and the tax withheld. The Pretax Deductions primary classification uses the following secondary classifications.

- Adoption
- Deferred Compensation 401k
- Deferred Compensation 401k Catch-Up
- Deferred Compensation 403b
Deferred Compensation 457
- Dental Care 125
- Dependent Care 125
- Flexible Spending Account
- Health Care 125
- Health Savings Account
- Health Savings Account Catch-Up
- Nonqualified Deferred Compensation
- Retiree Dental Care 125
- Retiree Flexible Spending Account
- Retiree Health Savings Account
- Retiree Health Savings Account Catch-Up
- Retiree Vision Care 125
- Transportation
- Vision Care 125

**Note:** The secondary classifications for 403 (b) and 457 (b) catch-up are not for your use. The element template uses these classifications to define indirect elements. You define catch-up contributions for 403 (b) and 457 (b) plans through the person's Benefits and Pensions calculation card. For further information, see the following in the Help Center:
- Set Up 403 (b) Deferred Compensation Plans
- Set Up 457 (b) Deferred Compensation Plans

## Deferred Compensation Contribution Types
Deferred compensation pretax deductions offer a variety of contribution types beyond the base, such as employer-match, catch-up, and Roth.

For some of these deduction types, you make this selection during element definition. For others, you use the employee's Benefits and Pensions calculation card. For further information, see Considerations for 403 (b) and 457 (b) Deferred Compensation Plans topic in the Help Center.

<table>
<thead>
<tr>
<th>Contribution type</th>
<th>What you want to do</th>
<th>How you do it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base</td>
<td>Define the base contributions for pretax</td>
<td>Use the Manage Elements task in the Payroll</td>
</tr>
<tr>
<td></td>
<td>deferred compensation plans.</td>
<td>Calculation work area.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>For further information, see the following in the Help Center:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Set Up 401 (k) Deferred Compensation Plans</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Set Up 403 (b) Deferred Compensation Plans</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Set Up 457 (b) Deferred Compensation Plans</td>
</tr>
</tbody>
</table>

**Employer Match**
Depending on your organization’s policies, you can provide employer matching
For 401 (k) plans, you set up employer matching during element definition. For
<table>
<thead>
<tr>
<th>Contribution type</th>
<th>What you want to do</th>
<th>How you do it</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>contributions at the base contribution, catch-up, Roth, and Roth catch-up levels.</td>
<td>further information, see Set Up 401 (k) Deferred Compensation Plan Contributions in the Help Center. For 403 (b) and 457 (b) plans, you use the appropriate calculation values on the person's Benefits and Pensions card. For further information, see Considerations for 403 (b) and 457 (b) Deferred Compensation Plans in the Help Center.</td>
</tr>
<tr>
<td>Catch-Up</td>
<td>Eligible employees can make additional pretax &quot;catch-up&quot; contributions to help them reach their retirement goals. If your organization allows it, you can also configure employer matching for catch-up contributions.</td>
<td>For 401 (k) plans, you configure catch-up contributions during element definition. For further information, see Set Up 401 (k) Deferred Compensation Plan Contributions in the Help Center. For 403 (b) and 457 (b) plans, you use the appropriate calculation values on the person's Benefits and Pensions card. For further information, see Considerations for 403 (b) and 457 (b) Deferred Compensation Plans in the Help Center.</td>
</tr>
<tr>
<td>After-tax</td>
<td>Employees can elect to participate in after-tax contributions to pretax accounts.</td>
<td>For 401 (k) after-tax contributions, you can configure them during the base element definition. You can also define the element manually using the Voluntary Deductions primary classification and Pension Plan After Tax secondary classification. For 403 (b) and 457 (b) plans, you can define these contributions using the Voluntary Deductions primary classification and Pension Plan After Tax 403b or Pension Plan After Tax 457 secondary classification.</td>
</tr>
<tr>
<td>Roth After-Tax</td>
<td>Employees can elect to participate in after-tax Roth contribution plans.</td>
<td>For 401 (k) plans, you configure Roth, employer-match, and catch-up contributions during element definition. For further information, see Set Up 401 (k) Deferred Compensation Plan Contributions in the Help Center. For 403 (b) and 457 (b) plans, you use the appropriate calculation values on the person's Benefits and Pensions card. For further information, see Considerations for 403 (b) and 457 (b) Deferred Compensation Plans in the Help Center.</td>
</tr>
</tbody>
</table>
Wage Basis Rules

Use wage basis rules to determine how pretax deductions reduce gross wages. A reduction in gross wages results in a reduction of taxable income, thereby allowing a reduction of some taxes and involuntary deductions.

The element template automatically applies predefined wage basis rules when you define the pretax element. The rest of the rules are determined by the secondary classification you choose.

For example, Pretax Healthcare 125 deductions are exempt from medicare and social security taxes. However, 401(k) deductions reduce taxable wages for federal income tax (FIT) only and not for social security and Medicare. In most cases you use the predefined rules and don't need to do anything.

Use the Manage Component Group Rules task to view or modify the predefined wage basis rules. You can also define rules as required.

For further information, see Tax Wage Basis Rules for the US in the Help Center.

Balance Feeds

When you define pretax deductions, the element template does not establish feeds for all balances. You need to configure balance feeds for the following.

- Eligible earnings for deferred compensation deductions
- Other pretax deductions

Eligible Earnings

The Manage Elements task doesn't automatically feed a balance for tracking eligible earnings. You must configure balance feeds to calculate deferred compensation requiring eligible earnings:

- 401 (k)
- 401 (k) after-tax
- 401 (k) catch-up
- 403 (b)
- 403 (b) after-tax
- 403 (b) catch-up
- 457 (b)
- 457 (b) after-tax
- 457 (b) catch-up
- Roth 401 (k)
- Roth 401 (k) catch-up
- Roth 403 (b)
- Roth 403 (b) catch-up
- Roth 457 (b)
- Roth 457 (b) catch-up

To configure these balance feeds:

1. Start the Manage Balance Definitions task in the Payroll Calculation work area.
2. Search for and select the appropriate balance.
   - Deferred Compensation 401k Eligible Earnings
   - Deferred Compensation 403b Eligible Earnings
   - Deferred Compensation 457 Eligible Earnings

3. Click Edit.
4. Click Balance Feeds.
5. Configure the feeds, and save your work.

Note: If you’re running multiple 401 (k) plans, you must use separate balances for each. You can use the predefined Deferred Compensation 401K Eligible Earnings for one plan. For any additional plans, you must define and feed a new balance by copying the predefined one and modifying the appropriate fast formulas.

Other Pretax Deductions
The Manage Elements task doesn’t automatically establish balance feeds when you define elements of the following secondary classifications:
- Deferred Compensation 401k Catch-Up
- Nonqualified Deferred Compensation

For these elements, use the Manage Balance Definitions task to configure a feed to the Other Pretax balance.

Related Topics
- Deduction Elements for the US
- Deferred Compensation Plans
- Pretax Deductions for the US

Set Up 401 (k) Deferred Compensation Plans
Section 401 (k) deferred compensation plans allow participants to save for retirement. Employees can choose one or more deductions from wages on a pretax, Roth, or after-tax basis. Catch-up options are available for participants that meet the age requirements, and employer matching is available if your organization supports it.

For further information, see Deferred Compensation Plans in the Help Center.

You use the Manage Elements task to define 401 (k) pretax and voluntary deductions elements.

You can define elements these kinds of 401 (k) plans.

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Description</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 401 (k)</td>
<td>In this plan, an employee can elect to have the employer contribute a portion of their cash wages to the plan on a pretax basis.</td>
<td>To define, use the Manage Elements task, selecting the Pretax Deductions primary element classification and Deferred Compensation 401 (k) secondary element classification.</td>
</tr>
<tr>
<td>Section 401 (k) Catch-Up</td>
<td></td>
<td>You can define catch-up contributions during the base plan configuration.</td>
</tr>
</tbody>
</table>
Define the Base Contributions
Setting up the base employee contributions for a 401 (k) plan can involve multiple operations.

<table>
<thead>
<tr>
<th>What you want to do</th>
<th>How you do it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Define the base deduction element</td>
<td>Use the Manage Elements task in the Payroll Calculation work area.</td>
</tr>
<tr>
<td>Choose the employee contribution</td>
<td></td>
</tr>
<tr>
<td>method</td>
<td></td>
</tr>
<tr>
<td>Set up employer-match contributions</td>
<td></td>
</tr>
<tr>
<td>Set the input values</td>
<td></td>
</tr>
<tr>
<td>Set the element processing priorities</td>
<td></td>
</tr>
</tbody>
</table>

When you define the base element, the element template may create multiple indirect elements, such as catch-up elements.

When you set the element processing priorities, be sure all catch-up indirect elements have a higher priority number than the pretax base contribution elements. This ensures the payroll process calculates the catch-up deductions after the base contribution deductions.
An employee can change their contribution amount an unlimited number of times throughout the year. They can also participate in multiple deferred compensation plans in a tax year. As their employer, you are responsible for tracking all elective deferrals contributing to the imposed statutory limit.

For further information, see the following sections.

**Define the Base Deduction Element**

You can define base contributions for Section 401 (k) plans through the Manage Elements task in the Payroll Calculation work area.

<table>
<thead>
<tr>
<th>Plan type</th>
<th>Primary classification</th>
<th>Secondary classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 401 (k)</td>
<td>Pretax Deductions</td>
<td>Deferred Compensation 401k</td>
</tr>
</tbody>
</table>

For further information, see Define Elements for a 401 (k) Deferred Compensation Contribution Plan in the Help Center.

**Choose the Employee Contribution Method**

Employees can contribute either a flat dollar amount or a percentage of their earnings per pay period.

To define these methods for your plans:

1. During base contribution element definition, select whether its contributions are a flat dollar amount or a percentage of employee earnings per pay period.
   As the employee can choose which contribution type they want to use, you must define two Pretax Deductions elements, one of each type.

2. For each employee, assign them to the appropriate element entry based on their contribution method election.
   When you assign the element entry to an employee, you define the flat amount or percentage for that employee. If percentage is chosen, contributions are drawn from eligible earnings only.

**Employer-Match Contributions**

An employer match is the amount the employer chooses to pay into a retirement account to match the amounts their employees are contributing. Employer base contribution matching is optional, configurable, and applies to Section 401 (k) deferred compensation deductions.

To set up employer matching for your compensation plans:

1. During base contribution element definition, when asked if you want a corresponding employer match, select Yes.

<table>
<thead>
<tr>
<th>Template Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>No employer matching for your compensation plan.</td>
</tr>
<tr>
<td>Yes, with employee contributions</td>
<td>Applies employer matching amounts based on employee contributions. By default, this element matches .50 USD for every 1 USD contributed by the employee, up to 6 percent of their pay per pay period.</td>
</tr>
<tr>
<td>Yes, without employee contributions</td>
<td>Applies an employer match even if the employee does not contribute. You must use the Employer Match Amount input value to define your contributions.</td>
</tr>
</tbody>
</table>
Selecting one of the **Yes** options automatically creates a new Employer Liabilities element named "<base element name> Employer Match".

2. Change the employer match values through the Employer Liabilities element’s input values.

**Input Values**

The following input values are available for 401 (k) base contribution elements:

<table>
<thead>
<tr>
<th>Input Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>Represents the dollar amount of the contribution. Enter a dollar value in the following format: 1000.00.</td>
</tr>
<tr>
<td></td>
<td><strong>Note:</strong> For flat amount contribution elements only.</td>
</tr>
<tr>
<td>Deduction Amount</td>
<td>Overrides the amount of contribution deducted each pay period. Enter a dollar value in the following format: 1000.00.</td>
</tr>
<tr>
<td>Override IRS Limit</td>
<td>Overrides the statutory employee base contribution limit as enforced by the IRS. This assists in preventing overpayment into contributions. Users would have to clear this value at the beginning of the next year with another date effective change.</td>
</tr>
<tr>
<td></td>
<td>You can set this value to a new limit:</td>
</tr>
<tr>
<td></td>
<td>• The statutory limit is 17,500 USD</td>
</tr>
<tr>
<td></td>
<td>• An employee has already contributed 5000 USD with a previous employer</td>
</tr>
<tr>
<td></td>
<td>For example, set the limit to 12,500 USD with a date for the effective change (17500 - 5000 = 12500).</td>
</tr>
<tr>
<td></td>
<td>Enter a dollar value in the following format: 1000.00.</td>
</tr>
<tr>
<td>Percentage</td>
<td>Represents the percentage amount of the contribution.</td>
</tr>
<tr>
<td></td>
<td><strong>Note:</strong> For percentage amount contribution elements only.</td>
</tr>
<tr>
<td></td>
<td>Enter a percentage in the following format 3 for 3 percent.</td>
</tr>
<tr>
<td>Period Type</td>
<td>Identifies how often the contribution is processed.</td>
</tr>
<tr>
<td></td>
<td><strong>Note:</strong> For flat amount contribution elements only.</td>
</tr>
</tbody>
</table>

The following input values are available for the 401 (k) employer-match Employer Liabilities elements created in support of the base contributions:
### Employer Contribution Percentage
Percentage of employee contributions matched by the employer. The default is **50** (matching .50 USD for every 1 USD contributed by the employee).

### Employer Contribution Limit Percentage
Maximum amount of employer contribution matching, based on the percentage of employee’s pay per pay period. The default is **6** (employer-match contributions cap at 6 percent of the employee’s pay per pay period).

### Employer Match Amount
Actual amount of the employer match, as calculated by the payroll run, based on employer-match criteria.

---

**Catch-Up Contributions**
Catch-up contributions help employees maximize their deferred compensation balances as they near their retirement age. These pretax payments are in addition to the base contributions, and they apply to 401 (k) deferred compensation deductions. They are restricted to participants 50 years and older.

**Employee Contribution Method**
To set up catch-up contributions for your compensation plans:

1. During base contribution element definition, when asked if you want a corresponding catch-up contribution, select **Yes**.
2. Answer the following additional questions:

<table>
<thead>
<tr>
<th>Question</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>What type of catch-up processing do you want to use for this element?</td>
<td>Select one of the following options:</td>
</tr>
<tr>
<td></td>
<td><strong>Concurrent</strong>: Deductions are taken at the same time as the base contributions.</td>
</tr>
<tr>
<td></td>
<td><strong>Sequential</strong>: Deductions are taken only after the statutory maximum for the base contributions has been met.</td>
</tr>
<tr>
<td>Select the catch-up amount rule</td>
<td>Just as with base contributions, select between flat amount or percentage of earnings for catch-up contributions.</td>
</tr>
<tr>
<td></td>
<td>When you assign the element entry to an employee, you define the flat amount or percentage for that employee. If percentage is chosen, contributions are drawn from eligible earnings only.</td>
</tr>
</tbody>
</table>

This automatically creates a new Pretax Deductions element named "<base element name> CatchUp".

> **Note**: You can also create this element directly, using the Pretax Deductions primary classification and Deferred Compensation 401 (k) Catch-Up secondary classification. In this case, it would not be associated with a base contribution.

3. In cases where an employee is contributing to multiple plans, use the **Override IRS Limit** input value. This value overrides the statutory employee contribution limit to help ensure the maximum is not exceeded.
4. Use the Manage Balance Definitions task to feed any 401 (k) catch-up results elements to the Other Pretax balance definition.
There are no predefined balance feeds for catch-up elements.

**Note:**
- When setting element processing priorities, be sure all catch-up contribution elements have a higher priority number than the standard pretax contribution elements. This ensures your catch-up deductions are calculated after the base contribution deductions.
- An employee’s contribution amount can change an unlimited number of times throughout the year. And an employee can participate in multiple deferred compensation plans in a tax year. The employer is responsible for tracking all elective deferrals contributing to the imposed statutory limit.

**Input Values**
The following input values are available for 401 (k) catch-up contribution elements:

<table>
<thead>
<tr>
<th>Input Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process Type</td>
<td>Identifies whether this deduction is taken sequentially or concurrently with the base contribution.</td>
</tr>
<tr>
<td>Amount</td>
<td>Represents the dollar amount of the contribution. Enter a dollar value in the following format: 1000.00.</td>
</tr>
<tr>
<td>Deduction Amount</td>
<td>Overrides the amount of catch-up contribution deducted each pay period. Enter a dollar value in the following format: 1000.00.</td>
</tr>
</tbody>
</table>
| Override IRS Limit  | Overrides the statutory employee base contribution limit as enforced by the IRS. This assists in preventing overpayment into contributions. Users would have to clear this value at the beginning of the next year with another date effective change. You can set this input value to a new limit if:  
  - The statutory limit is 17,500 USD  
  - An employee has already contributed 5000 USD with a previous employer  
  For example, set the limit to 12,500 USD with a date effective change (17500 - 5000 = 12500). |
| Period Type         | Identifies how often the contribution is processed. |
| Percentage          | Represents the percentage amount of the contribution. Enter a percentage in the following format 3 for 3 percent. |

**Note:** For flat amount contribution elements only.

**Note:** For percentage amount contribution elements only.
After-Tax Contributions

Your deferred compensation plan can support after-tax contributions. If your deferred compensation plan supports after-tax contributions to pretax accounts, configure them using the Voluntary Deductions primary classification and the Pension Plan After Tax secondary classification.

These deduction elements can be either created manually through the Manage Elements task or created automatically. For example, when you make the appropriate selections when defining a deferred compensation plan pretax element. Like the base contributions, you define whether deductions are based on a flat dollar amount or percentage of earnings.

After-tax elements are subject to the Elective Deferral limit and the Annual compensation limit.

Employee Contribution Method

To set up after-tax contributions for your compensation plans:

1. During base contribution element definition, when asked to offer a corresponding after-tax contribution, select Yes.
2. Answer the following questions:

<table>
<thead>
<tr>
<th>Question</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>What type of after-tax processing do you want to use for this element?</td>
<td>Select one of the following options:</td>
</tr>
<tr>
<td></td>
<td>◦ Concurrent: Deductions are taken at the same time as the base contributions.</td>
</tr>
<tr>
<td></td>
<td>◦ Sequential: Deductions are taken only after the statutory maximum for the base contributions has been met.</td>
</tr>
<tr>
<td>Select the after-tax amount rule</td>
<td>Just as with base contributions, select between flat amount or percentage of earnings for after-tax contributions.</td>
</tr>
<tr>
<td></td>
<td>When you assign the element entry to an employee, you define the flat amount or percentage for that employee. If percentage is chosen, contributions are drawn from eligible earnings only.</td>
</tr>
</tbody>
</table>

This automatically creates a new Voluntary Deductions element named "<base element name> After tax". You can also create this element directly, using the Voluntary Deductions primary classification and Pension Plan After Tax secondary classification.

Note: An employee’s contribution amount can change an unlimited number of times throughout the year. And an employee can participate in multiple deferred compensation plans in a tax year. The employer is responsible for tracking all elective deferrals contributing to the imposed statutory limit.

Employer-Match Contributions

After-tax employer contribution matching is optional and configurable.

To set up employer matching for your after-tax contributions:

1. After electing to create the after-tax element, when asked if you want a corresponding employer-match deduction, select Yes.

<table>
<thead>
<tr>
<th>Template Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>No employer matching for your compensation plan.</td>
</tr>
</tbody>
</table>
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<table>
<thead>
<tr>
<th>Template Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, with employee contributions</td>
<td>Applies employer matching amounts based on employee contributions. By default, this element matches .50 USD for every 1 USD contributed by the employee, up to 6 percent of their pay per pay period.</td>
</tr>
<tr>
<td>Yes, without employee contributions</td>
<td>Applies an employer match even if the employee does not contribute. You must use the Employer Match Amount input value to define your contributions.</td>
</tr>
</tbody>
</table>

Selecting one of the **Yes** options automatically creates a new Employer Liabilities element named "<base element name> After-Tax Employer-Match".

2. If wanted, change the employer match values through the Employer Liabilities element’s input values.

**Input Values**

The following input values are available for after-tax contribution elements:

<table>
<thead>
<tr>
<th>Input Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process Type</td>
<td>Identifies whether this deduction is taken sequentially or concurrently with the base contribution.</td>
</tr>
<tr>
<td>Amount</td>
<td>For flat amount contributions, represents the dollar amount. Enter a dollar value in the following format: 1000.00.</td>
</tr>
<tr>
<td>Deduction Amount</td>
<td>Overrides the amount of after-tax contribution deducted each pay period. Enter a dollar value in the following format: 1000.00.</td>
</tr>
<tr>
<td>Partial Flag</td>
<td>Yes or No field to allow partial deductions. Yes is the default choice.</td>
</tr>
<tr>
<td>Period Type</td>
<td>For flat amount contributions, identifies how often the contribution is processed.</td>
</tr>
<tr>
<td>Percentage</td>
<td>For percentage contributions, represents the percentage amount. Enter a percentage in the following format: 3 for 3 percent.</td>
</tr>
</tbody>
</table>

**Roth Contributions**

Your deferred compensation plans can support Roth 401 (k) voluntary deductions. Unlike Section 401 (k), these contributions are calculated after tax and use the appropriate secondary classifications under the Voluntary Deductions primary classification. These deduction elements can be either created manually through the Manage Elements task or created automatically. For example, when you make the appropriate selections when defining a deferred compensation plan pretax element. Like the base contributions, you define whether deductions are based on a flat dollar amount or percentage of earnings.

**Employee Contribution Method**

When defining the base contribution element for a deferred compensation, you are asked to provide a corresponding Roth after-tax contribution method.
To set up Roth after tax contributions in conjunction with your base compensation plans:

1. During base contribution element definition, when asked if you want corresponding Roth after-tax contributions, select Yes.
   
   This automatically creates a new Voluntary Deductions Liabilities element named "<base element name> Roth".

2. Select whether its contributions are a flat dollar amount or a percentage of employee earnings per pay period.

3. For each employee, assign them to the appropriate element entry based on their contribution method election. If percentage is chosen, contributions are drawn from eligible earnings only.

You can also create this element independently, using the Voluntary Deductions primary classification and Deferred Compensation 401 (k) Roth secondary classification.

∥ Note: ∥ An employee’s contribution amount can change an unlimited number of times throughout the year. And an employee can participate in multiple deferred compensation plans in a tax year. The employer is responsible for tracking all elective deferrals contributing to the imposed statutory limit.

**Employer-Match Contributions**

Employer Roth contribution matching is optional, configurable, and applies to Roth 401 (k) compensation deductions.

To set up employer matching for your Roth after-tax contributions:

1. After electing to create the base after-tax element, when asked if you want a corresponding employer-match deduction, select Yes.
   
   This automatically creates a new Employer Liabilities element named "<base element name> Roth Employer Match". By default, this element matches .50 USD for every 1 USD contributed by the employee, up to 6 percent of their pay per pay period.

2. If wanted, change the employer match values through the Employer Liabilities element’s input values.

∥ Note: ∥ Although Roth 401 (k) is an after-tax contribution, Roth employer-matching contributions must be sent to a third-party pretax account.

**Input Values**

The following input values are available for 401 (k) Roth contributions and 401 (k) Roth employer-match elements:

<table>
<thead>
<tr>
<th>Input Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>After-Tax Processing Order</td>
<td>Identifies whether this deduction is taken sequentially or concurrently with the base contribution.</td>
</tr>
<tr>
<td>Amount</td>
<td>Represents the dollar amount. Enter a dollar value in the following format: 1000.00.</td>
</tr>
<tr>
<td>Deduction Amount</td>
<td>Overrides the amount of after-tax contribution deducted each pay period. Enter a dollar value in the following format: 1000.00.</td>
</tr>
</tbody>
</table>
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<table>
<thead>
<tr>
<th>Input Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Override IRS Limit</td>
<td>Overrides the statutory employee base contribution limit as enforced by the IRS. This assists in preventing overpayment into contributions. Users would have to clear this value at the beginning of the next year with another date effective change.</td>
</tr>
</tbody>
</table>

You can set this input value to a new limit if:

- The statutory limit is 17,500 USD
- An employee has already contributed 5000 USD with a previous employer

For example, set the limit to 12,500 USD with a date effective change (17500 - 5000 = 12500).

| Percentage           | Represents the percentage amount. Enter a percentage value for example, 3 for 3 percent.                                                                                                                   |

**Note:** For percentage amount contribution elements only.

| Period Type          | Identifies how often the contribution is processed.                                                                                                                                                   |

**Note:** For flat amount contribution elements only.

<table>
<thead>
<tr>
<th>Employer Contribution Percentage</th>
<th>Percentage of employee contributions matched by the employer. The default is 50 (matching .50 USD for every 1 USD contributed by the employee).</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Employer Contribution Limit Percentage</th>
<th>Maximum amount of employer contribution matching, based on the percentage of employee's pay per pay period. The default is 6 (employer-match contributions cap at 6 percent of the employee's pay per pay period).</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Employer Match Amount</th>
<th>Actual amount of the employer match, as calculated by the payroll run, based on employer-match criteria.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Applies to the &quot;&lt;base element name&gt; Roth Employer Match&quot; Employer Liabilities element created in support of the base Roth contribution.</td>
</tr>
</tbody>
</table>

**Roth Catch-Up Contributions**

Your deferred compensation plan can support catch-up contributions for Roth 401(k) plans. Unlike 401(k) catch-up contributions, these contributions are calculated after tax and use the appropriate catch-up secondary classifications within the Voluntary Deductions primary classification. They are restricted to participants 50 years and older.

**Employee Contribution Method**

To set up catch-up contributions for your compensation plans:

1. During base Roth contribution definition, when asked if you want a corresponding Roth catch-up contribution, select Yes.
2. Answer the following additional questions:

<table>
<thead>
<tr>
<th>Question</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>What type of catch-up processing do you want to use for this element?</td>
<td>Select one of the following options:</td>
</tr>
</tbody>
</table>
Question | Description
--- | ---
Concurrent: Deductions are taken at the same time as the base contributions.
Sequential: Deductions are taken only after the statutory maximum for the base contributions has been met.

Select the catch-up amount rule
Just as with base contributions, select between flat amount or percentage of earnings for catch-up Roth contributions.
When you assign the element entry to an employee, you define the flat amount or percentage for that employee. If percentage is chosen, contributions are drawn from eligible earnings only.

This automatically creates a new Voluntary Deductions element named ":<base element name> Roth Catchup:.

Note: You can also create this element directly, using the Voluntary Deductions primary classification and Deferred Compensation 401 (k) Roth Catch-Up secondary classification.

3. In cases where an employee may have been contributing to multiple plans, use the Override IRS Limit input value. This value overrides the statutory employee contribution limit to help ensure the maximum is not exceeded.

Note: When setting element processing priorities, be sure all catch-up Roth elements have a higher priority number than the standard Roth contribution elements. This ensures your catch-up deductions are calculated after the base contribution deductions.

An employee’s contribution amount can change an unlimited number of times throughout the year. And an employee can participate in multiple deferred compensation plans in a tax year. The employer is responsible for tracking all elective deferrals contributing to the imposed statutory limit.

Input Values
The following input values are available for Roth 401 (k) catch-up contribution elements:

<table>
<thead>
<tr>
<th>Input Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>Represents the dollar amount. Enter a dollar value for example, 1000.00.</td>
</tr>
</tbody>
</table>

Note: For flat amount contribution elements only.

Override IRS Limit
Overrides the statutory employee base contribution limit as enforced by the IRS. This assists in preventing overpayment into contributions. Users would have to clear this value at the beginning of the next year with another date effective change.

You can set this input value to a new limit if:
- The statutory limit is 17,500 USD
- An employee has already contributed 5000 USD with a previous employer

For example, set it to 12,500 USD with a date effective change (17500 - 5000 = 12500).
### Input Value | Description
--- | ---
Period Type | Identifies how often the contribution is processed.

*Note:* For flat amount contribution elements only.

<table>
<thead>
<tr>
<th>Input Value</th>
<th>Description</th>
</tr>
</thead>
</table>
| Percentage | Represents the percentage amount.

*Note:* For percentage amount contribution elements only.

Enter a percentage value, for example, 3 for 3 percent.

<table>
<thead>
<tr>
<th>Input Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deduction Amount</td>
<td>Overrides the amount of Roth catch-up contribution deducted each pay period.</td>
</tr>
</tbody>
</table>

### Other Considerations
When defining elements for deferred compensation plans, you have the following additional considerations.

For information about compensation limits, see Compensation Limits for Deferred Compensation Plans in the Help Center.

### Tax Exemptions
In most cases, pretax deferred wages are not subject to federal income tax or state income tax withholding at the time of deferral. However, they are included as wages subject to Social Security, Medicare, and federal unemployment tax (FUTA). Oracle Fusion Human Capital Management for the US takes this into account and automatically deducts the appropriate taxes during payroll calculation.

### Balances for Eligible Earnings
When you create a 401(k) deduction element, the payroll process doesn’t take the deduction until you feed the eligible balance. The Manage Elements task does not automatically establish this feed for tracking eligible earnings.

Typically, deferred compensation calculations are a percentage of earnings. However, some require eligible earnings, such as 401(k).

To identify the earnings to be used in these calculations:

1. Start the Manage Balance Definitions task.
2. Search for and select the appropriate predefined balance:
   - Deferred Compensation 401k Eligible Earnings
3. Click **Edit**.
4. Click **Balance Feeds**.
5. Configure the feeds for your eligible earnings results element, and save your work.

*Note:* If you are running multiple 401(k) plans, they must use separate balances for each. You can use the predefined Eligible Earnings for Deferred Compensation 401k balance for only one. For any additional plans, you must define and feed a new balance, copying the predefined one, and modify the appropriate fast formulas.
Third-Party Administrators

If you are using a third-party agent to process your deferred compensation plan, you must:

1. Use the Manage Third Parties task to define the agents as third-party payees.
2. Use the Manage Third-Party Payments task, set up the fee payments.

Reports

The following reports collect and display information about deferred compensation deductions:

<table>
<thead>
<tr>
<th>Report</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deduction Report</td>
<td>View details of payroll deductions processed for the specified period.</td>
</tr>
<tr>
<td>Element Result Register</td>
<td>View a listing of the elements and pay values processed for each payroll relationship action.</td>
</tr>
<tr>
<td>Statement of Earnings</td>
<td>Consolidates all relevant information from a payroll run or a prepayment into a single report, so the results can be easily viewed and verified. Includes information about personal information, payroll information, and tax and employment information, run results, messages, and balances.</td>
</tr>
<tr>
<td>Third-Party Payment Register Report</td>
<td>View details on all checks made payable to third parties over a given period.</td>
</tr>
</tbody>
</table>

Related Topics

- Deduction Elements for the US
- Iterative Processing for Pretax Deductions

Define Elements for a 401 (k) Deferred Compensation Plan

This example walks you through defining Pretax Deductions elements for deferred contribution plans, such as 401 (k). This includes:

- The use of the Manage Elements task to define at least two Pretax Deductions elements
- The setting of element entries
- The feeding of a predefined balance

How You Define Basic Information

To start defining this element:

1. Start the Manage Elements task from the Payroll Calculation work area.
2. Define a deduction element of type Pretax Deductions primary classification and Deferred Compensation 401K secondary classification.
3. Define the necessary values in the Entry Rules, Availability Rules, and Duration and Termination Rules sections.
4. Click Next.
How You Define Base Element Amount Rules
On the Additional Details page:

1. Choose the employee's contribution method in the Amount Rules section:
   - Flat Amount
   - Percentage of Earnings

   ✍️ Note: After the template creates this element, you must set the actual amounts to be withdrawn through element entry.

2. Indicate if a corresponding employer-match element should be created and, if so, with or without employee contributions.
   Select one of the Yes options to create a corresponding pretax employer match element, titled "<base element name> Employer Match".

   ✍️ Note: After the template creates this element, you must set the matching amounts through element entry.

3. Define the necessary values in the Processing Rules section.

How You Define Catch-Up Rules
In the Catch-up Rules section:

1. Indicate if your base element should have a corresponding catch-up element.
   If you select No, skip to the next section.
   By selecting Yes, the template creates a corresponding pretax element titled "<base element name> Catch Up".

2. Select the catch-up processing method:

<table>
<thead>
<tr>
<th>Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concurrent</td>
<td>Deductions are taken at the same time as the base contributions.</td>
</tr>
<tr>
<td>Sequential</td>
<td>Deductions are taken only after the statutory maximum for the base contributions has been met.</td>
</tr>
</tbody>
</table>

3. Specify the amount rule for the catch-up element:
   - Flat Amount
   - Percentage of Earnings

   ✍️ Note: After the template creates this element, you must set the actual amounts to be withdrawn through element entry.

How You Define Roth Rules
In the Roth Rules section:

1. Indicate if your base element should have a corresponding after-tax Roth element.
   If you select No, skip to the next section.
By selecting **Yes**, the template creates a corresponding Roth after-tax element titled "<base element name> Roth".

**Note:** After the template creates this element, you must set the actual amounts to be withdrawn through element entry.

2. Specify the amount rule for the Roth element:
   - Flat Amount
   - Percentage of Earnings

**Note:** After the template creates this element, you must set the actual amounts to be withdrawn through element entry.

3. Indicate if a corresponding employer-match element should be created and, if so, with or without employee contributions.

Selecting one of the **Yes** options creates a corresponding after-tax employer match element, titled "<base element name> Roth Employer Match".

**Note:** After the template creates this element, you must set the matching amounts through element entry.

4. Indicate if your Roth element should have a corresponding catch-up element.

If so, specify its amount rule and processing method.

By selecting **Yes**, the template creates a corresponding after-tax catch-up element titled "<base element name> Roth Catch Up".

**Note:** After the template creates this element, you must set the actual amounts to be withdrawn through element entry.

### How You Define After-Tax Rules

In the After-Tax Rules section:

1. Indicate if your base element should have a corresponding after-tax element.

   If you select **No**, click **Next**.

   By selecting **Yes**, the template creates a corresponding after-tax element titled "<base element name> Aftertax".

   **Note:** After the template creates this element, you must set the actual amounts to be withdrawn through element entry.

2. Specify the amount rule for the after-tax element:
   - Flat Amount
   - Percentage of Earnings
**Note:** After the template creates this element, you must set the actual amounts to be withdrawn through element entry.

3. Specify the after-tax processing method for this element.
4. Indicate if a corresponding after-tax employer-match element should be created and, if so, with or without employee contributions.

**Before You Finish**

Once you have set the necessary values:

1. Click **Next**.
2. Review your settings, and click **Submit**.
3. Depending on what options you selected in the template, and what associated elements were created, you must feed the appropriate balances.

   Balance feeds depend on the type of contribution and element:
   - For base contributions, feed the Deferred Compensation 401K Eligible Earnings balance.
   - For catch-up contributions, feed the Deferred Compensation 401K Catch-Up balance.

**Related Topics**

- Deferred Compensation Plans
- Pretax Deductions for the US

**Considerations When Setting Up 403 (b) and 457 (b) Deferred Compensation Plans**

You set up 403 (b) and 457 (b) deferred compensation plans differently than how you set up 401 (k) plans.

You define Pretax Deductions and Voluntary Deductions elements with 403 (b) or 457 (b) secondary classifications, and capture the deduction information on the person’s Benefits and Pensions calculation card.

To define the base contribution, use the Manage Elements task, selecting the Pretax Deductions primary element classification and one of the following:

- Deferred Compensation 403b secondary element classification
- Deferred Compensation 457 secondary element classification

**Catch up Deductions and Employer Match**

Do not use the Catch-Up secondary classifications to define catch-up deductions for your employees. The element template uses these secondary classifications to create results elements based on the deferred compensation elements you define.

To define catch-up or employee match contributions for 403 (b) and 457 (b) plans, use the person’s Benefits and Pensions calculation card.

To view or manage the Benefit and Pensions card, use the Manage Calculation Cards task in the Payroll Administration or Payroll Calculation work area. Select the plan you want to configure and use the Enterable Calculation Values on Calculation Cards tab to add settings.
You can create a benefits card for each employee as needed, do a mass data upload through the HCM data loader, or load pension data from another application to create the cards.

Adjust Contribution Limits

You can override plan contribution limits using the Manage Calculation Cards task.

If an employee has been contributing to multiple plans, use the Override IRS Limit input value. This value overrides the statutory employee contribution limit and helps ensure the maximum isn’t exceeded.

To set the special catch-up limit for 457 (b) deferred compensation plans, set the Employee Eligible for Special Catch-up Limit to **Yes** using the Manage Calculation Cards task. To use the special limit make sure that the employee meets all of the qualifications.

> **Note:** Don’t use both catch-up contributions in the same year. If you set the special catch-up limit to **Yes**, then the standard catch up deduction isn’t processed.

When the employee has more than 15 years of service, the 403 (b) 15 Years-of-Service rule also allows you to set a new limit. Set the Adjusted Deferred Compensation Limit to **Yes** using the Manage Calculation Cards task.

Set Up 403 (b) Deferred Compensation Plans

Section 403 (b) deferred compensation plans allow participants to save for retirement. Employees can choose one or more deductions from wages on a pretax, Roth, or after-tax basis. Catch-up options are available for participants that meet the age requirements, and employer matching is available if your organization supports it.

For further information, see Deferred Compensation Plans in the Help Center.

You use the Manage Elements task to define 403 (b) pretax and voluntary deductions elements. Then you can capture the deduction information on the person’s Benefits and Pensions calculation card.

> **Note:** Contribution limits for 403 (b) plans are the same as for 401 (k) plans, unless the 15 Years-of-Service rule applies. For further information, see Section 403 (b) Plan 15 Years-of-Service Rule in the Help Center.

You can define elements for these kinds of 403 (b) plans.

<table>
<thead>
<tr>
<th>Plan type</th>
<th>Description</th>
<th>To implement this plan type</th>
</tr>
</thead>
</table>
| Section 403 (b) | This is retirement savings plan available for the employees of public schools, 501(c)(3) tax-exempt organizations, and eligible clergy. It is also known as a tax-sheltered annuity plan. | Define an element with the Pretax Deductions primary classification and Deferred Compensation 403b secondary classification. Select this component name when you configure the person’s Benefits and Pensions card. For further information, see Select the Base Contribution Method below. To define employee match and catch-up contributions, use the person's Benefits and Pensions card. For further information, see these sections below:  
  - Set Up Employer-Match Contributions  
  - Set Up Catch-Up Contributions |

---

450
Plan type | Description | To implement this plan type
--- | --- | ---
After-Tax 403 (b) | These contributions are considered voluntary and contribute to the Section 403 (b) plan with after-tax dollars. | Define an element with the Voluntary Deductions primary classification and Pension Plan After Tax 403b secondary classification. For further information, see After-Tax Contributions below.

Roth 403 (b) | This plan is similar to the 403 (b) plan but is funded with after-tax contributions from the participant. | Use the Manage Elements task to create after-tax Roth elements using the Voluntary Deductions primary element classification and the Deferred Compensation 403b Roth secondary classification. For further information, see Roth Contributions below.

### Define the Base Contributions

Setting up the base employee contributions for a 403 (b) plan involves multiple operations.

<table>
<thead>
<tr>
<th>What you want to do</th>
<th>How you do it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Define the base deduction element</td>
<td>Use the Manage Elements task in the Payroll Calculation work area.</td>
</tr>
<tr>
<td>Set the element processing priorities</td>
<td>When you define the base element, the element template may create multiple indirect elements, such as catch-up elements. When you set the element processing priorities, be sure all catch-up indirect elements have a higher priority number than the pretax base contribution elements. This ensures the payroll process calculates the catch-up deductions after the base contribution deductions.</td>
</tr>
<tr>
<td>Configure the Benefits and Pensions card</td>
<td>Use the Manage Calculation Cards task in the Payroll Calculation work area to configure the card and the card components.</td>
</tr>
<tr>
<td>Set up employer-match contributions</td>
<td>Use the Manage Calculation Cards task to add the appropriate calculation values to the selected component.</td>
</tr>
<tr>
<td>Set up catch-up contributions</td>
<td>Use the Manage Calculation Cards task to add the appropriate calculation values to the selected component.</td>
</tr>
</tbody>
</table>

For further information, see the following sections.

### Define the Base Deduction Element

You can define base contributions for Section 403 (b) plans through the Manage Elements task in the Payroll Calculation work area.

<table>
<thead>
<tr>
<th>Plan type</th>
<th>Primary classification</th>
<th>Secondary classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 403 (b)</td>
<td>Pretax Deductions</td>
<td>Deferred Compensation 403b</td>
</tr>
</tbody>
</table>
These elements do not have input values. You perform any additional settings for these contributions through the person’s Benefits and Pensions card.

**Note:** When you create these elements, the element template create multiple indirect elements, such as catch-up and employer-match results elements.

For further information, see Define Elements for a 403 (b) Deferred Compensation Contribution Plan in the Help Center.

**Configure the Benefits and Pensions Card**

The element template provides minimum configuration for your plan. To fully set up your plan, you must add it to your employees' Benefits and Pensions cards and complete its configuration.

You can use a data loader to create the card for multiple employees. However, bear in mind that most of these cards would require individual configuration to meet each person's requirements.

To configure the card for an individual employee:

1. In the Payroll Calculation work area, search for and select the employee.
2. Start the Manage Calculation Cards task.
3. Open their Benefits and Pensions card for editing.
   - Create it if it doesn't already exist.
4. For employees with multiple assignments, use the **Associations** node to select the assignment for this card.
   - In **Calculation Card Overview**, select the **Associations** node.
   - In Association Details, click Add.
   - Select the assignment number, and choose the calculation component you want to associate with it.
   - Click **OK**.
5. Add your 403 (b) plan element to the card.
   - In **Calculation Card Overview**, select the **Benefits** node.
   - In **Calculation Components**, click **Create** and select your base 403 (b) element name.
   - Enter a new subprocessing order if needed.
   - Click **OK**.
6. Define whether the employee contributes a flat dollar amount or a percentage of their earnings per pay period.
   - Employees choose whether to contribute a flat dollar amount or a percentage of their earnings per pay period.
   - In **Calculation Components**, select the base element’s row.
   - Select **Enterable Calculation Values on Calculation Cards**.
   - Click **Create**.
   - For **Name**, select one of the following.

<table>
<thead>
<tr>
<th>Name</th>
<th>What it does</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat Amount for Employee Contribution</td>
<td>Represents the amount of the contribution in USD. Enter the value in the <strong>Amount</strong> field.</td>
</tr>
</tbody>
</table>
### Name | What it does
--- | ---
For example, enter 1000 USD as **1000.00**.

| Percentage for Employee Contribution | Sets the contribution as a percentage of earnings. Enter the value in the Rate field as a percentage.  
For example, enter 5 percent as 0.05.  
If the employee chooses this, the payroll process draws the deductions from eligible earnings only. |

7. **Add other calculation values as needed, such as limit overrides.**

   For further information, see the following in the Help Center.
   - Contribution Limits for Deferred Compensation Plans
   - Enterable Calculation Values for Deferred Compensation Plans

8. **Save your work, and continue with employer-matching and catch-up contributions if required.**

### Set Up Employer-Match Contributions

An employer match is the amount the employer chooses to pay into a retirement account.

To set up employer matching for your compensation plan:

1. Start the Manage Calculation Cards task in the Payroll Administration or Payroll Calculation work area.
2. Open the person’s Benefits and Pensions card for editing.

   **Calculation Components** lists all of the plans you have added to the card.

3. Select the calculation component for the 403 (b) plan you want to manage.
4. Select **Enterable Calculation Value on Calculation Cards**.
5. Click **Create**, and select **Employer Contribution**.
6. For **Value**, select one of the following.

<table>
<thead>
<tr>
<th>Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>No employer matching for your compensation plan.</td>
</tr>
<tr>
<td>Yes, with employee contributions</td>
<td>Applies employer-matching amounts based on employee contributions.</td>
</tr>
<tr>
<td>Yes, without employee contributions</td>
<td>Applies an employer match even if the employee does not contribute.</td>
</tr>
</tbody>
</table>

7. Click **OK**.
8. **Set the employer-match amount.**

   By default, this component matches .50 USD for every 1 USD contributed by the employee, up to 6 percent of their pay per pay period.

   To change this amount:
   a. In **Enterable Calculation Value on Calculation Cards**, click **Create**.
   b. Select whether the employer match is a flat amount or a percentage of employee earnings per pay period.
<table>
<thead>
<tr>
<th>Name</th>
<th>What it does</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat Amount for Employer Contribution</td>
<td>Represents the amount of the contribution in USD. Enter the value in the Amount field. For example, enter 1000 USD as <strong>1000.00</strong>.</td>
</tr>
<tr>
<td>Percentage for Employer Contribution</td>
<td>Sets the contribution as a percentage of earnings. Enter the value in the Rate field as a percentage. For example, enter 5 percent as <strong>05</strong>.</td>
</tr>
<tr>
<td>Flat Amount for Employer Catch-Up</td>
<td>Represents the amount of the contribution in USD. Enter the value in the Amount field. For example, enter 1000 USD as <strong>1000.00</strong>.</td>
</tr>
<tr>
<td>Percentage for Employer Catch-Up</td>
<td>Sets the contribution as a percentage of earnings. Enter the value in the Rate field as a percentage. For example, enter 5 percent as <strong>05</strong>.</td>
</tr>
</tbody>
</table>

**c.** Click **OK**.

**d.** If you are including employer catch-up contributions, set the value for them as well.

**e.** Click **OK**.

9. Add other calculation values as needed, such as limit overrides.

For further information, see the following in the Help Center.

- Contribution Limits for Deferred Compensation Plans
- Enterable Calculation Values for Deferred Compensation Plans

10. Save your work, and continue with catch-up contributions if required.

**Set Up Catch-Up Contributions**

To define catch-up contributions for 403 (b) plans, use the person’s Benefits and Pensions calculation card.

**Note:** Do not attempt to define elements with the Catch-Up secondary element classifications. The element template uses these secondary classifications to create results elements based on the deferred compensation elements you define.

To enable catch-up contributions:

1. Add the **Employee Catch-Up Contribution** calculation value to the 403 (b) component on the person’s Benefits and Pensions card, and select **Yes**.
2. Define whether the employee contributes a flat dollar amount or a percentage of their earnings per pay period.
   
   a. In **Enterable Calculation Values on Calculation Cards**, click **Create**.
   
   b. Select one of the following.
<table>
<thead>
<tr>
<th>Name</th>
<th>What it does</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat Amount for Employee Catch-Up Contribution</td>
<td>Represents the amount of the contribution in USD. Enter the value in the Amount field. For example, enter 1000 USD as 1000.00.</td>
</tr>
<tr>
<td>Percentage for Employee Catch-up Contribution</td>
<td>Sets the contribution as a percentage of earnings. Enter the value in the Rate field as a percentage. For example, enter 5 percent as 05.</td>
</tr>
</tbody>
</table>

If the employee chooses this, the payroll process draws the deductions from eligible earnings only.

c. Click OK.

3. Define how the payroll process calculates the catch-up contributions in relation to the base contributions.

In **Enterable Calculation Values on Calculation Cards**, add **Catch-Up Processing Rule** and choose a value.

<table>
<thead>
<tr>
<th>Processing rule</th>
<th>What it does</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concurrent</td>
<td>The payroll process takes the deductions at the same time as the base contributions.</td>
</tr>
<tr>
<td>Sequential</td>
<td>The process takes the deductions only after the statutory maximum for the base contributions has been met.</td>
</tr>
</tbody>
</table>

4. Add other calculation values as needed, such as limit overrides.

For further information, see the following in the Help Center.

- Contribution Limits for Deferred Compensation Plans
- Enterable Calculation Values for Deferred Compensation Plans

5. Click **Save and Close**.

You can change the default settings using the Manage Value Definitions task and use two overrides to manage the compensation limit. If you set the Adjusted Deferred Compensation Limit to **Yes**, then the rule applies and checks for the 15 years of service. If you use the setting **Enforce the 15 year rule**, the rule applies without checking seniority.

**Define After-Tax Contributions**

If your deferred compensation plan supports after-tax contributions to pretax accounts, you can implement them through a combination of element definition and calculation card configuration.

After-tax elements are subject to the Elective Deferral limit and the Annual compensation limit.

**Define the Base Deduction Element**

You can create the base contribution elements through the Manage Elements task in the Payroll Calculation work area.
These elements do not have input values. You perform any additional settings for these contributions through the person’s Benefits and Pensions card.

Note: When you create these elements, the element template create multiple indirect elements, such as Employee and Employer results elements.

Configure the Benefits and Pensions Card

To configure the person’s card for after-tax contributions:

1. Use the Manage Calculation Cards task to open their the Benefits and Pensions card for editing.
2. Add your after-tax 403 (b) plan element to the card.
   a. In Calculation Card Overview, select the Benefits node.
   b. In Calculation Components, click Create and select your after-tax 403 (b) element name.
      Enter a new subprocessing order if needed.
   c. Click OK.
3. Define whether the employee contributes a flat dollar amount or a percentage of their earnings per pay period.
   a. In Calculation Components, select the base element’s row.
   b. Select Enterable Calculation Values on Calculation Cards.
   c. Click Create.
   d. For Name, select one of the following.

<table>
<thead>
<tr>
<th>Name</th>
<th>What it does</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat Amount for Employee Contribution</td>
<td>Represents the amount of the contribution in USD. Enter the value in the Amount field.</td>
</tr>
<tr>
<td>Percentage for Employee Contribution</td>
<td>Sets the contribution as a percentage of earnings. Enter the value in the Rate field as a percentage.</td>
</tr>
</tbody>
</table>

For example, enter 1000 USD as 1000.00.

For example, enter 5 percent as 05.

If the employee chooses this, the payroll process draws the deductions from eligible earnings only.

e. Click OK.
4. Add other calculation values as needed, such as limit overrides.

For further information, see the following in the Help Center.

o Contribution Limits for Deferred Compensation Plans
o Enterable Calculation Values for Deferred Compensation Plans
5. Save your work, and continue with employer-matching contributions if required.

Set Up Employer-Match Contributions

To set up employer matching for your after-tax contributions:

1. Start the Manage Calculation Cards task in the Payroll Administration or Payroll Calculation work area.
2. Open the person’s Benefits and Pensions card for editing.

   Calculation Components lists all of the plans you have added to the card.

3. Select the calculation component for the after-tax 403 (b) plan you want to manage.
4. Select Enterable Calculation Value on Calculation Cards.
5. Click Create, and select Employer Contribution.
6. For Value, select one of the following.

<table>
<thead>
<tr>
<th>Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>No employer matching for your compensation plan.</td>
</tr>
<tr>
<td>Yes, with employee contributions</td>
<td>Applies employer-matching amounts based on employee contributions.</td>
</tr>
<tr>
<td>Yes, without employee contributions</td>
<td>Applies an employer match even if the employee does not contribute.</td>
</tr>
</tbody>
</table>

7. Click OK.
8. Set the employer-match amount.

   By default, this component matches .50 USD for every 1 USD contributed by the employee, up to 6 percent of their pay per pay period.

   To change this amount:

   a. In Enterable Calculation Value on Calculation Cards, click Create.
   b. Select whether the employer match is a flat amount or a percentage of employee earnings per pay period.

<table>
<thead>
<tr>
<th>Name</th>
<th>What it does</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat Amount for Employer Contribution</td>
<td>Represents the amount of the contribution in USD. Enter the value in the Amount field. For example, enter 1000 USD as 1000.00.</td>
</tr>
<tr>
<td>Percentage for Employer Contribution</td>
<td>Sets the contribution as a percentage of earnings. Enter the value in the Rate field as a percentage. For example, enter 5 percent as 05. If you choose this, the payroll process draws the deductions from eligible earnings only.</td>
</tr>
</tbody>
</table>
   c. Click OK.
9. Add other calculation values as needed, such as limit overrides.
For further information, see the following in the Help Center:

- Contribution Limits for Deferred Compensation Plans
- Enterable Calculation Values for Deferred Compensation Plans

10. Click **Save and Close**.

### Define Roth Contributions

Your deferred compensation plans can support Roth 403 (b) voluntary deductions, employer matching, and catch-up contributions.

### Define the Base Deduction Element

You can create the base contribution elements through the Manage Elements task in the Payroll Calculation work area.

<table>
<thead>
<tr>
<th>Plan type</th>
<th>Primary classification</th>
<th>Secondary classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roth 403 (b)</td>
<td>Voluntary Deductions</td>
<td>Deferred Compensation 403b Roth</td>
</tr>
</tbody>
</table>

These elements do not have input values. You perform any additional settings for these contributions through the person’s Benefits and Pensions card.

**Note:** When you create these elements, the element template create multiple indirect elements, such as Employee and Employer results elements.

### Configure the Benefits and Pensions Card

To configure the person’s card for after-tax contributions:

1. Use the Manage Calculation Cards task to open their the Benefits and Pensions card for editing.
2. Add your Roth 403 (b) plan element to the card.
   a. In Calculation Card Overview, select the Benefits node.
   b. In Calculation Components, click **Create** and select your Roth 403 (b) element name.
      
      Enter a new subprocessing order if needed.
   c. Click **OK**.
3. Define whether the employee contributes a flat dollar amount or a percentage of their earnings per pay period.
   a. In Calculation Components, select the base element’s row.
   b. Select **Enterable Calculation Values on Calculation Cards**.
   c. Click **Create**.
   d. For **Name**, select one of the following.

<table>
<thead>
<tr>
<th>Name</th>
<th>What it does</th>
</tr>
</thead>
</table>
| Flat Amount for Employee Contribution | Represents the amount of the contribution in USD. Enter the value in the **Amount** field.

For example, enter 1000 USD as **1000.00**.
### Name

<table>
<thead>
<tr>
<th>Name</th>
<th>What it does</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage for Employee</td>
<td>Sets the contribution as a percentage of earnings. Enter the value in the Rate field as a percentage.</td>
</tr>
<tr>
<td>Contribution</td>
<td></td>
</tr>
<tr>
<td></td>
<td>For example, enter 5 percent as 05.</td>
</tr>
<tr>
<td></td>
<td>If the employee chooses this, the payroll process draws the deductions from eligible earnings only.</td>
</tr>
</tbody>
</table>

**e.** Click OK.

4. Add other calculation values as needed, such as limit overrides.

   For further information, see the following in the Help Center.
   - Contribution Limits for Deferred Compensation Plans
   - Enterable Calculation Values for Deferred Compensation Plans

5. Save your work, and continue with employer-matching and catch-up contributions if required.

---

### Set Up Employer-Match Contributions

To set up employer matching for your Roth contributions:

1. Start the Manage Calculation Cards task in the Payroll Administration or Payroll Calculation work area.
2. Open the person's Benefits and Pensions card for editing.

   **Calculation Components** lists all of the plans you have added to the card.

3. Select the calculation component for the Roth 403 (b) plan you want to manage.
4. Select **Enterable Calculation Value on Calculation Cards**.
5. Click Create, and select **Employer contribution**.
6. For Value, select one of the following.

<table>
<thead>
<tr>
<th>Value</th>
<th>What it does</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>No employer matching for your compensation plan.</td>
</tr>
<tr>
<td>Yes, with employee</td>
<td>Applies employer-matching amounts based on employee contributions.</td>
</tr>
<tr>
<td>contributions</td>
<td></td>
</tr>
<tr>
<td>Yes, without employee</td>
<td>Applies an employer match even if the employee does not contribute.</td>
</tr>
<tr>
<td>contributions</td>
<td></td>
</tr>
</tbody>
</table>

7. Click OK.
8. Set the employer-match amount.

   By default, this component matches .50 USD for every 1 USD contributed by the employee, up to 6 percent of their pay per pay period.

   To change this amount:
   - **a.** In **Enterable Calculation Value on Calculation Cards**, click Create.
   - **b.** Select whether the employer match is a flat amount or a percentage of employee earnings per pay period.
Chapter 12
Setting Up Elements

### Name | What it does
--- | ---
Flat Amount for Employer Contribution | Represents the amount of the contribution in USD. Enter the value in the Amount field.

  For example, enter 1000 USD as **1000.00**.

Percentage for Employer Contribution | Sets the contribution as a percentage of earnings. Enter the value in the Rate field as a percentage.

  For example, enter 5 percent as **05**.

c. Click **OK**.

9. Add other calculation values as needed, such as limit overrides.

For further information, see the following in the Help Center:

- Contribution Limits for Deferred Compensation Plans
- Enterable Calculation Values for Deferred Compensation Plans

10. Save your work, and continue with catch-up contributions if required.

### Set Up Catch-Up Contributions

Your deferred compensation plan can support catch-up contributions for Roth 403 (b) plans. Unlike 403 (b) catch-up contributions, these Roth contributions are calculated after tax. They're restricted to participants 50 years and older.

To set up Roth catch-up contributions for your eligible employees:

1. Add the **Employee Catch-Up Contribution** calculation value to the Roth 403 (b) component on the person's Benefits and Pensions card, and select **Yes**.
2. Define whether the employee contributes a flat dollar amount or a percentage of their earnings per pay period.
   a. In **Enterable Calculation Values on Calculation Cards**, click **Create**.
   b. Select one of the following.

<table>
<thead>
<tr>
<th>Name</th>
<th>What it does</th>
</tr>
</thead>
</table>
| Flat Amount for Employee Catch-Up Contribution | Represents the amount of the contribution in USD. Enter the value in the Amount field.

  For example, enter 1000 USD as **1000.00**.

| Percentage for Employee Catch-Up Contribution | Sets the contribution as a percentage of earnings. Enter the value in the Rate field as a percentage.

  For example, enter 5 percent as **05**.

  If the employee chooses this, the payroll process draws the deductions from eligible earnings only.

c. Click **OK**.

3. Define how the payroll process calculates the catch-up contributions in relation to the base contributions.
In **Enterable Calculation Values on Calculation Cards**, add **Processing Rule** and choose a value.

<table>
<thead>
<tr>
<th>Processing rule</th>
<th>What it does</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concurrent</td>
<td>The payroll process takes the deductions at the same time as the base contributions.</td>
</tr>
<tr>
<td>Sequential</td>
<td>The process takes the deductions only after the statutory maximum for the base contributions has been met.</td>
</tr>
</tbody>
</table>

4. Add other calculation values as needed, such as limit overrides.
   
   For further information, see the following in the Help Center:
   
   - Contribution Limits for Deferred Compensation Plans
   - Enterable Calculation Values for Deferred Compensation Plans

5. Click **Save and Close**.

**Related Topics**
- Deferred Compensation Plans

---

### Define Elements for a 403 (b) Deferred Compensation Plan

This example walks you through defining Pretax Deductions elements for a 403 (b) deferred contribution plan. Use these same steps to define a 457 (b) deferred compensation contribution plan.

You need to define these elements using the Manage Elements task.

<table>
<thead>
<tr>
<th>Element</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pretax Deductions</td>
<td>This is used for both the base and catch-up contributions.</td>
</tr>
<tr>
<td>Voluntary Deductions</td>
<td>This is used for After Tax, Roth, and Roth Catch-up contributions</td>
</tr>
</tbody>
</table>

Element amount rules for these components are defined on the Benefits and Pensions card.

**Create Elements**

To create these elements:

1. Start the Manage Elements task from the Payroll Calculation work area.
2. Define a deduction element of type Pretax Deductions primary classification and Deferred Compensation 403b secondary classification.
3. Set the following values:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Input Currency</td>
<td>US Dollar</td>
</tr>
</tbody>
</table>
### Setting Up Elements

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earliest entry date</td>
<td>Select a date</td>
</tr>
<tr>
<td>Latest entry date</td>
<td>Select a date</td>
</tr>
<tr>
<td>Effective date</td>
<td>Select a date</td>
</tr>
<tr>
<td>Process the element only once in each pay period</td>
<td>Choose Yes or No</td>
</tr>
<tr>
<td>Can a person have more than one entity of this element in a pay period</td>
<td>Choose Yes or No</td>
</tr>
</tbody>
</table>

4. Click **Next**.

5. For Is this element subject to iterative processing, choose **Yes** or **No**.

6. Click **Next**.

7. Review the summary and click **Submit**.

8. Repeat these steps to:
   - Define a deduction element of type Voluntary Deductions primary classification and Deferred Compensation 403b Roth secondary classification.
   - Define a deduction element of type Voluntary Deductions primary classification and Pension Plan After Tax 403b secondary classification.

9. Depending on the options you selected in the template, and what associated elements were created, you must feed the appropriate balances.

   Balance feeds depend on the type of contribution and element. For example, for base contributions, feed the Deferred Compensation 403b Eligible Earnings balance.

   Once each element is created, you can set up the rest of the information using the person’s Benefits and Pensions card. The components are created along with the elements and are available to use when configuring the card.

### Create the Benefits and Pensions Card

To create the card:

1. Search for and select the person from the Payroll Calculations work area.
2. Start the Manage Calculation Cards task, and under Actions, click **Create**.
3. Select Benefits and Pensions and click **Continue**.

   Now you can add components to the card to set up the rest of the information.

### Define Element Amount Rules

To define element amount rules:

1. Search for and select the person from the Payroll Calculations work area.
2. Start the Manage Calculation Cards task, and open their Benefits and Pensions card for editing.
3. Under Calculation Components, click the plus sign to add a component.
4. Select the 403b component that you created.
5. Click **OK**.
6. Select the **Enterable Calculation Values on Calculation Cards** tab.
7. Click the plus sign to add a calculation value.
8. Click Name and add the appropriate component to the card.
9. For the employee contribution, you’ll typically select one of these values. Frequently used choices display at the top of the list.

<table>
<thead>
<tr>
<th>Name</th>
<th>Value/Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat Amount for Employee Contribution</td>
<td>Enter a dollar amount. For example 100.00</td>
</tr>
<tr>
<td>Percentage for Employee Contribution</td>
<td>Enter percentages as whole numbers. For example, enter 5 percent as 5.</td>
</tr>
</tbody>
</table>

10. To enable catch-up contributions, click the plus sign to add another calculation value.
11. Select Employee Catch-Up Contribution and select Yes.
12. Select the employee’s contribution method by adding one of these components and set the value.

<table>
<thead>
<tr>
<th>Name</th>
<th>Value/Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat Amount for Employee Catch-Up Contribution</td>
<td>Enter a dollar amount. For example 50.00.</td>
</tr>
<tr>
<td>Percentage for Employee Catch-Up Contribution</td>
<td>Enter percentages as whole numbers. For example, enter 5 percent as 5.</td>
</tr>
</tbody>
</table>

By default, concurrent processing is used.

13. Click Save and Close or continue to define other components.

Related Topics
- Deferred Compensation Plans
- Pretax Deductions for the US

Section 403 (b) Plan 15 Years-of-Service Rule

The contribution limits for Section 403 (b) plans are the same as for Section 401 (k) plan, unless the 15 Years-of-Service rule applies.

Enforce the 15 Years-of-Service Rule

The payroll process automatically invokes this rule based on the person’s enterprise hire date stored on their work relationship.

To enforce this rule for an employee who does not meet this requirement:

1. Search for and select the person from the Payroll Calculation work area.
2. Start the Manage Calculation Cards task, and open their Benefits and Pensions card for editing.
3. Select their 403 (b) plan calculation component.
4. Select Enterable Calculation Values on Calculation Cards, and click Create.
5. Add the Enforce 15 years of service rule value, and select Yes.
Enforce the Adjusted Deferred Compensation Annual Limit

This limit applies to employees who are eligible for catch-up contributions and the 15 Years-of-Service rule.

To enforce this limit:

1. Search for and select the person from the Payroll Calculation work area.
2. Start the Manage Calculation Cards task, and open their Benefits and Pensions card for editing.
3. Select their 403 (b) plan calculation component.
4. Select **Enterable Calculation Values on Calculation Cards**, and click **Create**.
5. Add the Adjusted Deferred Compensation Limit value, and select **Yes**.
6. Click **OK**, and save your work.

Set Up 457 (b) Deferred Compensation Plans

457 (b) deferred compensation plans allow participants to save for retirement on a pretax or after-tax basis. Employees can choose one or more deductions from wages on a pretax or after-tax basis. Catch-up options are available for older plan participants.

You can define Pretax Deductions and Voluntary Deductions elements with Deferred Compensation 457 (b) secondary element classifications, and capture the deduction information on the person’s Benefits and Pensions calculation card.

You can define elements for 457 (b) deferred compensation plan types using the Manage Elements task.

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Description</th>
<th>To define elements for this plan type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 457 (b)</td>
<td>Type of tax-qualified deferred compensation plan. In this plan, an employee can elect to have the employer contribute a portion of their cash wages to the plan on a pretax basis.</td>
<td>To define the base contribution, use the Manage Elements task, select the Pretax Deductions primary element classification and the Deferred Compensation 457 secondary element classification. To define catch-up or employee match contributions, use the Benefits and Pensions card. See Considerations for 403 (b) and 457 (b) Deferred Compensation Plans in the Help Center.</td>
</tr>
<tr>
<td>Roth 457 (b)</td>
<td>After-tax contributions, often in association with a standard 457 (b) plan but can be stand-alone.</td>
<td>Using the Manage Elements task, select the Voluntary Deductions primary element classification and Deferred Compensation 457 Roth secondary element classification.</td>
</tr>
</tbody>
</table>

Define Base Contributions

You can define base contributions for the Section 457 (b) deferred compensation plan through the Manage Elements task. Use the Pretax Deduction primary classification and the Deferred Compensation 457 secondary classification.
Employee Contribution Method

For most deferred compensation plans, employees can contribute either a flat dollar amount or a percentage of their earnings per pay period.

To select these methods for your employees:

1. Create a Benefits and Pensions card using the Manage Calculation Cards task.
2. In the Enterable Calculation Values on Calculation Cards tab, select whether contributions are a flat dollar amount or a percentage of employee earnings per pay period.
3. For each employee, assign them to the appropriate component based on their contribution method election.

If percentage is chosen, contributions are drawn from eligible earnings only.

Note: An employee’s contribution amount can change an unlimited number of times throughout the year. An employee can participate in multiple deferred compensation plans in a tax year. The employer is responsible for tracking all elective deferrals contributing to the imposed statutory limit.

By default, concurrent processing is used for all contribution types. However, you can change it.

In the Enterable Calculation Values on Calculation Cards tab, add Processing Rule and choose a value:

- Concurrent: Deductions are taken at the same time as the base contributions.
- Sequential: Deductions are taken only after the statutory maximum for the base contributions has been met.

Employer-Match Contribution Method

An employer match is the amount the employer chooses to pay into a retirement account to match the amounts their employees are contributing. Employer base contribution matching is optional, configurable, and applies to Section 457 (b), catch-up, and Section 457 (b) Roth deferred compensation deductions.

To define employee match contributions for 457 (b) plans, use the person’s Benefits and Pensions calculation card. By default, catch-up contributions are concurrent.

To view or manage the Benefit and Pensions card, use the Manage Calculation Cards task in the Payroll Administration or Payroll Calculation work area.

To set up employer matching for your compensation plans:

1. Select the Benefits and Pensions card.
2. Select the calculation component for the plan you want to manage.
   You see the components that were defined using the Manage Elements task.
3. Click the Enterable Calculation Value on Calculation Cards tab.
4. Click the Add button and add Employer Contribution. For Value, select one of the values.

<table>
<thead>
<tr>
<th>Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>No employer matching for your compensation plan.</td>
</tr>
<tr>
<td>Yes, with employee contributions</td>
<td>Applies employer matching amounts based on employee contributions. By default, this element matches .50 USD for every 1 USD contributed by the employee, up to 6 percent of their pay per pay period.</td>
</tr>
<tr>
<td>Yes, without employee contributions</td>
<td>Applies an employer match even if the employee does not contribute. You must use the Employer Match Amount input value to define your contributions.</td>
</tr>
</tbody>
</table>
5. Set the employer match values through the Benefits and Pensions card. Choose one of these values for Employer Contribution Limit Percentage, Employer Contribution Amount, or Employer Catch-Up Contribution.

### Input Value

These values for 457 (b) base contributions are set on the Benefits and Pensions card:

<table>
<thead>
<tr>
<th>Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat Amount for Employee Contribution</td>
<td>Represents the dollar amount of the contribution. Enter a dollar value in the following format: 1000.00.</td>
</tr>
<tr>
<td>Percentage for Employee Contribution</td>
<td>Represents the percentage amount of the contribution. Enter a percentage as 3 for 3 percent.</td>
</tr>
<tr>
<td>Override IRS Limit</td>
<td>Overrides the statutory annual employee base contribution limit as enforced by the IRS. This assists in preventing overpayment into contributions. You must clear this value at the beginning of the next year with another date effective change.</td>
</tr>
</tbody>
</table>

**Note:** For flat amount contribution elements only.

You can set this value to a new limit. For example:

- The statutory limit is 18,500 USD
- An employee has already contributed 5000 USD with a previous employer
- You must override the limit to account for the 5000 USD already contributed

In this case, set the limit to 13,500 USD with a date for the effective change (18500 - 5000 = 13500).

Use the following format for a dollar value: 1000.00.

**Note:** An employee’s contribution amount can change an unlimited number of times throughout the year. An employee can participate in multiple deferred compensation plans in a tax year. The employer is responsible for tracking all elective deferrals contributing to the imposed statutory limit.

An employer match is the amount the employer chooses to pay into a retirement account to match the amounts their employees are contributing. Employer base contribution matching is optional, configurable, and applies to Section 457 (b), catch-up, and Section 457 (b) Roth deferred compensation deductions.

By default, catch-up contributions are concurrent but you can change them to sequential.

These values for the 457 (b) employer-match are set on the Benefits and Pensions card:
### Input Value | Description
--- | ---
Percentage for Employer Contribution | Percentage of employee contributions matched by the employer. The default is 50 (matching .50 USD for every 1 USD contributed by the employee).

Flat Amount for Employer Contribution | Represents the dollar amount of the contribution. Enter a dollar value in the following format: 1000.00.

**Note:** For flat amount contribution elements only.

Override IRS Employer Annual Compensation Limit | Overrides the statutory annual employer base contribution limit as enforced by the IRS. This assists in preventing overpayment into contributions. You must clear this value at the beginning of the next year with another date effective change.

You can set this value to a new limit. For example:

- The statutory limit is 18,500 USD
- An employee has already contributed 5000 USD with a previous employer
- You must override the limit to account for the 5000 USD already contributed

In this case, set the limit to 13,500 USD with a date for the effective change (18500 - 5000 = 13500).

Use the following format for a dollar value: 1000.00.

---

### Catch-Up Contributions

Catch-up contributions help employees maximize their deferred compensation balances as they near their retirement age. These pretax payments are in addition to the base contributions, and they apply to 457 (b) deferred compensation deductions. They’re restricted to participants 50 years or older.

Do not use the Catch-Up secondary classifications to define catch-up deductions for your employees. The element template uses these secondary classifications to create results elements based on the deferred compensation elements you define.

To define catch-up contributions for 457 (b) plans, use the person’s Benefits and Pensions calculation card. By default, catch-up contributions concurrent but you can change them to be sequential.

To view or manage the Benefit and Pensions card, use the Manage Calculation Cards task in the Payroll Administration or Payroll Calculation work area.

To set up employer catch-up contributions:

1. Select the plan you created using the Manage Elements task.
2. In the Enterable Calculation Values on Calculations Card tab, select the component Employer Catch-up Contribution and select one of these values:

<table>
<thead>
<tr>
<th>Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>No employer matching for your compensation plan.</td>
</tr>
</tbody>
</table>

Yes, with employee contributions | Applies employer matching amounts based on employee contributions. By default, this element matches .50 USD for every 1 USD contributed by the employee, up to 6 percent of their pay per pay period. |
Chapter 12
Setting Up Elements

3. Set the employer catch-up values through the Benefits and Pensions card by setting the value for Flat Amount for Employer Catch-Up Contribution or Percentage for Employer Catch-Up Contribution.

These settings for the 457 (b) catch-up configuration are set on the Benefits and Pensions card:

<table>
<thead>
<tr>
<th>Setting</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catch-Up Processing Rule</td>
<td>The default is Concurrent. Use this setting to change the processing rule to Sequential.</td>
</tr>
<tr>
<td>Employee Eligible for Special 457 Catch-Up Contributions</td>
<td>The default value is No. Use this setting to change the value to Yes.</td>
</tr>
</tbody>
</table>

**Note:** Can’t be used in conjunction with regular catch-up contributions.

### Employee Contribution Method

To set up catch-up contributions for your compensation plans:

1. Use the Manage Calculation Cards task in the Payroll Administration or Payroll Calculation work area and select the Benefits and Pensions card for the employee.
2. Click the Enterable Calculation Value on Calculation Cards tab.
3. By default, concurrent processing is used.

   To change to sequential processing, click the **Add** button and add **Catch-Up Processing Rule**. Change **Value** to **Sequential**.

4. Just as with base contributions, select between flat amount or percentage of earnings for catch-up contributions.
5. When an employee is contributing to multiple plans, use the **Override IRS Limit** input value.

   This value overrides the statutory employee contribution limit to help ensure the maximum isn’t exceeded.

   - When setting element processing priorities, be sure all catch-up contribution elements have a higher priority number than the standard pretax contribution elements. This ensures the catch-up deductions are calculated after the base contribution deductions.
   
   - An employee’s contribution amount can change an unlimited number of times throughout the year. And an employee can participate in multiple deferred compensation plans in a tax year. The employer is responsible for tracking all elective deferrals contributing to the imposed statutory limit.

### Available Values

The following values are available for 457 (b) and 457 (b) Roth catch-up contribution elements:

<table>
<thead>
<tr>
<th>Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat Amount for Employee Catch-Up Contribution</td>
<td>Represents the dollar amount of the contribution. Enter a dollar value in the following format: 1000.00.</td>
</tr>
<tr>
<td>Value</td>
<td>Description</td>
</tr>
<tr>
<td>--------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Percentage for Employee Catch-Up Contribution</td>
<td>Represents the percentage amount of the contribution. Enter a percentage as 3 for 3 percent.</td>
</tr>
<tr>
<td>Override IRS Annual Limit Catch-Up</td>
<td>Overrides the statutory annual employee catch-up contribution limit as enforced by the IRS. This assists in preventing overpayment into contributions. You must clear this value at the beginning of the next year with another date effective change.</td>
</tr>
<tr>
<td>Percentage for Employee Catch-Up Contribution</td>
<td>Represents the percentage amount of the catch-up contribution. Enter a percentage as 3 for 3 percent.</td>
</tr>
<tr>
<td>Override IRS Employer Catch-Up Annual Compensation Limit</td>
<td>Overrides the statutory annual employer base contribution limit as enforced by the IRS. This assists in preventing overpayment into contributions. You must clear this value at the beginning of the next year with another date effective change.</td>
</tr>
</tbody>
</table>

An employer match is the amount the employer chooses to pay into a retirement account to match the amounts their employees are contributing. Employer base contribution matching is optional, configurable, and applies to Section 457 (b), Section 457 Catch-up, and Section 457 Roth Catch-up deferred compensation deductions.

These values for the 457 employer-match are set on the Benefits and Pensions card.

<table>
<thead>
<tr>
<th>Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat Amount for Employer Catch-Up Contribution</td>
<td>Represents the dollar amount of the contribution. Enter a dollar value in the following format: 1000.00.</td>
</tr>
<tr>
<td>Percentage for Employee Catch-Up Contribution</td>
<td>Represents the percentage amount of the catch-up contribution. Enter a percentage as 3 for 3 percent.</td>
</tr>
<tr>
<td>Override IRS Employer Catch-Up Annual Compensation Limit</td>
<td>Overrides the statutory annual employer base contribution limit as enforced by the IRS. This assists in preventing overpayment into contributions. You must clear this value at the beginning of the next year with another date effective change.</td>
</tr>
</tbody>
</table>

You can set this value to a new limit. For example:

- The statutory limit is 6000 USD
- An employee has already contributed 5000 USD with a previous employer
- You must override the limit to account for the 5000 USD already contributed

In this case, set the limit to 1000 USD with a date for the effective change (6000 - 5000 = 1000).

Use the following format for a dollar value: 1000.00.

Note: For flat amount contribution elements only.
In this case, set the limit to 13,500 USD with a date for the effective change (18500 - 5000 = 13500).

Use the following format for a dollar value: 1000.00.

### After-Tax Contributions

If your deferred compensation plan supports after-tax contributions to pretax accounts, configure them using the Voluntary Deductions primary classification and the Pension Plan After Tax 457 secondary element classification.

You can create these deduction elements manually through the Manage Elements task. Like the base contributions, you define whether deductions are based on a flat dollar amount or percentage of earnings.

After-tax elements are subject to the Elective Deferral limit and the Annual compensation limit.

### Employee Contribution Method

To set up after-tax contributions for your compensation plans:

1. Use the Manage Calculation Cards task in the Payroll Administration or Payroll Calculation work area and select the Benefits and Pensions card for the employee.
2. Click the Enterable Calculation Value on Calculation Cards tab.
   
   By default, concurrent processing is used, but you can change it to sequential.

3. Just as with base contributions, select between flat amount or percentage of earnings for contributions.
4. When an employee is contributing to multiple plans, use the Override IRS Limit value. This value overrides the statutory employee contribution limit to help ensure the maximum isn’t exceeded.

### Available Values

These input values for 457 after tax contributions are set on the Benefits and Pensions card:

<table>
<thead>
<tr>
<th>Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat Amount for Employee Contribution</td>
<td>Represents the dollar amount of the contribution. Enter a dollar value in the following format: 1000.00.</td>
</tr>
<tr>
<td>Percentage for Employee Contribution</td>
<td>Represents the percentage amount of the contribution. Enter a percentage as 3 for 3 percent.</td>
</tr>
<tr>
<td>Override IRS Annual Compensation Limit</td>
<td>Overrides the statutory annual employee base contribution limit as enforced by the IRS. This assists in preventing overpayment into contributions. You must clear this value at the beginning of the next year with another date effective change.</td>
</tr>
</tbody>
</table>

**Note:** For flat amount contribution elements only.

You can set this value to a new limit. For example:

- The statutory limit is 18,500 USD
- An employee has already contributed 5000 USD with a previous employer
You must override the limit to account for the 5000 USD already contributed.

In this case, set the limit to 13,500 USD with a date for the effective change (18500 - 5000 = 13500).

Enter a percentage as 3 for 3 percent.

Override IRS Limit

Overrides the statutory employee base contribution limit as enforced by the IRS. This assists in preventing overpayment into contributions. You must clear this value at the beginning of the next year with another date effective change.

After-tax employer contribution matching is optional and configurable.

To set up employer matching for your after-tax contributions:

1. Click the Enterable Calculation Value on Calculation Cards tab.
2. Click the Add button and add Employer Contribution. For Value, select one of the options.

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>No employer matching for your compensation plan.</td>
</tr>
<tr>
<td>Yes, with employee contributions</td>
<td>Applies employer matching amounts based on employee contributions. By default, this element matches .50 USD for every 1 USD contributed by the employee, up to 6 percent of their pay per pay period.</td>
</tr>
<tr>
<td>Yes, without employee contributions</td>
<td>Applies an employer match even if the employee does not contribute. You must use the Employer Match Amount input value to define your contributions.</td>
</tr>
</tbody>
</table>

3. Set the employer match values through the Benefits and Pensions card by setting the value for Employer Contribution Limit Percentage, or Employer Contribution Amount.

You can use the following input values for after-tax contribution elements.

<table>
<thead>
<tr>
<th>Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat Amount for Employee Contribution</td>
<td>For flat amount contributions, represents the dollar amount.</td>
</tr>
<tr>
<td>Percentage for Employee Contribution</td>
<td>For percentage contributions, represents the percentage amount.</td>
</tr>
</tbody>
</table>

Roth Contributions

Your deferred compensation plans can support Roth 457 voluntary deductions. These base contributions are calculated after tax and use the Voluntary Deductions primary classification and the Deferred Compensation 457 Roth secondary classification. You can create these deduction elements manually through the Manage Elements task. Like the base contributions, you define whether deductions are based on a flat dollar amount or percentage of earnings.

For most deferred compensation plans, employees can contribute either a flat dollar amount or a percentage of their earnings per pay period.
To select these methods for your employees:

1. Create a Benefits and Pensions card using the Manage Calculation Cards task.
2. In the Enterable Calculation Values on Calculation Cards tab, select whether contributions are a flat dollar amount or a percentage of employee earnings per pay period.
3. For each employee, assign them to the appropriate component based on their contribution method election.

If percentage is chosen, contributions are drawn from eligible earnings only.

> **Note:** An employee’s contribution amount can change an unlimited number of times throughout the year. And an employee can participate in multiple deferred compensation plans in a tax year. The employer is responsible for tracking all elective deferrals contributing to the imposed statutory limit.

### Employer Match Contribution Method

An employer match is the amount the employer chooses to pay into a retirement account to match the amounts their employees are contributing. Employer base contribution matching is optional, configurable, and applies to Section 457 Roth deferred compensation deductions.

To define employee match contributions for 457 plans, use the person’s Benefits and Pensions calculation card.

To set up employer matching for your compensation plans:

1. Select the Benefits and Pensions card.
2. Select the calculation component for the 457 plan you want to manage.
   You see the components that you defined using the Manage Elements task.
3. Click the Enterable Calculation Value on Calculation Cards tab.
4. Click the **Add** button and add Employer Contribution. For **Value**, select one of the values.

<table>
<thead>
<tr>
<th>Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>No employer matching for your compensation plan.</td>
</tr>
<tr>
<td>Yes, with employee contributions</td>
<td>Applies employer matching amounts based on employee contributions. By default, this element matches .50 USD for every 1 USD contributed by the employee, up to 6 percent of their pay per pay period.</td>
</tr>
<tr>
<td>Yes, without employee contributions</td>
<td>Applies an employer match even if the employee does not contribute. You must use the Employer Match Amount input value to define your contributions.</td>
</tr>
</tbody>
</table>

5. Set the employer match values through the Benefits and Pensions card. Choose one of these values for Employer Contribution Limit Percentage, Flat Amount for Employer Contribution, or Percentage for Employer Contribution.

These values for 457 Roth and Roth catch-up contributions are set on the Benefits and Pensions card:

<table>
<thead>
<tr>
<th>Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat Amount for Employee Contribution</td>
<td>Represents the dollar amount of the contribution. Enter a dollar value in the following format: 1000.00.</td>
</tr>
</tbody>
</table>

> **Note:** For flat amount contribution elements only.
<table>
<thead>
<tr>
<th>Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat Amount for Employee Catch-Up</td>
<td>Represents the dollar amount of the contribution. Enter a dollar value in the following format: 1000.00.</td>
</tr>
<tr>
<td>Percentage for Employee Contribution</td>
<td>Represents the percentage amount of the contribution. Enter a percentage as 3 for 3 percent.</td>
</tr>
<tr>
<td>Percentage for Employee Catch-Up</td>
<td>Represents the percentage amount of the contribution. Enter a percentage as 3 for 3 percent.</td>
</tr>
</tbody>
</table>
| Override IRS Annual Employer Compensation Limit | Overrides the statutory annual employee base contribution limit as enforced by the IRS. This assists in preventing overpayment into contributions. You must clear this value at the beginning of the next year with another date effective change. You can set this value to a new limit. For example:  
  - The statutory limit is 18,500 USD  
  - An employee has already contributed 5000 USD with a previous employer  
  - You must override the limit to account for the 5000 USD already contributed  
  In this case, set the limit to 13,500 USD with a date for the effective change (18500 - 5000 = 13500). Use the following format for a dollar value: 1000.00. |
| Override IRS Annual Limit Catch-Up        | Overrides the statutory annual employee base contribution limit as enforced by the IRS. This assists in preventing overpayment into contributions. You must clear this value at the beginning of the next year with another date effective change. You can set this value to a new limit. For example:  
  - The statutory limit is 6000 USD  
  - An employee has already contributed 5000 USD with a previous employer  
  - You must override the limit to account for the 5000 USD already contributed  
  In this case, set the limit to 1000 USD with a date for the effective change (6000 - 5000 = 1000). Use the following format for a dollar value: 1000.00. |
| Override IRS Limit                        | Overrides the statutory employee base contribution limit as enforced by the IRS. This assists in preventing overpayment into contributions. You must clear this value at the beginning of the next year with another date effective change.                                                                                                                                                                                                 |

These input values for the 457 Roth employer-match are set on the Benefits and Pensions card:
### Setting Up Elements

**Input Value** | **Description**
--- | ---
Percentage for Employer Contribution | Percentage of employee contributions matched by the employer. The default is 50% (matching 0.50 USD for every 1 USD contributed by the employee).

Employer Contribution Limit Percentage | Maximum amount of employer contribution matching, based on the percentage of employee’s pay per pay period. The default is 6% (employer-match contributions cap at 6 percent of the employee’s pay per pay period).

Employer Match Amount | Actual amount of the employer match, as calculated by the payroll run, based on employer-match criteria.

Flat Amount for Employer Catch-Up Contribution | Represents the dollar amount of the contribution. Enter a dollar value in the following format: 1000.00

**Note:** For flat amount contribution elements only.

Override IRS Employer Annual Compensation Limit | Overrides the statutory annual employer base contribution limit as enforced by the IRS. This assists in preventing overpayment into contributions. You must clear this value at the beginning of the next year with another date effective change.

You can set this value to a new limit. For example:

- The statutory limit is 18,500 USD
- An employee has already contributed 5000 USD with a previous employer
- You must override the limit to account for the 5000 USD already contributed

In this case, set the limit to 13,500 USD with a date for the effective change (18500 - 5000 = 13500).

Use the following format for a dollar value: 1000.00.

### Related Topics
- Deferred Compensation Plans

### Enterable Calculation Values for Deferred Compensation Plans

When configuring a deferred compensation plan for an employee, you can select from a wide variety of calculation values on their Benefits and Pensions card.

<table>
<thead>
<tr>
<th>Calculation value</th>
<th>What it does</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Deferred Compensation Limit</td>
<td>This is valid for Section 403 (b) plans only. Applies to employees eligible to catch-up contributions and the 15 Years-of-Service rule. Set this value to <strong>Yes</strong> to enforce the Adjusted Deferred Compensation Annual Limit to their 403 (b) base and catch-up contributions.</td>
</tr>
<tr>
<td>Calculation value</td>
<td>What it does</td>
</tr>
<tr>
<td>-------------------</td>
<td>--------------</td>
</tr>
</tbody>
</table>
| Catch-Up Processing Rule | Use this value to define how employee catch-up contributions are deducted.  
  - Consecutive  
  - Sequential |
|                     | For further information, see the following in the Help Center:  
  - Set Up 403 (b) Deferred Compensation Plans  
  - Set Up 457 (b) Deferred Compensation Plans |
| Employee Catch-Up Contribution | Use this value to enable employee catch-up contributions. |
|                     | For further information, see the following in the Help Center:  
  - Set Up 403 (b) Deferred Compensation Plans  
  - Set Up 457 (b) Deferred Compensation Plans |
| Employer Catch-Up Contribution | Use this value to enable employer-matching catch-up contributions. |
|                     | For further information, see the following in the Help Center:  
  - Set Up 403 (b) Deferred Compensation Plans  
  - Set Up 457 (b) Deferred Compensation Plans |
| Employer Contribution | Use this value to enable employer-matching contributions. |
|                     | For further information, see the following in the Help Center:  
  - Set Up 403 (b) Deferred Compensation Plans  
  - Set Up 457 (b) Deferred Compensation Plans |
| Employer Contribution Limit Percentage | Use this value when defining employer-matching contributions. |
| Enforce Eligible Compensation Limit | This is valid for Section 403 (b) plans only and is related to the 15 Years-of-Service rule. |
|                     | For further information, see Section 403 (b) Plan 15 Years-of-Service Rule in the Help Center. |
| Enforce Employer Catch-Up Compensation Limit | Use this value when defining employer-matching catch-up contributions. |
| Enforce Employer Compensation Limit | Use this value when defining employer-matching contributions. |
| Enforce the 15 years of service | This is valid for Section 403 (b) plans only.  
  Select Yes to identify this person as being eligible for the 15 Years-of-Service rule. |
<p>|                     | For further information, see Section 403 (b) Plan 15 Years-of-Service Rule in the Help Center. |
| Flat Amount for Employee Catch-Up Contribution | Use this value when defining employee catch-up contributions. |</p>
<table>
<thead>
<tr>
<th>Calculation value</th>
<th>What it does</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For further information, see the following in the Help Center:</td>
</tr>
<tr>
<td></td>
<td>• Set Up 403 (b) Deferred Compensation Plans</td>
</tr>
<tr>
<td></td>
<td>• Set Up 457 (b) Deferred Compensation Plans</td>
</tr>
<tr>
<td>Flat Amount for Employee Contribution</td>
<td>Use this value when defining employee base contributions.</td>
</tr>
<tr>
<td></td>
<td>For further information, see the following in the Help Center:</td>
</tr>
<tr>
<td></td>
<td>• Set Up 403 (b) Deferred Compensation Plans</td>
</tr>
<tr>
<td></td>
<td>• Set Up 457 (b) Deferred Compensation Plans</td>
</tr>
<tr>
<td>Flat Amount for Employer Catch-Up</td>
<td>Use this value when defining employer-matching catch-up contributions.</td>
</tr>
<tr>
<td>Contribution</td>
<td>For further information, see the following in the Help Center:</td>
</tr>
<tr>
<td></td>
<td>• Set Up 403 (b) Deferred Compensation Plans</td>
</tr>
<tr>
<td></td>
<td>• Set Up 457 (b) Deferred Compensation Plans</td>
</tr>
<tr>
<td>Flat Amount for Employer Contribution</td>
<td>Use this value when defining employer-matching contributions.</td>
</tr>
<tr>
<td></td>
<td>For further information, see the following in the Help Center:</td>
</tr>
<tr>
<td></td>
<td>• Set Up 403 (b) Deferred Compensation Plans</td>
</tr>
<tr>
<td></td>
<td>• Set Up 457 (b) Deferred Compensation Plans</td>
</tr>
<tr>
<td>Override Adjusted Deferred</td>
<td>Overrides the statutory annual employee base contribution limit as enforced by the IRS. This assists in preventing overpayment into contributions.</td>
</tr>
<tr>
<td>Compensation Limit</td>
<td>For further information, see Contribution Limits for Deferred Compensation Plans in the Help Portal.</td>
</tr>
<tr>
<td>Override IRS Annual Compensation Limit</td>
<td></td>
</tr>
<tr>
<td>Override IRS Employer Annual</td>
<td></td>
</tr>
<tr>
<td>Compensation Limit</td>
<td></td>
</tr>
<tr>
<td>Override IRS Employer Catch-Up Annual</td>
<td></td>
</tr>
<tr>
<td>Compensation Limit</td>
<td></td>
</tr>
<tr>
<td>Override IRS Limit</td>
<td></td>
</tr>
<tr>
<td>Percentage for Employee Catch-Up</td>
<td>Use this value when defining employee catch-up contributions.</td>
</tr>
<tr>
<td>Contribution</td>
<td>For further information, see the following in the Help Center:</td>
</tr>
<tr>
<td></td>
<td>• Set Up 403 (b) Deferred Compensation Plans</td>
</tr>
</tbody>
</table>
### Compensation Limits for Deferred Compensation Plans

Factors such as the age of the employee, the seniority, or the number of years before retirement effect compensation limits. The limit values differ depending on the type of plan. Also, if the employee has changed companies or has more than one type of deferred compensation plan, you may need to override the compensation limits to avoid exceeding the contribution limits.

To do this, use the Manage Calculation Cards task to change the values. For 403 (b) and 457 plans, you set this value on the Benefits and Pensions card.

#### Contribution Limits

The IRS Internal Revenue Code has established the following limits on how an employee may contribute to their plans:

<table>
<thead>
<tr>
<th>Contribution Limit</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible Compensation Annual Limit</td>
<td>Amount of compensation considered when calculating employer and employee contributions. Used to determine the amount available for base contributions or employer matching. Applies to all deferred compensation element types, such as 401 (k), Roth 401 (k), catch up, 403 (b), Roth 403 (b), 457 (b), Roth 457, and employer matching. If an employee has more than one type of plan, the limit applies to all of their plans.</td>
</tr>
<tr>
<td>Contribution Limit</td>
<td>Description</td>
</tr>
<tr>
<td>--------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Elective Deferral Limit</td>
<td>Combined pretax and after-tax annual limit for employee and employer contributions, including elective deferrals, employee contributions, employer contributions, and discretionary contributions. Cannot exceed either 100 percent of an employee’s compensation or their eligible compensation annual limit, whichever is less. Applies to all deferred compensation element types, such as 401 (k), Roth 401 (k), catch up, 403 (b), Roth 403 (b), 457 (b), Roth 457, and employer matching.</td>
</tr>
<tr>
<td>Deferred Compensation 401k Annual Limit</td>
<td>Annual limit of base 401 (k) contributions, without employer matching or catch up, and applies to base 401 (k) and Roth 401 (k) elements only.</td>
</tr>
<tr>
<td>Deferred Compensation 403b Annual Limit</td>
<td>Annual limit of base 403 (b) contributions, without employer matching or catch up. Applies to base 403 (b) and Roth elements.</td>
</tr>
<tr>
<td>Deferred Compensation 457 Annual Limit</td>
<td>Annual limit of base 457 contributions, without employer matching or catch up. Applies to base 457 and Roth elements.</td>
</tr>
<tr>
<td>Deferred Compensation 401k Catch-Up Annual Limit</td>
<td>Annual limit of catch-up 401 (k) contributions, without employer matching, and applies to 401 (k) catch-up and Roth 401 (k) catch-up elements only.</td>
</tr>
<tr>
<td>Deferred Compensation 403b Catch-Up Annual Limit</td>
<td>Annual limit of catch-up 403 (b) contributions, without employer matching. Applies to 403 (b) catch-up and Roth 403 (b) catch-up elements.</td>
</tr>
<tr>
<td>Deferred Compensation 457 Catch-Up Annual Limit</td>
<td>Annual limit of catch-up 457 contributions, without employer matching. Applies to 457 catch-up and Roth 457 catch-up elements.</td>
</tr>
</tbody>
</table>

These statutory limits are stored within the Pretax Deduction value definition groups. From the Manage Calculation Value Definition task, select the Pretax Deduction range to view its statutory limits. Select the appropriate group to view its statutory limits.

**Note:** You cannot make changes to these ranges, as they are statutory.

### Override IRS Limits

Use the Manage Element Entries task in the Payroll Calculation work area to override limit values for a 401(k) plan for specific employees if needed. For 403(b) or 457 plans, use the Manage Calculation Cards task to set override values on the Benefits and Pensions card. If an employee has been contributing to multiple plans, use the Override IRS Limit input value. This value overrides the statutory employee contribution limit and helps ensure the maximum isn’t exceeded.

These are the Override IRS Limit options:

- Override IRS Annual Compensation Limit
- Override IRS Annual Limit Catch-Up
- Override IRS Employer Annual Compensation Limit
- Override IRS Employer Catch-Up Annual Compensation Limit
- Override IRS Limit

The default value of each of these limits is 0.
Enforce Limit Checking

You can also set options to enforce limit checking using the Manage Calculation Cards task. Set limits using the Benefits and Pensions card for 403(b) or 457 plans. Use the Manage Element Entries task in the Payroll Calculation work area to override limit values for a 401(k) plan for specific employees if needed.

<table>
<thead>
<tr>
<th>Enforce Limit Check Options</th>
<th>Default Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enforce Eligible Compensation Annual Limit Check</td>
<td>Blank</td>
</tr>
<tr>
<td>Enforce Eligible Compensation Limit</td>
<td>Yes</td>
</tr>
<tr>
<td>Enforce Employer Catch-Up Contribution Limit</td>
<td>Yes</td>
</tr>
<tr>
<td>Enforce Employer Contribution Limit</td>
<td>Yes</td>
</tr>
<tr>
<td>Enforce the 15 years of service</td>
<td>Yes</td>
</tr>
<tr>
<td>Applies to 403 (b) plans.</td>
<td></td>
</tr>
</tbody>
</table>

Related Topics

- Deferred Compensation Plans

How Concurrent Catch-Up Deductions Are Calculated

When you set up catch-up contributions for deferred compensation deductions, such as 401 (k) and 401 (k) Roth, you can elect that the payments be deducted concurrently with the base payments. This means that with each pay period, the payroll process applies two deductions, one for the base contribution and one for the catch up, up to the yearly statutory limits.

When you set up catch-up contributions for any 403 (b) or 457 deferred compensation deductions, concurrent is the default catch-up processing method.

What Settings Affect Concurrent Processing

When you set up the elements with the Manage Elements task, select **Concurrent** as the catch-up processing method. This enables concurrent processing of your deductions.

How the Payroll Process Calculates Concurrent Deductions

When you start a payroll run, the process:

1. Calculates the regular contribution amount based on the base contribution element’s settings.
2. If the statutory limits for regular contributions have not yet been met, deducts the regular contribution.
3. Calculates the catch-up contribution amount based on the catch-up deduction element’s settings.
4. If the statutory limits for catch-up contributions have not yet been met, deducts the catch-up contribution. This amount is deducted at the same time as the base contribution.
Related Topics

- Deferred Compensation Plans

How Sequential Catch-Up Deductions Are Calculated

When you set up catch-up contributions for deferred compensation deductions, you can elect that the payments should be deducted subsequently to the base payments. This means that the catch-up deductions do not begin until the base contributions have met their yearly statutory limits.

What Settings Affect Sequential Processing

When you define the 401 (k) deduction type, set up the elements with the Manage Elements task, and select **Sequential** as the catch-up processing method. This enables sequential processing of your deductions.

When you define 403b or 457 elements, concurrent is the default catch-up processing method. Override the catch-up processing rule on the Benefits and Pensions card to change it to sequential.

To change the catch-up processing rule for 403 (b) or 457 elements:

1. Using the Manage Calculation Cards task, select the Benefits and Pensions card.
2. Select the deferred compensation plan.
3. Select the Enterable Calculation Values on Calculation Cards tab.
4. Click the plus to add a calculation value.
5. For Name, select **Catch-Up Processing Rule**.
6. For Value, select **Sequential**.
7. Click **OK**.

How the Payroll Process Calculates Sequential Deductions

When you start a payroll run, the process:

1. The process calculates the regular contribution amount based on the base contribution element’s settings.
2. If the statutory limits for regular contributions have not yet been met, the process deducts the regular contribution.
3. If the year-to-date regular deduction limits have been met, it calculates the catch-up contribution amount based on the catch-up deduction element’s settings.
4. If the statutory limits for catch-up contributions have not yet been met, it deducts the catch-up contribution.

Voluntary Deductions

Define Voluntary and Pretax Deductions

Use the Manage Elements task to define voluntary and pretax deductions, such as 401 (k), 403 (b), or 457 deferred compensation. You manage deferred compensation deductions through either calculation cards or element entries, depending on the plan type. You manage other voluntary deductions, such as gym membership, union membership dues, 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.

**Define the Elements**

When you define a 403 (b) or 457 deferred compensation plan deduction, the element template defines a calculation component. You add this component to the Benefits and Pensions calculation cards you assign to your workers.

To define a voluntary deduction for a 401 (k) plan:

1. Select the **Standard** category.
   - This selection means you manage these deductions using the Manage Element Entries task.
2. After defining the element, you can optionally 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.

To define a voluntary deduction for a 403 (b) or 457 plan:

1. To define the base contribution, use the Manage Elements task, and select the Pretax Deductions primary element classification and Deferred Compensation 403b or Deferred Compensation 457 secondary element classification.
   - You configure these deductions using the Manage Calculations Card task and Benefits and Pensions card.
2. To define catch-up or employee match contributions, use Manage Calculations Card task and define the contributions using the Benefits and Pensions card.
3. To define after tax contributions, use the Manage Elements task and select the Voluntary Deductions primary element and the and Pension Plan After Tax 403b or 457 secondary classification.
   - You configure these deductions using the Manage Calculations Card task and Benefits and Pensions card.

**Define Third-Party Payees**

To define third-party payees, use the Manage Third Parties page in the Payment Distribution work area.

**Define 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.

**Enter Deduction Details for Each Person**

For 403 (b) and 457 deferred compensation plans:

1. Use the Manage Calculations Card task to configure a Benefits and Pensions calculation card for the person.
2. Add the 403 (b) or 457 calculation component to the card.
3. Enterable Calculation Values on Calculation Cards tab, select whether its contributions are a flat dollar amount or a percentage of employee earnings per pay period.
4. For each employee, assign them to the appropriate component based on their contribution method election.
For voluntary deductions, you must define element entries.

**Related Topics**
- Create a Personal Calculation Card for the US
- Creating Third-Party Payment Methods: Procedure
- Pretax Deductions for the US
- Voluntary Deductions for the US

## 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_UOM>
    <ADJUSTMENT_UNIT>
    <FACTOR>
    <CALCULATION_DATE>
    <PERIODICITY>
    <ABSENCE_START>
    <ABSENCE_END>
    <ABSENCE_DATE_LIST>
    <ABSENCE_DATE>
    <ABSENCE_DATE>
    <LEAVE_DATE>
    <ACCRUED_DATE>
    <OVERRIDING_FACTOR>
    <OVERRIDING_RATE_ID>
    <OVERRIDING_RATE_NAME>
    <OVERRIDING_UOM>
  </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>XML Tag</td>
<td>Description</td>
</tr>
<tr>
<td>-------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</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>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>ABSENCE_START</td>
<td>Date the absence started.</td>
</tr>
<tr>
<td>ABSENCE_END</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>
            </LEGAL_EMPLOYER_NAME>
          </MAPPING_ID>
        </LDG_ID>
      </BENEFIT_ID>
    </ACTION>
  </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.</td>
</tr>
<tr>
<td>XML Tag</td>
<td>Description</td>
</tr>
<tr>
<td>------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>TERM_NUMBER</td>
<td>Number that identifies the employment period for the pension deduction.</td>
</tr>
<tr>
<td>HR_ASSIGNMENT_ID</td>
<td>Unique ID for the assignment.</td>
</tr>
<tr>
<td>ASSIGNMENT_NUMBER</td>
<td>Number that identifies the employment assignment for the pension deduction.</td>
</tr>
<tr>
<td>LEGAL_EMPLOYER_ID</td>
<td>ID of the legal employer name that the assignment belongs to.</td>
</tr>
<tr>
<td>LEGAL_EMPLOYER_NAME</td>
<td>Legal employer name that the assignment belongs to.</td>
</tr>
<tr>
<td>BENEFIT_START</td>
<td>Start date of the benefit.</td>
</tr>
<tr>
<td>BENEFIT_END</td>
<td>End date of the benefit.</td>
</tr>
<tr>
<td>BENEFIT_RATE_ID</td>
<td>ID of the rate that will be used to calculate the payment amount.</td>
</tr>
<tr>
<td>BENEFIT_RATE_NAME</td>
<td>Name of the rate that will be used to calculate the payment amount.</td>
</tr>
<tr>
<td>AMOUNT</td>
<td>Amount that is used to calculate the rate using the periodicity.</td>
</tr>
<tr>
<td>PERIODICITY</td>
<td>Used with the amount or rate, the periodicity is the frequency that determines the rate value.</td>
</tr>
<tr>
<td>BENEFIT_MAX_ELECTION</td>
<td>Annual maximum election amount that can be processed.</td>
</tr>
<tr>
<td>BENEFIT_REF_NUMBER</td>
<td>Employee’s reference number with the provider of the pension (benefit organization).</td>
</tr>
</tbody>
</table>

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.

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.

**Related Topics**

- Running the Load Benefit Batches Process: Procedure

**File Format for Importing Time Entries to Payroll**

You import time entries from a third-party provider by submitting the Load Time Card Batches process from the Payroll Checklist or Payroll Administration work areas. When you submit the process, you specify the batch XML file that includes your time entries. This topic explains the XML file format and XML tags you must use in the file.

You submit the Load Time Card Batches process from the Payroll Administration work area. The process creates a new calculation card or updates an existing card for each worker with time entries included in the batch.
XML File Format for Importing Time Entries

When you create a file to transfer time card entries to payroll, use the following structure.

```xml
<TIME_CARD_LIST>
  <TIME_CARD>...
    <ACTION>
      <TIME_CARD_ID>
      <MAPPING_ID>
      <MAPPING_NAME>
      <LDG_ID>
      <LDG_NAME>
      <HR_TERM_ID>
      <TERM_NUMBER>
      <HR_ASSIGNMENT_ID>
      <ASSIGNMENT_NUMBER>
      <LEGAL_EMPLOYER_ID>
      <LEGAL_EMPLOYER_NAME>
      <TIME_CARD_START>
      <TIME_CARD_END>
      <TIME_ITEM_LIST>...
        <TIME_ITEM>
          <TIME_TYPE>
            {
              <PAYMENT_RATE_ID>
              <PAYMENT_RATE_NAME> | 
              <RATE_AMOUNT>
              <PERIODICITY>
              <FACTOR> | 
              <AMOUNT>
              <PERIODICITY>
            }
            <TIME_UNIT>
            <TIME_UOM>
            <TIME_ITEM_START>
            <TIME_ITEM_END>
            <COST_SEGMENTS>
            <SEGMENT1..30>
            </COST_SEGMENTS>
            <PROPERTIES_LIST>
            <PROPERTY_ITEM>
              <NAME>
              <VALUE>
            </PROPERTY_ITEM>
            </PROPERTIES_LIST>
          </TIME_ITEM>
          </TIME_ITEM_LIST>
        </TIME_ITEM>
      </TIME_ITEM_LIST>
    </TIME_CARD>
  </TIME_CARD>...
</TIME_CARD_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>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>XML Tag</td>
<td>Description</td>
</tr>
<tr>
<td>-----------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</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. Specify the Mapping ID or the Mapping Name. If none is included, the process uses the default interface type Import Time XML and attempts to find a mapping.</td>
</tr>
<tr>
<td>MAPPING_NAME</td>
<td>Name used for the mapping. Specify the mapping name or the mapping ID. If none is included, the process uses the default interface type Import Time XML and attempts to find a mapping.</td>
</tr>
<tr>
<td>LDG_NAME</td>
<td>Name of the legislative data group (LDG) for this record. Specify the identifier or name of the LDG. All the records in the XML file must belong to the same LDG. If you don’t include the LDG_ID or the LDG_NAME, the application uses the legislative data group you entered for the Load Time Card Batches process.</td>
</tr>
<tr>
<td>LDG_ID</td>
<td>Identifier for the LDG for this record. Specify the identifier or name of the LDG. All the records in the XML file must belong to the same LDG. If you don’t include the LDG_ID or the LDG_NAME, the application uses the LDG you entered for the Load Time Card Batches process.</td>
</tr>
<tr>
<td>TERM_NUMBER</td>
<td>Number that identifies the employment terms for the time entry.</td>
</tr>
<tr>
<td>ASSIGNMENT_NUMBER</td>
<td>Number that identifies the employment assignment for the time entry.</td>
</tr>
<tr>
<td>TIME_CARD_START</td>
<td>Start date of the time card.</td>
</tr>
<tr>
<td>TIME_CARD_END</td>
<td>End date of the time card.</td>
</tr>
<tr>
<td>TIME_ITEM_LIST</td>
<td>Tag that contains a set of time items.</td>
</tr>
<tr>
<td>TIME_ITEM</td>
<td>Object that contains information about a specific hour item.</td>
</tr>
<tr>
<td>TIME_TYPE</td>
<td>Name supplied by the time application that maps to the payroll element and calculation component.</td>
</tr>
<tr>
<td>PAYMENT_RATE_ID</td>
<td>Identifier for the rate definition used to calculate the payment amount.</td>
</tr>
<tr>
<td>PAYMENT_RATE_NAME</td>
<td>Name of the rate definition used to calculate the payment amount.</td>
</tr>
<tr>
<td>RATE_AMOUNT</td>
<td>Actual rate used to calculate the payroll amount.</td>
</tr>
<tr>
<td>AMOUNT</td>
<td>Flat amount used to calculate the rate based on periodicity.</td>
</tr>
<tr>
<td>PERIODICITY</td>
<td>Frequency that determines the rate value, used with amount or rate amount.</td>
</tr>
</tbody>
</table>
## Setting Up Elements

<table>
<thead>
<tr>
<th>XML Tag</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>FACTOR</td>
<td>Multiplier applied to the derived rate to calculate the payment amount.</td>
</tr>
<tr>
<td>TIME_UNIT</td>
<td>Number of units for the Unit of Measure specified in TIME_UOM. For example, if the UOM is hours, 8 units is 8 hours worked.</td>
</tr>
<tr>
<td>TIME_UOM</td>
<td>Unit of measure for specifying time unit, such as hours.</td>
</tr>
<tr>
<td>TIME_ITEM_START</td>
<td>Start time for the time entry.</td>
</tr>
<tr>
<td>TIME_ITEM_END</td>
<td>Ending time for the time entry.</td>
</tr>
<tr>
<td>COST_SEGMENTS</td>
<td>List of the costing segments.</td>
</tr>
<tr>
<td>PROPERTY_LIST</td>
<td>Set of properties for the time item.</td>
</tr>
<tr>
<td>PROPERTY_ITEM</td>
<td>Additional information that is captured. For example, a value definition for the property item State would return State and the name of the State.</td>
</tr>
<tr>
<td>NAME</td>
<td>Name of a property for the time item.</td>
</tr>
<tr>
<td>VALUE</td>
<td>Value of a property for the time item.</td>
</tr>
</tbody>
</table>

### Related Topics
- Prerequisite Payroll Setup for Importing Time Entries: Explained
- Importing Time Card Entries to Payroll: Procedure

## Setting Up Payroll Processing Rules

### Frequency Rules: Explained

Use frequency rules to process a recurring element at a frequency other than the one defined for the payroll. For example, you can use a frequency rule to process a monthly deduction in the third payroll period of the month for employees that are paid on a weekly basis. For employees that are paid on a semimonthly payroll, you can use a frequency rule to process the monthly deduction in the second period of the month only.

For these cases, you would define a different frequency rule for each element.

You can control how often to process the element. Column headers that display on the Element Summary page are dynamic based on the frequency period. For example, if the payroll period is weekly, the column headers are Week 1, Week 2, and so on. You then select the periods in which you want the element processed.
Controlling the Processing of Recurring Elements

The Date field on the Element Summary page provides three values.

This table explains the three options that you can use to control the processing of recurring elements.

<table>
<thead>
<tr>
<th>Field Value</th>
<th>Description</th>
<th>How Pay Periods are Derived</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date Earned</td>
<td>Date on which the application processes element entries for the payroll run.</td>
<td>Uses the pay period end date of the period that contains the date earned to determine the number of pay periods in the month.</td>
</tr>
<tr>
<td>Effective Date</td>
<td>In most cases this is the date between the first day and last day of the payroll period.</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>
<tr>
<td>Payroll Run Date</td>
<td>Date used by the payroll calculation process to retrieve effective values such as employee details.</td>
<td>Uses the payroll run date to determine the number of pay periods in the month.</td>
</tr>
</tbody>
</table>

**Note:** For offset payrolls, where the effective date is not within the start and end dates of the current period, the end date of the period that contains the effective date is used.

For example, you have an offset payroll where the period start date is 01-February, the end date is 14-February, and the effective date for the process is 16-February. In this case the actual period end date is 28-February because the effective date (16-February) is between 15-February and 28-February.

Using the Payroll Run Date Option: Example

Let’s say you deduct pre-tax medical insurance payments twice a month for all employees on your biweekly payroll. In this scenario, you should select the Payroll Run Date option. Selecting this option ensures that your payroll system doesn’t process more than two deductions for the month.

The pay period dates listed in this table are for a biweekly payroll.

<table>
<thead>
<tr>
<th>Pay Period</th>
<th>Pay Period Start Date</th>
<th>Pay Period End Date</th>
<th>Payroll Run Date</th>
</tr>
</thead>
</table>
Setting Up Elements

This table describes how the process determines the number of deductions taken for each of the date values when you process your January payroll.

<table>
<thead>
<tr>
<th>Field Value</th>
<th>Date Used to Derive the Number of Pay Periods</th>
<th>Number of Deductions Taken for January</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date Earned</td>
<td>Pay period end date</td>
<td>3</td>
</tr>
<tr>
<td>Effective Date</td>
<td>Pay period end date</td>
<td>3</td>
</tr>
<tr>
<td>Payroll Run Date</td>
<td>Payroll run date</td>
<td>2</td>
</tr>
</tbody>
</table>

Note: Deductions would be taken out for the first two pay periods only since the payroll run date for the third pay period is in February.

Restricting Payroll Processing: Critical Choices

You can control which payroll relationships and which elements to process in a payroll run by selecting rules, such as a skip rule or frequency rule. You can also restrict the payroll relationships and further restrict the elements that the run will process by specifying flow parameters when you submit the calculation process, such as Calculate Payroll or Calculate Gross Earnings.

Restrict the Elements to Process Based on Rules

When you create an element, you specify eligibility rules that control who is eligible to receive an element. You can also create skip and frequency rules that control which recurring elements the payroll run processes, as shown in the following table.

<table>
<thead>
<tr>
<th>Rules</th>
<th>Descriptions</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skip</td>
<td>Determines whether to include or exclude the element entry for the person using rules in a formula</td>
<td>A once-each-period rule stops recurring element entries from processing more than once in a payroll period.</td>
</tr>
<tr>
<td>Frequency</td>
<td>Specifies which payroll periods to process the entries</td>
<td>A frequency rule might specify that the formula processes an element only on the first and third weeks of a month.</td>
</tr>
</tbody>
</table>
Restrict the Records to Process Based on Flow Parameters

Restrict the number of records for the calculation process by specifying flow submission parameters as shown in the following table.

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Relationship Group</td>
<td>Restricts processing to the payroll relationships within the group, which you can define using static or dynamic rules, based on payroll relationship or assignment information.</td>
</tr>
<tr>
<td>Element Group</td>
<td>Restricts processing to the elements in the group, which you can define by selecting element classifications and including or excluding specific elements.</td>
</tr>
</tbody>
</table>
| Run Types                   | Determines which payroll calculations to perform and how to pay the results. The application processes an element in all the run types, unless you set up the element:  

- To process separately  
- As a trigger for a run type, in which case it is automatically excluded from the other run types |

The flow submission parameters for the calculation process include dates that control which records to process as shown in the following table.

<table>
<thead>
<tr>
<th>Date</th>
<th>Required?</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process Date</td>
<td>No</td>
<td>Usually the payroll run date of your payroll definition.</td>
</tr>
<tr>
<td>Payroll Period</td>
<td>Yes</td>
<td>Used to derive other dates for processing.</td>
</tr>
<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.
A base pay element associated with a salary basis must be recurring.

What's an element's skip rule?

A skip rule is an optional formula that determines the circumstances in which an element is processed. If you specify a skip rule for the element, payroll runs process the element only when the conditions of the formula are met. Otherwise the element is skipped from processing. You select skip rules on the Manage Elements page.

Related Topics
- Overview of Using Formula Components

How can I create an element for retroactive processing?

When you create the element, specify that it’s subject to retroactive changes. You can select the predefined retroactive event group for the element, or create your own. When an element is subject to retroactive changes, all components for the retroactive element are created automatically. This includes adding the element to the predefined retroactive event group and proration group. You can create your own retroactive event group and proration event group and change the default values for the element in the Manage Element flow.

When does an element get processed with a processing option of process once per period?

The first payroll run of each period processes the element entries. If this option isn’t available for your country or territory, you can select a skip rule to process the element once each period.

What happens if I select the Closed for Entry option for an element?

This option prevents the creation of all new element entries for the element. However, it doesn’t affect any existing element entries.

⚠️ Caution: When hiring, terminating, or updating assignments, this option prevents all element entry creation for the element, including automatic entries.

Related Topics
- Element Entry Methods: Explained
What happens if I manually enter a value in an element entry value that has a runtime default value?

Any subsequent changes to the default value on the element or element eligibility record won't affect the element entry. However, you can clear your entry if you want to restore the default value.

How do I change the number of decimal places used in element input values?

Monetary input values use the number of decimal places defined for the currency, such as two for USD. If your calculations require more decimal places, select a numeric unit of measure for the input value. The level of decimal precision that you specify must match the precision value set on the Manage Currency page for the country. This ensures that the payroll processes and reports used for reconciliation and legislative reporting produce the expected results.
13 Setting Up Payment Methods

Organization Payment Methods

Organization Payment Methods: Explained

After setting up the banks, bank branches, and bank accounts, you must define the payment methods your organizations use. Organization payment methods (OPMs) link the personal payment methods (PPMs) with the payment sources. This means you don’t need to store as many details about the payment method on the person record.

OPMs can interact with several components.

- How payroll definitions use them
- What payment types work with them
- Payment sources
- Payment rules
- Manage Organization Payment Methods Task

Payroll Definitions

Part of creating a payroll definition is selecting what OPMs work with it. The employees you associate with this payroll definition use the OPMs you select.

You can override the payment method at the employee level.

Payment Types

When you create an organization payment method, you select a payment type. For further information on OPM definition, see Manage Organization Payment Methods Task below.

The most common payment types are:

- Electronic funds transfer (EFT)
- Check
- Cash

**Tip:** If you select 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 when submitting the payment process.

Payment Sources

If you’re using Oracle Fusion Global Payroll for payroll processing, you must define at least one payment source for each OPM.

**Note:** Use Oracle Fusion Cash Management to associate each payment source with an active bank account.
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 OPM, as illustrated in the following example.

<table>
<thead>
<tr>
<th>Payment Method</th>
<th>Payment Source</th>
<th>Bank Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>Check</td>
<td>Bank of America Account A</td>
<td>Bank A - Account 7890045</td>
</tr>
<tr>
<td>EFT</td>
<td>Bank of America Account B</td>
<td>Bank A - Account 7890045</td>
</tr>
</tbody>
</table>

> **Note:** If you are costing your payments, enter cost account information through the Manage Costing of Payment Sources task in the Accounting Distribution work area.

### Payment Rules and Default Payment sources

If you define multiple payment sources, you can use payment rules to determine the appropriate payment source based on tax reporting unit (TRU).

The following example shows one OPM 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 US</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 California</td>
<td>California TRU</td>
<td>No</td>
</tr>
<tr>
<td>Bank B - Account 1238900</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll EFT Source Texas</td>
<td>Texas TRU</td>
<td>No</td>
</tr>
<tr>
<td>Bank C - Account 8765999</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The first payment source you add is the default payment source, but you can select another payment source as the default, or not have a default payment source.

To understand the effect of having a default payment source, consider the following examples that describe what happens when a TRU changes, causing a payment rule to be invalid.

<table>
<thead>
<tr>
<th>What you can do</th>
<th>When you would do it</th>
</tr>
</thead>
<tbody>
<tr>
<td>With a default</td>
<td>This approach might suit a company with multiple independent franchises, each with a default payment source.</td>
</tr>
<tr>
<td>payment source,</td>
<td>If a franchise holder sells the franchise, payments don't fail.</td>
</tr>
<tr>
<td>the payment</td>
<td>This approach might suit a company with strict policies about payment rule compliance.</td>
</tr>
<tr>
<td>process pays</td>
<td></td>
</tr>
<tr>
<td>employees using</td>
<td></td>
</tr>
<tr>
<td>the default</td>
<td></td>
</tr>
<tr>
<td>payment source.</td>
<td></td>
</tr>
</tbody>
</table>
What you can do | When you would do it
---|---
appropriate payment source to fund the payment.

### Manage Organization Payment Methods Task

You must create one OPM for each combination of legislative data group (LDG), 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 OPMs as you require for your enterprise. Use the Manage Organization Payment Methods task in the Payment Distribution work area.

To define OPMs:

1. Start the Manage Organization Payment Distribution task in the Payment Method work area.
2. Click **Create**.
3. Select the LDG associated with this payment method.
4. On the Create Organization Payment Method page, enter the required information.

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Enter the name of this OPM.</td>
</tr>
</tbody>
</table>

**Payment Type**

Select the payment type for this OPM.

- You must create a separate OPM for domestic and international payments.
- Use the Direct Deposit payment type for domestic direct deposits and the International Transfer payment type for international payments.

- Two EFT templates are available.
  - PPD for US Payments
  - IAT for international payments

**Currency**

Select **US Dollar**.

**Prenotification required**

Prenotification is the process of submitting a 0 USD transaction in order to verify an electronic transfer’s routing numbers and account number information. Use this field to indicate whether a prenotification process is required for direct deposit payment types.

5. If you have selected **Direct Deposit** or **International Transfer** as the payment type, in the Electronic Funds Transfer File Information section, enter the appropriate values.

<table>
<thead>
<tr>
<th>Field Name</th>
<th>EFT Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balancing Entries</td>
<td>Balanced Electronic File</td>
<td>Determines whether the payroll process generates a balanced or unbalanced electronic payments file. An unbalanced electronic payments file does not have an offsetting debit record and therefore allows cases where the total debits of the file are...</td>
</tr>
</tbody>
</table>
### 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>
Object | Function
---|---
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.

**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.

**Related Topics**
- Payroll Definitions: Explained

### Configuring Payment Method Preferences: Procedure

You can configure preferences related to payment methods using a user-defined table and fast formulas. After you create your formulas for the configuration that you require, you attach formula names as values for the corresponding preferences in the user-defined table.

1. Use the Manage Fast Formulas task to create the formula using the Payroll User Interface Configuration formula type.
2. On the Manage User-Defined Tables page, select the legislative data group that you to manage the user-defined table, and then search for and select PAYROLL_USER_INTERFACE_CONFIGURATION.
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>Value</td>
<td>Purpose</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>-------------------------------------------------------------------------</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: Examples

The following scenarios illustrate how you might use payment method rules to handle payments to different parties and from different payment sources. You set payment method rules on the Manage Organization Payment Methods page in the Payment Distribution work area.

**Pay Workers and Third Parties Using the Same Payment Source**

Your organization pays all workers and third-party payees from the same source bank account. In this scenario, no special payment method rules are required. Ensure that the payment source is set as the default and that you leave the Third-Party Payment, Tax Reporting Unit, and Payment Criteria fields blank.

**Pay Workers and Third Parties in 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: Worked 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>
<tr>
<td>What payment method rules do you need?</td>
<td>Rules for bank accounts used as payment sources based on each TRU.</td>
</tr>
</tbody>
</table>

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>
<tr>
<td>Currency</td>
<td>Payment currency</td>
</tr>
</tbody>
</table>

Note: The available payment types for OPMs can vary by legislation.

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>
</tbody>
</table>
Oracle Human Resources Cloud Implementing Payroll for the United States

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Setting Up Payment Methods

<table>
<thead>
<tr>
<th>Field</th>
<th>Source 1</th>
<th>Source 2</th>
<th>Source 3</th>
</tr>
</thead>
<tbody>
<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: Worked Example

You can use payment criteria to set up rules that derive payment sources within a single tax reporting unit (TRU). The prepayments process identifies the source bank information using the employee’s TRU and any additional payment criteria that you define. This example uses department, but you can use other criteria, such as business unit.

The tasks to complete this setup are Manage Organization Payment Method, Manage Elements, and Manage Fast Formulas. The key steps in this example are:

1. Define the payment rules in the organization payment method.
2. Create the formula to get department names from HR.
3. Create the formula that calls the department names formula to get employee department by Assignment ID.
4. Create the Default Payer information element.

In this example, the enterprise wants to pay employees in the Sales and Development departments from separate payment sources. You create an element to pass the department name as a run result value.

Defining Payment Rules

1. On the Manage Organization Payment Method page, in the Payment Sources section, create the payment sources to use in the payment rules, if they don’t already exist.
2. In the Payment Method Rules section, add one payment rule for each department, as shown in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Development Department</th>
<th>Sales Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Reporting Unit</td>
<td>TRU 1</td>
<td>TRU 1</td>
</tr>
</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>Development Department</th>
<th>Sales Department</th>
</tr>
</thead>
<tbody>
<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>

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>
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>
<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.

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>
</tbody>
</table>
3. Edit the new element to create element eligibility that is set to automatic entry as follows:
   a. In the Element Overview section, click Element Eligibility, and then select Create Element Eligibility from the Actions menu.
   b. In the Element Eligibility Name field, enter Payment Criteria Element Eligibility.
   c. Select Automatic entry.
   d. Click Save.

4. Edit the new element to create processing rules as follows:
   a. In the Element Overview section, click Status Processing Rules, and then select Create Status Processing Rules from the Actions menu.
   b. In the Formula Name field, select XX_Default_Payer_Payment_Criteria.
   c. In the Result Rules section, add a row using the values in this table.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Result Returned</td>
<td>EMP_DEPT</td>
</tr>
<tr>
<td>Result Rule</td>
<td>Direct Result</td>
</tr>
<tr>
<td>Target Input Value</td>
<td>Payment Criteria</td>
</tr>
</tbody>
</table>

   d. Click Submit.

Prenotifications: Explained

Prenotes are Automated Clearing House (ACH) prenotifications. They are 0 USD ACH entries you send to a bank at least 10 banking days before sending the first live payroll credit. The prenote validates the routing number and account number of the receiving bank or credit union.

To set prenotification information, set the following options in the organization payment method (OPM) for electronic funds transfer (direct deposit) or international transfer payment types. Use the Manage Organization Payment Methods task in the Payment Distribution work area.

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prenotification Required</td>
<td>Designates whether the prenotification process is required for employees.</td>
</tr>
<tr>
<td>Prenotification Amount</td>
<td>Default value for this field is 0 USD.</td>
</tr>
<tr>
<td>Days</td>
<td>Number of days required for a prenotification wait period. The employee is paid by check until the waiting period is completed. For example, if the prenote wait period is 10 days and running a weekly...</td>
</tr>
</tbody>
</table>
If a prenote is required for the OPM, the Make EFT Payments process sends a prenote entry with 0 USD in the direct deposit file (PPD) for all new hires and retirees. For a person’s checking account, the prenotification transaction contains the transaction code of 23 in the entry detail record. For the person’s saving account, the prenotification transaction contains the transaction code of 33.

You can create prenotes for existing people by assigning them a personal payment method with new banking information.

## 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.

**Banking Configuration: Explained**

If you have a Payroll or Payroll Interface implementation, you need to define your bank information, including banks, bank branches, and bank account numbers.

*Note:* If you are an HR-only customer, you may still want to add payee banking information even if payroll is not being processed by Oracle Fusion HCM Global Payroll. For example, banking set up may be required for reporting purposes or because the data may be passed to other products, such as an expenses module.

Configuring banks involve multiple operations.

<table>
<thead>
<tr>
<th>What you want to do</th>
<th>How you do it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Configure employee options for bank</td>
<td>Use the Manage Cash Management Profile Options task.</td>
</tr>
<tr>
<td>details.</td>
<td></td>
</tr>
<tr>
<td>Define banks and bank branches.</td>
<td>Use the Manage Banks task in your implementation project.</td>
</tr>
<tr>
<td>Define bank accounts.</td>
<td>Use the Manage Bank Accounts task from your implementation project.</td>
</tr>
<tr>
<td>Define organization payment methods.</td>
<td>After setting up the banks, bank branches, and bank accounts, you must define the payment methods used within the organization. For further information, see Organization Payment Methods for the US in the Help Center.</td>
</tr>
<tr>
<td>Issue retiree payments to rollover</td>
<td>Define an appropriate Voluntary Deductions element for the retiree, and submit a check request.</td>
</tr>
<tr>
<td>institutions.</td>
<td></td>
</tr>
<tr>
<td>Configure prenotifications.</td>
<td>You must specify the necessary prenotes on the appropriate organization payment methods.</td>
</tr>
<tr>
<td></td>
<td>For further information, see Prenotifications for the US in the Help Center.</td>
</tr>
<tr>
<td>Perform optional configuration.</td>
<td>Consolidation groups and payroll definitions are normally concepts related to payroll. However, if you are an HR-only implementation, you may need to assign banking details to employees. In this case, you must define these objects. For further information, see following in the Help Center:</td>
</tr>
<tr>
<td></td>
<td>• Consolidation Groups for the US</td>
</tr>
<tr>
<td></td>
<td>• Payroll Definitions for the US</td>
</tr>
</tbody>
</table>
For further information, see the following sections.

### Configure Employee Options for Bank Details

Employees can enter their bank details using the Manage Personal Payment Methods task through their employee self-service. Use the CE_USE_EXISTING_BANK_BRANCH profile option to define what settings are available to them.

To define the fields the employees can use to configure their bank details:

1. Start the Manage Cash Management Profile Options task.
2. Search for the CE_USE_EXISTING_BANK_BRANCH profile option.
3. In the search results, select the profile option.
4. In the Profile Values region, select the Site profile level.
5. Set the profile value:

<table>
<thead>
<tr>
<th>Profile Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Allows employees to select their banks and branches from a predefined list. You must have previously defined this list through either the Create Bank and Create Bank Branch tasks or the mass upload process.</td>
</tr>
<tr>
<td>No</td>
<td>Allows employees to set their bank and branch details through free text fields.</td>
</tr>
</tbody>
</table>

6. Click **Save and Close**.

### Define Banks and Bank Branches

No banks or bank branches are predefined. You must configure them before you can enter bank accounts and payment methods payees. Do this manually or do it through a mass upload process.

To manually define banks:

1. Sign in with a role that has cash manager privileges, such as CASH_MANAGER.
2. Start the Manage Banks task in your implementation project.
3. Click **Create**.
4. On the Create Bank page, provide the necessary information.
5. Click **Save and Close**.

To manually define bank branches:

1. Sign in with a role that has cash manager privileges, such as CASH_MANAGER.
2. Start the Manage Bank Branches task in your implementation project.
3. Click **Create**.
4. On the Create Bank Branch page, provide the necessary information.
5. Click **Save and Close**.

### Define Bank Accounts

Once you have set up banks and branches, you must define the bank accounts needed for your organization. The Implementation Teams normally set up bank accounts at an organizational level, such as the source bank accounts for payments. You must set up the bank accounts at the individual payee level.

No bank accounts are predefined.
To define bank accounts:

1. Start the Manage Bank Accounts task from your implementation project.
2. Click **Create**.
3. On the Create Bank Branch page, provide the required information.
4. To use this bank account for processing payments related to payroll, select the **Payroll** option in the **Account Use** field.
5. Click **Save and Close**.

**Issue Retiree Payments to Rollover Institutions**

A retiree can designate all or a portion of their payments to a rollover institution. To configure these payments:

1. Define a Voluntary Deductions element for the person.
2. Submit a check request through your Accounts Payable department with the appropriate payment details.

For example, your retiree receives a monthly pension payment of 1000 USD, so you define a Voluntary Deduction for it. After payroll processing, a General Ledger account holds this money, while your Payroll Department issues a check request to Accounts Payable. This check would be payable to the rollover institution.

**Bank, Branch, and Account Components: How They Work Together**

Banks, branches, and accounts fit together on the premise of the Bank Account model.

The model enables you to define and keep track of all bank accounts in one place and explicitly grant account access to:

- multiple business units
- functions
- users

This eliminates the redundant duplicate bank account setup in different business units when these business units share the same bank account.

**Banks**

Creating a bank is the first step in the bank account creation. You can:

- Search for existing banks to view and update
- Create a new bank from an existing party

Consider the following:

- The option to create from an existing party is implicitly implemented by the matching option.
- The option is available only after the existing party has been found with the same bank.
- If you select the matching option, the page repopulates the information from the matched party.

**Branches**

Once you have created your bank, the next step is creating a branch or branches associated to the bank. The matching option is also available when creating branches. To create a new branch without using the matching option, manually enter the required information. You can also define other branch-related attributes in the same page.

If you don’t use the matching option when an existing party is found, a branch with the same party name is created.
Accounts

The four areas associated with defining an account are:

- General information
- Control of the account
- Security and access to the account
- Business unit assignment

Once the bank and branch are created, proceed to the bank account setup by doing the following:

- Select the bank branch you want to associate to your bank account.
- Assign the owner of the bank account.

> **Note:** To create a bank account for Payables or Receivables, add the Business Unit Access first for the business units to use the bank account.

Consider the following:

- The Oracle Fusion Account Payables or Receivables accounts are identified by the business unit.
- The Oracle Fusion Payroll accounts are identified by the legal entity.
- The program, Inactivates Banks and Bank Branches allows you to inactivate all banks and bank branches that have no active internal and external bank accounts.

**Related Topics**

- Reconciliation Matching Rules: Explained

**Entering Bank Information for Personal Payment Methods: Critical Choices**

You can enter bank, branch, and bank account information centrally as part of implementation, or you can let employees add their own bank information. You can share this information across multiple applications for different purposes.

The following table summarizes several approaches for creating bank information for employees.

<table>
<thead>
<tr>
<th>Approach</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manage Banks page and Manage Bank Branches page</td>
<td>View, create, or edit banks and branches centrally for outgoing payments or receiving payments</td>
</tr>
<tr>
<td>Manage Personal Payment Methods page</td>
<td>Create or edit employee bank account details for receiving 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>
Controlling Who Can Manage Banks and Branches

The following table shows the roles that are typically involved in managing bank information, what actions they can take by default, and which pages they use.

<table>
<thead>
<tr>
<th>Role</th>
<th>Can Create Banks and Branches?</th>
<th>Can Create Employee Bank Account Details?</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Manager</td>
<td>Yes</td>
<td>No</td>
<td>Manage Banks page and Manage Bank Branches page.</td>
</tr>
<tr>
<td>Payroll Administrator</td>
<td>Depends on duty role or profile option</td>
<td>Yes</td>
<td>Manage Personal Payment Methods page, Payment Distribution work area</td>
</tr>
<tr>
<td>Payroll Interface Coordinator</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll Manager</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee</td>
<td>Depends on duty role or profile option</td>
<td>Yes</td>
<td>Manage Payment Methods page, Portrait</td>
</tr>
</tbody>
</table>

You can use a profile option to control access to create bank and branch data. On the Manage Cash Management Profile Options page, set the Use Existing Banks and Branches profile option to either Yes or No.

- If you set it to Yes, you can load bank and branch data so that administrators and employees select bank details from a list of values on the Create Personal Payment Method page.
- If you set it to No (default setting), you can’t load any bank details. Administrators and employees enter their bank and branch details as free text.

Related Topics

- Payroll User Interface Configuration Formula Type

Third-Party Payment Methods

Creating Third Parties: Points to Consider

You create third parties to process payments to external organizations and people who aren’t on the payroll. Use the Manage Third Parties task in the Payment Distribution work area or the Batch Loader task in the Payroll Administration, Data Exchange, or Checklist work area to create third-party organizations for payments, such as pension providers or professional bodies, or third-party organizations, such as disability organizations. During the creation, third party persons and organizations are also defined as trading community members in the Trading Community Architecture (TCA), allowing use in other products.
The following figure illustrates the steps to create third parties.

![Flowchart](image)

**Party Usage Codes**

Creating third parties on the Manage Third Parties page creates corresponding records for them as trading community members. For third-party persons, the application automatically assigns a party usage code of External Payee. For third-party organizations, you assign a party usage code.

The following table describes the party usage codes for third-party organizations.

<table>
<thead>
<tr>
<th>Party Usage Code</th>
<th>Use For</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>External Payee</td>
<td>Organizations that can be associated with employee calculation cards or element entries. Use this party usage code for organizations when the others don’t apply.</td>
<td>State Disbursement Unit for child support payments</td>
</tr>
<tr>
<td>Payment Issuing Authority</td>
<td>Organizations responsible for issuing instructions for involuntary deductions, such as a tax levy or bankruptcy payment order. Payment issuing authorities don’t receive payments.</td>
<td>Court, agency, or government official</td>
</tr>
<tr>
<td>Pension Provider</td>
<td>Organizations that provide pension administration for employee pension deductions.</td>
<td>Stock broker, investment company, benefit administrator, labor union</td>
</tr>
<tr>
<td>Professional Body</td>
<td>Organizations entrusted with maintaining oversight of the legitimate practice of a professional occupation.</td>
<td>The American Society for Mechanical Engineers in the US</td>
</tr>
</tbody>
</table>
### Party Usage Code

<table>
<thead>
<tr>
<th>Party Usage Code</th>
<th>Use For</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<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>

### Third-Party Rollup Payments: Explained

A third-party payment is a payment you make to an external source. This source could be:

- Court
- Labor union
- Pension provider
- Any person not on your payroll

You can use them in multiple ways.

- Issuing third-party rollup payments
- Excluding third-party payment methods
- Running the Third-Party Payments Register report
- Printing checks for third parties

### How You Issue Third-Party Rollup Payments

There are cases when you want to combine multiple payments into a single payment rather than issue multiple payments. For example:

- A union can have several of its members belonging to the same employer.
- Multiple employees can have deductions made to the same third-party payee, such as a state distribution unit for child support payments.

Use the Third-Party Payments Rollup process to combine the individual employee deductions and pay the payee through a single payment instrument. Additionally, you can use the third-party payments register and Third-Party Check Payments audit report to validate your data and provide the third-party payee with employee and deduction details.

### How You Exclude Third-Party Payment Methods

You may want to exclude specific third parties from the Third-Party Rollup process because they may want an individual check per payment.

Select Exclude from Third-Party Rollup Process on the Manage Third-Party Payment Methods page to exclude a third-party payee from the Third-Party Rollup process. Use the Manage Third-Party Payment Methods task in the Payment Distribution work area to access this page.

Generate the third-party payments register to view the individual payments made.
How You Use the Register Report

Run the Third-Party Payments Register process to generate and view the following:

- List of individual third-party payments and the corresponding employee deduction information
- List of all rollup payments and deduction information of employees who share the same rollup payments
- Consolidated total of each rollup payment
- Payments made to each individual payee
- Consolidated total of multiple deduction payments of each employee
- Component name and component reference of involuntary deductions stored on the calculation cards
- Element name of voluntary deductions

Before you run the Third-Party Payments Register process to view third-party payment details, do the following:

1. Calculate and verify prepayments
2. Run the Third-Party Payments Rollup process
   - The Run Third-Party Payments Rollup process is optional. Use this process to consolidate multiple payments made to a third party and generate a single payment.
3. Generate the payments
4. Run the periodic archive

Submit the Run Third-Party Payment Register task from the Payroll Checklist or Payroll Distribution work areas.

How You Print Checks for Third Parties

Use the Generate Employee and Third-Party Check Payments task from the Payment Distribution work area to generate check payments. You run the check writer process against third parties by selecting **Third Party** as the payee type.

When you do so, it creates two output files:

<table>
<thead>
<tr>
<th>File</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Check File</td>
<td>Contains the printable check and check stub.</td>
</tr>
<tr>
<td></td>
<td>The check stub lists up to 17 employees rolled-up for a given payee. If the number of employees exceeds the check stub limit, the employee details are printed only on the audit report. Otherwise, the employee details are printed on both the check stub and audit report.</td>
</tr>
<tr>
<td></td>
<td>If the number of employees does not fit the size of the stub, it includes the following message: For employee details, refer to attached report for the given payee.</td>
</tr>
<tr>
<td></td>
<td>The check portion includes:</td>
</tr>
<tr>
<td></td>
<td>- Amount</td>
</tr>
<tr>
<td></td>
<td>- Authorized signature line</td>
</tr>
<tr>
<td></td>
<td>- Bank details, including bank routing number in MICR font</td>
</tr>
<tr>
<td></td>
<td>- Check number</td>
</tr>
<tr>
<td></td>
<td>- Date</td>
</tr>
<tr>
<td></td>
<td>- Employer name and address</td>
</tr>
<tr>
<td></td>
<td>- Payee name and address</td>
</tr>
<tr>
<td></td>
<td>- Source account number</td>
</tr>
</tbody>
</table>
The check stub includes:

- Payment amount
- Check date
- Document or case number
- Employee names
- Period end date
- Remittance ID

Third-Party Check Payments Audit Report

Documents all details related to employees contributing to the check amount. Sorted by check number.

The cover page provides the following payroll information:

- Payroll run name
- Process start and end dates
- Consolidation group
- Organization payment method
- Starting check number

Each subsequent page is dedicated to an individual payee and includes:

- Payee name
- Check number and date
- Employer name and address
- Employee details, sorted by name and remittance ID:
  - Name
  - Remittance ID
  - Document or case number
  - Pay period end date
  - Amount

Related Topics

- Calculate Payment Distribution: Overview
- Third-Party Payment Register

Creating Third-Party Payment Methods: Procedure

A third-party payee is either a person or an organization. From the Payment Distribution work area, use the Manage Third-Party Personal Payment Methods task to create payment methods for payments to people who aren’t on the payroll. Use the Manage Third-Party Organization Payment Methods task to create payment methods for payments to external organizations.

Typical payments to third parties include:

- Involuntary deductions, such as court-ordered garnishment.
- Voluntary deductions, such as pension plan or union membership payments.
Before you continue, create the third party using the Manage Third-Parties task in the Payment Distribution work area and ensure the organization payment method for the payment source exists.

To a create third-party payment method, follow these steps:

1. From the Navigator, select the Payment Distribution work area.
2. Select the Manage Third-Party Personal Payment Methods task.
3. Select Third-Party Name from the list.
4. Select Organization Payment Method from the list.
5. In the Effective Start Date field, enter the effective date.
6. Select Payment Type from the list.
7. Select Exclude from Third-Party Payment Rollup Process if the third-party should not be a part of the rollup process.
8. Select Separate Worker Payments by Reference if separate payments are to be generated for employee payments to a given third party, based on reference.
9. Select the Time Definitions from the list.
10. Click Save.
11. Click Done.

Tip: Use the Manage Organization Payment Methods task in the Payment Distribution work area to define the payment source for third-party payments.

Related Topics

- Involuntary Deduction Processing: Examples

Third-Party Payments: Examples

The following scenarios illustrate how you can pay third-party people and organizations.

Child Support to a Former Spouse

While this example illustrates a payment directly to a third-party person, most child support payments are payable to a third-party organization such as a State Disbursement Unit.

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.

Organization Processing Fee to a County Sheriff’s Office

The County Sheriff's office receives an organization fee on garnishment payments. When you create the third-party organization, you designate it as an External Payee before you create its third-party payment method. When you add the garnishment order to the employee’s involuntary deduction calculation card, you select the County Sheriff in the Organization Fee Payee field.

Direct Deposits
Direct Deposit Configuration: Overview

Direct deposit refers to the electronic transfer of an employee’s net pay directly into the accounts designated by the employee. For employees who have requested direct deposit payments, the Make EFT Payments task in the US Simplified Payroll Cycle flow generates a direct deposit file. The direct deposit file contains the details of the net pay distribution for each employee deposit. Financial institutions use the details in the file for processing and distributing the payments.

There are multiple steps involved with configuring direct deposit.

<table>
<thead>
<tr>
<th>What you want to do</th>
<th>How you do it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Set up bank information</td>
<td>Use the Manage Banks task from your implementation project.</td>
</tr>
<tr>
<td>Set up employer account information and organization payment methods</td>
<td>Use the Manage Organization Payment Methods task in the Payment Distribution work area to set up employer account information and organization payment methods (OPMs).</td>
</tr>
<tr>
<td>Configure payroll definitions</td>
<td>Use the Manage Payroll Definitions task in the Payroll Calculations work area.</td>
</tr>
</tbody>
</table>
| Set up employee account information                      | • If you have not enabled employee self-service, use the Manage Personal Payment Methods task in Person Management work area to enter employee’s direct deposit information.  
  • If you have enabled employee self-service, instruct your employees to provide their direct deposit account information using the Manage Personal Payment Methods task. They can start the task by selecting Personal Information, then selecting Payroll. |

For further information, see the following sections.

Set Up Bank Information

Before you enter the employees’ direct deposit account information, you must set up the banks and branches that your employees use. Use the Manage Banks task from your implementation project to set up the following for your organization:

- Banks
- Bank branches
- Account information

For further information, see Bank Configuration for the US in the Help Center.

Set Up Employer Account Information and Organization Payment Method

Use the Manage Organization Payment Methods task in the Payment Distribution work area to set up employer account information and OPMs. On the Create Organization Payment Method page, enter the following information pertaining to your financial institution.

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Enter the name of the OPM.</td>
</tr>
<tr>
<td>Payment Type</td>
<td>Select the payment type for this OPM.</td>
</tr>
</tbody>
</table>

You must create a separate OPM for domestic and international payments.
### Field | Description
--- | ---
Use the Direct Deposit payment type for domestic direct deposits and the International Transfer payment type for international payments.

Two EFT templates are available.

- PPD for US Payments
- IAT for international payments

For further information, see Set Up International Payment Processing for the US in the Help Center.

<table>
<thead>
<tr>
<th>Field</th>
<th>Select <strong>US Dollar</strong>.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Name</td>
<td>Name of financial institution sending or receiving the direct deposit orders.</td>
</tr>
<tr>
<td>Bank Reference</td>
<td>A unique 9-digit code issued by the financial institution for identifying the destination bank routing transit number.</td>
</tr>
<tr>
<td>Company Name</td>
<td>Identifies the company name of the originator.</td>
</tr>
<tr>
<td>Company Reference Type</td>
<td>Optional name.</td>
</tr>
<tr>
<td>Company Reference</td>
<td>Numeric code assigned to the employer by an external authority, such as their IRS tax ID or D-U-N-S number. Must be 9 or 10 characters.</td>
</tr>
<tr>
<td>Include Balancing Entries</td>
<td>Select <strong>Yes</strong> or <strong>No</strong>.</td>
</tr>
<tr>
<td>Determine whether the payroll process generates a balanced or unbalanced electronic payments file. An unbalanced electronic payments file does not have an offsetting debit record and therefore allows cases where the total debits of the file are not equal to the total credits. Some banks require unbalanced files.</td>
<td></td>
</tr>
<tr>
<td>Transaction Limit</td>
<td>Maximum amount of money allowed on a single direct deposit transaction.</td>
</tr>
<tr>
<td>Payment Limit</td>
<td>Maximum amount of money allowed on a single direct deposit file.</td>
</tr>
<tr>
<td>Prenotification Required</td>
<td>Prenotification is the process of submitting a USD transaction in order to verify an electronic transfer's routing numbers and account number information. Use this field to indicate whether a prenotification process is required for direct deposit payment types.</td>
</tr>
<tr>
<td>For further information, see Prenotifications for the US in the Help Center.</td>
<td></td>
</tr>
<tr>
<td>Prenotification Amount</td>
<td>Indicate the amount to prenote. The default is 0 USD.</td>
</tr>
<tr>
<td>Prenotification Days</td>
<td>Indicate the number of days to process a prenote.</td>
</tr>
</tbody>
</table>

For further information, see Organization Payment Methods for the US in the Help Center.
Configure Payroll Definitions
You must create a payroll definition that uses the Direct Deposit payment method and assign all eligible employees to it.
For further information, see Payroll Definitions for the US in the Help Center.

Set Up Employee Account Information
Set up the direct deposit account information for each participating employee.
- If you have not enabled employee self-service, use the Manage Personal Payment Methods task in Person Management work area to enter employee’s direct deposit information.
- If you have enabled employee self-service, individual employees can provide their direct deposit account information using the Manage Personal Payment Methods task. They can start the task by selecting Personal Information, then selecting Payroll.

The first account you enter is the default account. If you define a second personal payment method account, you can specify the deposit amount as percent of the total amount or a flat amount.

After you have set up your employer account information and the employee’s personal payment methods, the processing of direct deposits can occur. Prior to running the direct deposit process, you must complete the following three tasks:
- Calculate Payroll
- Calculate Prepayments
- Archive Periodic Payroll Results

Related Topics
- Payroll Definitions for the US

Configuring Payslips and Checks

Online Payslip for the US
The US payslip is a printable record of:
- An employee’s payment for a given pay period
- Any payment not associated with a specific pay period, such as a bonus or commission payment

It includes details of the payment, such as employee and employer information, pay period, earnings, deductions and accruals, and net pay distribution details.

How to Configure the Payslip
You can edit the default payslip template to suit your organization’s needs. For further information, see Configure the Online Payslip for the US in the Help Center.
Before You Can Generate the Payslip

The payslip process publishes its output to Document Records. To make sure that happens, you must define a process configuration group.

This group must have the following parameter set to \textbf{Y}:

\textbf{XML Data Source For document of records delivery options performance purposes, determines if XML is derived from the database. Default: Y}

When You Run the Process

You run the Generate Payslips process from either the Checklists or Payment Distributions work area.

When you configure the process, it requires you to select a process configuration group. Select the group you defined in the previous section.

How to View a Person’s Payslip

There are four methods for viewing the payslip:

<table>
<thead>
<tr>
<th>Task</th>
<th>Instructions</th>
</tr>
</thead>
</table>
| Manage Person             | 1. From the Person Management work area, search for and select the person in question.  
                               2. Select View Payslip.  
                               3. Enter the search criteria, and click Search.  
                               4. Click the payslip link in the View Payslip column.  
                               5. Click Open. |
| Manage Person             | 1. From the Person Management work area, search for and select the person in question.  
                               2. Click the Documents tab.  
                               3. Select the payment date link in the Attachments column.  
                               4. Click Open. |
                               2. Select the Payslip type.  
                               3. Search for and select the person in question.  
                               4. Click Search.  
                               5. Select the payment date link in the Attachments column.  
                               6. Click Open. |
| Employee Self-Service     | 1. From the employee’s Me page, select Personal Information.  
                               2. Select My Documents.  
                               3. Select and view the payslips as required. |

Frequently Asked Questions

The following table lists frequently asked questions about this report. To learn more about reports, refer to the guide Creating and Administering Analytics and Reports for HCM.

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
</table>
| How do I create this report? | 1. In the Payment Distribution work area, select Submit a Process or Report.  
                               2. Select a US legislative data group. |
### Question and Answer

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Click <strong>Generate Payslips</strong>.</td>
<td></td>
</tr>
</tbody>
</table>
| Who uses this report? | Payroll Administrator  
Payroll Manager |
| When do I use this report? | Generate this report whenever you require printable copies of your employee payslips. |
| What prompts can I use to narrow the results of this report? | Use the **Payroll** field to restrict the results to a specific payroll run. |
| How do I share this report? | • Add to briefing book  
• Schedule an agent to run the report |
| What tool do I use to edit this report? | Oracle Business Intelligence Publisher |

### Related Topics
- How You Create and Edit Reports

### Configuring the Online Payslip: Explained

The predefined payslip template:

- Produces both the online and printed payslips, based on the extract delivery option you set
- Provides requirements as established by certain states
  
  For example, California requires that retroactive payments show the period earned. The predefined payslip template displays this data.

As with any other predefined report template, you can configure the payslip template to meet your organization’s needs.

**Note:** The payslip.xml file contains comprehensive employee payroll information. You must ensure that any contract you have with a third-party supplier that grants them access to this file also contains a requirement to keep your employees’ information confidential.

If the default payslip doesn’t meet your needs, consider the following:

- How can you edit the default template
- How you can set the precision value
- How you can set delivery options for the online and printed payslip

### Configure the Default Template

To create a configured template based on the predefined template:

1. Log into the Oracle Fusion Business Intelligence (BI) Server, and copy the preconfigured USOnline_Payslip template, located under the path:

   /Shared Folders/Human Capital Management/Payroll/Payment Distribution/US
2. Open the USOnlinePayslip template, and save it under a new name.
3. Make the required changes.
4. Open the Custom folder.
5. Select +Add New Layout.
6. Under Upload or Generate Layout, select Upload.
7. In the Upload Template File page, enter or select the following:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Layout Name</td>
<td>The value you enter here is required when you set up and override the predefined payslip.</td>
</tr>
<tr>
<td>Template File</td>
<td>Select the template you just modified.</td>
</tr>
<tr>
<td>Type</td>
<td>RTF Template</td>
</tr>
<tr>
<td>Locale</td>
<td>English</td>
</tr>
</tbody>
</table>

8. Click Upload.

Set the Payslip Precision Value

The precision value defines how many decimal points the payslip uses when showing rate amounts. While the default is two decimal places, you can change it. Changing the precision value does not change the accuracy of the payroll calculations. It just changes how they are captured in the archive.

To change the default payslip rate precision value on the periodic archive, do the following before you run the archive process:

1. Start the Manage Payroll Process Configuration task from your implementation project.
2. Create a configuration group, and give it a meaningful name.
3. In the details section, add a row, and select the Payslip Rate Precision parameter.
4. Set the number of decimal places in the Override Value field.

When you run the Archive Periodic Payroll Results process, use the Process Configuration Group parameter to select this configuration group.

Note: You can modify the precision value set on the report template itself, and this value would override the value you set on the archive process. For example, suppose you want your hourly employees to see four decimal places for rates on their payslips and the salaried employees to see only two decimal places. In this case, you would:

1. Set the Payslip Rate Precision process configuration parameter to four decimal places.
2. Modify the report template to display the rates with two decimal places only for salaried employees.

For further information, see the Oracle Human Capital Management Cloud Creating and Administering Analytics and Reports for HCM guide in the Help Center.

Configure the Online Payslip Delivery Options

Once you have configured the template, you must replace the predefined template.

1. Navigate to Workforce Management->Data Exchange.
2. Select Manage Extract Definitions.
3. Specify Payslip as the name.
4. Select a US legislative data group.
5. Click Search.
6. Under Search Results, click Payslip.
7. In the Edit Extract Definition page, in the Hierarchy region, select **Extract Delivery Options**.
   
   If you don’t see this page, click **Switch Layout**.
8. In the Extract Delivery Options region, click **Add**.
9. Add or select the following fields for the online payslip:

<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>Delivery Option Name</td>
<td>Specify a meaningful name.</td>
</tr>
<tr>
<td>Output Type</td>
<td>PDF</td>
</tr>
<tr>
<td>Report</td>
<td>Specify the path of the report on the BI server. For example: /</td>
</tr>
<tr>
<td></td>
<td>Human Capital Management/ Payroll/ Payment Distribution/ US/ USOnlinePayslipxdo</td>
</tr>
</tbody>
</table>

   **Note:** This value is the file path location and not the actual name. Because there is a global payslip and a US payslip, you must ensure you are updating the US payslip.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output Name</td>
<td>Specify a meaningful name.</td>
</tr>
<tr>
<td>Report Layout or Template Name</td>
<td>Specify the name of the template on the BI server.</td>
</tr>
<tr>
<td>Delivery Type</td>
<td>Document of Records</td>
</tr>
<tr>
<td>Bursting Node</td>
<td>/DATA_DS/G_1/FILE_FRAGMENT/ PAYSLIP/ PAYMENTRECORD/ REL ACTION_ID</td>
</tr>
<tr>
<td>Overriding Delivery Mode</td>
<td>US Online Payslip</td>
</tr>
</tbody>
</table>

10. In the Additional Details section, specify the following:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date From</td>
<td>/DATA_DS/G_1/FILE_FRAGMENT/ PAYSLIP/ PAYMENTRECORD/ GLB ARCH PR/GLB PAY_ARCH PR PAYROLL/ PAYROLLPERIOD START_DATE</td>
</tr>
<tr>
<td>Date To</td>
<td>/DATA_DS/G_1/FILE_FRAGMENT/ PAYSLIP/ PAYMENTRECORD/ GLB ARCH PR/GLB PAY_ARCH PR PAYROLL/ PAYROLLPERIOD END_DATE</td>
</tr>
<tr>
<td>Information Text1</td>
<td>/DATA_DS/G_1/FILE_FRAGMENT/ PAYSLIP/ PAYMENTRECORD/ GLB ARCH PR/GLB PAY_ARCH EE INFO/EMAIL ADDRESS</td>
</tr>
<tr>
<td>Information Category</td>
<td>US_PAYSLLIP</td>
</tr>
</tbody>
</table>
### Field | Value
--- | ---
Information Date1 | /DATA_DS/G_1/FILE_FRAGMENT/PAYSLIP/PAYMENTRECORD/GLB_ARCH_PR/GLB_PAY_ARCH_PR_PAYROLL/PAYROLLPAYSLIP VIEW_DATE

Information Number1 | /DATA_DS/G_1/FILE_FRAGMENT/PAYSLIP/PAYMENTRECORD/GLB_ARCH_PR/GLB_PAY_ARCH_PR_PAYROLL/PAYROLLID

Information Number2 | /DATA_DS/G_1/FILE_FRAGMENT/PAYSLIP/PAYMENTRECORD/GLB_ARCH_PR/GLB_PAY_ARCH_PR_PAYROLL/PAYROLLPERIODNUMBER

Information Number3 | /DATA_DS/G_1/FILE_FRAGMENT/PAYSLIP/PAYMENTRECORD/NETPAY

Information Number5 | /DATA_DS/G_1/FILE_FRAGMENT/PAYSLIP/PAYMENTRECORD/GLB_ARCH_PR/GLB_PAY_ARCH_PR_INFO/GLB_ARCH_CBID/GLB_PAY_ARCH_CBID_INFORMATION/PREPAYMENTRELATIONSHIP ACTION_ID

Information Number6 | /DATA_DS/G_1/FILE_FRAGMENT/PAYSLIP/PAYMENTRECORD/GLB_ARCH_PR/GLB_PAY_ARCH_PR_INFO/GLB_ARCH_CBID/GLB_PAY_ARCH_CBID_INFORMATION/CALCBREAKDOWNID

Document Name | PAYSLIP

Issued Date | /DATA_DS/G_1/FILE_FRAGMENT/PAYSLIP/PAYMENTRECORD/PAYMENT DETAILS/PAYMENTDATE

**Key**

Select a value from the list in the Attribute column. It must reference the correct object. To find this value, perform a search with the following criteria:

- Parent Data Group: Global Archive Payroll Calc Breakdown
- Attribute: Calculation Breakdown Identifier
- Record: Global CBID Information

Locale | En_US

Person Id | /DATA_DS/G_1/FILE_FRAGMENT/PAYSLIP/PAYMENTRECORD/GLB_ARCH_PR/GLB_PAY_ARCH_EE_INFO/PERSON_ID

Related Object Id | /DATA_DS/G_1/FILE_FRAGMENT/PAYSLIP/PAYMENTRECORD/REL ACTION_ID

Related Object Id Column | PAYROLL_REL_ACTION_ID

Related Object Name | PAY_PAYROLL_REL_ACTIONS

System Document Type | PAYSLIP

11. Click **Save**.
Configure the Printed Payslip Delivery Options

Once you have configured the delivery options for the online payslip, you must do the same for the printed payslip:

1. In the Additional Details: Payslip section, select the name of the new Printed Payslip file created.
2. Under Extract Delivery Options, click Add.
3. Add or select the following fields for the printed payslip:

<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>Delivery Option Name</td>
<td>Specify a meaningful name.</td>
</tr>
<tr>
<td>Output Type</td>
<td>PDF</td>
</tr>
<tr>
<td>Report</td>
<td>Specify the path of the report on the BI server. It must include the &quot;xd0&quot; extension. For example: /Human Capital Management/ Payroll/ Payment Distribution/ US/ USOnlinePayslipxdo</td>
</tr>
</tbody>
</table>

Note: This value is the file path location and not the actual name. Because there is a global payslip and a US payslip, you must ensure you are updating the US payslip.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output Name</td>
<td>Specify a meaningful name.</td>
</tr>
<tr>
<td>Report Layout or Template Name</td>
<td>Specify the name of the template on the BI server.</td>
</tr>
<tr>
<td>Delivery Type</td>
<td>Document Records</td>
</tr>
<tr>
<td>Bursting Node</td>
<td>/DATA_ DS/G_ 1/FILE_FRAGMENT/ PAYSLIP/ PAYMENTRECORD/ REL ACTION_ID</td>
</tr>
<tr>
<td>Overriding Delivery Mode</td>
<td>US Printed Payslip</td>
</tr>
</tbody>
</table>

4. In the Additional Details section, populate the following parameters with the corresponding values:

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key</td>
<td>Select a value from the list in the Attribute column. It must reference the correct object. To find this value, perform a search with the following criteria:</td>
</tr>
<tr>
<td></td>
<td>◦ Parent Data Group: Global Archive Payroll Calc Breakdown</td>
</tr>
<tr>
<td></td>
<td>◦ Attribute: Calculation Breakdown Identifier</td>
</tr>
<tr>
<td></td>
<td>◦ Record: Global CBID Information</td>
</tr>
<tr>
<td>Locale</td>
<td>En_US</td>
</tr>
<tr>
<td>System Document Type</td>
<td>PAYSLIP</td>
</tr>
</tbody>
</table>

5. Click Save.
6. In the Additional Details: Payslip section, select the name of the new Online Printed Payslip file.
7. Click Save and Close.
8. Click Submit.

When you run the Generate Payslip process, it substitutes the new custom template for the predefined one.

Troubleshoot the Process

If you are having difficulty generating your payslips, check the following:

1. From the Generate Payslips flow, ensure your employees were correctly processed.
2. Check the schedule process to ensure the BI jobs correctly ran.
3. In the BI Publisher process history, check which template was called, predefined or configured.
4. Drill down into the requests to see if it generated PDF files for each employee.
5. Confirm a separate Document Records process was run. Use the Scheduled Processes task in the Tools work area.

Related Topics

- How You Create and Edit Reports

Adding Text to Payslips and Checks: Procedure

Configuring your checks 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.

〆 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 check template or payslip template, as appropriate. Refer to the Report Designer’s Guide for Oracle Business Intelligence Publisher for more information.
Input Values for Payslip and Check Text: Examples

You can create element input values to store information, such as congratulatory messages and detailed earnings information, that you want displayed on checks or payslips. The following scenarios 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 the following 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 Check**

You want to display a birthday congratulations message on checks. In this example, before modifying your check template, you could create an element using the Information element classification with the following input values:

- Message Title
- Message Description

**Generating Employee and Third-Party Check Payments: Explained**

Use the Generate Employee and Third-Party Check Payments task from the Payment Distribution work area to generate check payments. This process creates check payments for employees and third parties who:

- Are included in the prepayments process for a given payroll
- Are using the Check payment method

You have several options when it comes to generating check payments.

<table>
<thead>
<tr>
<th>What you want to do</th>
<th>How you do it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generate check payments</td>
<td>Run the Generate Employee and Third-Party Check Payments task to generate your checks first for employees and then run the process again to generate checks for your third parties. Use the <strong>Payee Type</strong> field while running this process to select the appropriate payee. For further information, see Generate Employee and Third-Party Check Payments for the US in the Help Center.</td>
</tr>
<tr>
<td>Combine multiple employee deductions into a single payment</td>
<td>You may have multiple employee deductions being made to the same third-party payee, such as multiple child support orders. In this case, rather than make separate payments for each employee</td>
</tr>
<tr>
<td>What you want to do</td>
<td>How you do it</td>
</tr>
<tr>
<td>---------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Deduction, use the Third-Party Payments Rollup process to combine the deductions and make a single payment.</td>
<td></td>
</tr>
<tr>
<td>Exclude a third party from the rollup process</td>
<td>There are cases where you want to exclude a third party from the Third-Party Rollup process, such as if they want an individual check per payment. Select Exclude from Third-Party Rollup Process on the Manage Third-Party Payment Methods page.</td>
</tr>
<tr>
<td>Deliver payments on a date other than the employee payment date</td>
<td>A third-party payee may want the payments on a date that is different from the employee payment date. To do this, you select a time definition for the third-party payment method. 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. To do this: 1. Use the Manage Time Definitions task to create a time definition for a 5 day time span. 2. On the Manage Third-Party Payment Methods task, select this time definition in the Time Definition field. 3. Enter the relevant process dates. 4. Run the prepayments process with an appropriate process date. The payments process runs twice, once for the process date and once for the deferred date. For example, if you entered a process date of June 30: o Once for the employees with a process end date of June 30 o Once for the third parties with a process end date of July 05 and an overriding payment date of July 05</td>
</tr>
<tr>
<td>Use a bank-specific check template</td>
<td>Different banks may require different check templates. The predefined template supports printing checks on 8.5 x 11 stock paper with the stub on top of the page and the check on the bottom third. To accommodate this requirement: 1. Create a report category for each separate bank and check template. 2. Select this report category for the requisite bank’s payment source so that the process uses the correct check template to generate the check payments. 3. 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. 4. 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.</td>
</tr>
</tbody>
</table>

**Generating Employee and Third-Party Check Payments: Procedure**

Use the Generate Employee and Third-Party Check Payments task from the Payment Distribution work area to generate check payments. This process creates check payments for employees and third parties who:

- Are included in the prepayments process for a given payroll
- Are using the Check payment method

Payroll Managers and Payroll Administrators can run this process from the Payment Distribution work area.
Before You Begin

The prerequisite tasks for the Generate Employee and Third-Party Check Payments task include:

<table>
<thead>
<tr>
<th>What you need to do</th>
<th>How you do it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Define an organization payment method (OPM), including a payment source</td>
<td>Use the Manage Organization Payment Methods task in the Payment Distribution work area. For further information, see Organization Payment Methods for the US in the Help Center. The bank details should already be set up. For further information, see Bank Configuration for the US in the Help Center.</td>
</tr>
<tr>
<td>Create a payroll definition</td>
<td>Use the Manage Payroll Definitions task in the Payroll Calculations work area. Include a default Check payment method and any other payment methods you require. For further information, see Payroll Definitions for the US in the Help Center.</td>
</tr>
<tr>
<td>Attach a payroll to the employee.</td>
<td>Use the Manage Payroll Definitions task in the Payroll Calculations work area. For further information, see Payroll Definitions for the US in the Help Center.</td>
</tr>
<tr>
<td>Create the third party and the third party payment method</td>
<td>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. Associate a deduction from the employee to pay the third party.</td>
</tr>
<tr>
<td>Create or update the employee’s Involuntary Deductions Card</td>
<td>Use the Manage Calculation Cards task in the Payroll Calculations work area. Attach the appropriate element entries or Involuntary Deductions Card components to the employee. For further information, see Involuntary Deductions Card for the US in the Help Center.</td>
</tr>
<tr>
<td>Calculate payroll, including prepayments and Payroll Archive</td>
<td>Use a payroll flow to group multiple actions into a single task, such as the US Simplified Payroll Cycle Flow. Be sure to include the Prepayments process to calculate the distribution of net pay. Include the Payroll Archive process to archive the earnings, deductions, tax calculation details, accruals, payment methods, and so on. For further information, see Payroll Flow Patterns and Flows for the US in the Help Center.</td>
</tr>
</tbody>
</table>

Generate the Employee and Third-Party Payments

Run this process to generate checks for your employees and then run it again to generate checks 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 your US legislative data group.
3. Select the **Generate Employee and Third-Party Check 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. Enter the required payroll name.

6. Select the payee type for which the check payment process is run. The available options are Employee or Third Party. You can generate the check 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. 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.

If you have defined attributes, such as a payment file limit or report category, at the payment source level, you should enter a 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 check templates. You must then run the check 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 check template. Attach the created report category to the appropriate bank’s payment source so that the correct check template is used to generate the check payments.

The process uses a predefined template that separates the output into physical checks and an audit report. You must create a new template only if you do not want to use the predefined one.

12. Optionally, specify an Overriding Payment Date on which a payment is due to be made to the payee.

13. Enter the Start Check Number in the sequence of checks used for payroll processing.

14. Enter the End Check Number in the sequence of checks 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.

Related Topics

- Examples of Consolidation Group Usage
- Payroll Process Configuration Groups
Configuring Check Templates: Explained

The predefined check template should satisfy most of your check printing requirements. However, you can change it to match any check format.

You can:

- Configure the Magnetic Ink Character Recognition (MICR) codes
- Add a signature file

How to Change the MICR Codes

As each bank uses a different MICR code on their checks, you must configure the routing and bank account numbers to ensure the Generate Check Payment process prints each of them correctly.

For example, the default check template uses the following MICR code format:

```
<routing number> <account number> <check number>
```

![MICR example 1]

However, a bank may require this format:

```
<check number> <routing number> <account number>
```

![MICR example 2]

To configure how the MICR line appears on printed checks, you must modify the predefined check template.

The following is the preferred method for configuring the predefined check template. Alternatively you could define a new delivery option to reference your own check template.

1. Log into the BI Server.
2. Copy the predefined US Check Writer Report template.

To locate this template:

- Navigate to:
  `/Shared Folders/Human Capital Management/Payroll`
- Select Payment Distribution.
- Under Cheque Report.xdo, click Edit.
- Click View a list.
- Select the US Check Writer report.
- In the top right corner, click Save as.
3. Save the template into the Custom folder using the same directory structure as the seeded template:
Keep the same .xdo and template name as the predefined version.

4. Open the copied template in Microsoft Word.

5. Use the Word tools to ensure the MICR line meets the requirements of your bank. Elements you may need to change:
   - Font size
   - Order of the MICR line fields
   - Adding any necessary leading zeros to the check number, routing number, and account number

6. Use Microsoft Word's symbol library to insert or update any special characters. This symbol varies by bank.

The predefined template uses the following concatenation schema for the routing number:

```xml
<?concat(‘ strokes’,SOURCE_BANK/BRANCH_NUMBER,’ strokes’)?>
```

It uses the following for the account number:

```xml
<?concat(SOURCE_BANK/BANK_ACCOUNT_NUM,’’)?>
```

This concatenation of the special characters enables it to show in the check writer report output.

7. If you need to insert or update the special characters in the MICR line:
   a. Copy and paste the appropriate BI Publisher property for the appropriate field into a new Microsoft Word document.
   b. Place your cursor in the appropriate place.
   c. Open the symbol library.
   d. Select the MICR font. You may need to install this font.
   e. Insert the symbol you need into the copied BIP property.
   f. Copy the BIP property from the new Word document, and paste it into the modified check writer template.

These symbols may appear differently when you paste it into the BIP property.

   g. Consider the following:
      - You may need to add or remove lines to control the positioning.
      - You may need to adjust the left margin alignment.

8. Save your changes.

When you run the Generate Check Payments process, the BI Publisher first looks for the template in the Custom folder. If it does not find it there, it uses the predefined template location.

**How to Add a Signature File**

If you want to use your own signature image, first save it as a .gif file.
Once you have the .gif, create a copy of the predefined check template as described in the previous section. Then you include the signature .gif in the template.

There are two methods for including the signature in the template.

<table>
<thead>
<tr>
<th>What you can do</th>
<th>How you do it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modify your configured check template</td>
<td>1. Create a copy of the predefined template as described in the previous section.</td>
</tr>
<tr>
<td></td>
<td>2. Design your new signature as a .gif.</td>
</tr>
<tr>
<td></td>
<td>3. Use Microsoft Word to open your configured check template in the <strong>Custom</strong> folder.</td>
</tr>
<tr>
<td></td>
<td>4. Paste the signature .gif on the authorized signature line in the template.</td>
</tr>
<tr>
<td></td>
<td>5. Save your changes.</td>
</tr>
</tbody>
</table>

| Use nested templates                         | 1. Create a copy of the predefined template as described in the previous section. |
|                                              | 2. Design your new signature as a .gif.                                     |
|                                              | 3. Create a template for the signature .gif file.                          |
|                                              | 4. Edit your configured check template to call the signature template.       |
|                                              | 5. Save the check template.                                                 |

For further information, see the Report Designer’s Guide for BI Publisher in the Oracle Help Center.

**Related Topics**

- Oracle Cloud Middleware Report Designer’s Guide for Oracle Business Intelligence Publisher

**International Payment Processing**

**Application Configuration for International Payment Processing: Points to Consider**

This topic describes some important points to consider when setting up international payment processing in Oracle Fusion Human Capital Management for the United States.

Before you can generate international payments, do the following.

1. Verify that the International ACH Transaction (IAT) standards apply to your transactions.
2. Create an international organization payment method, and attach it to a payroll.
3. Ensure that a primary mailing foreign address exists for the payee.
4. Create an international personal payment method for the payee.
   - You can use the Batch Loader process to add a personal payment method and provide country-specific bank account details for them
5. Consider how the foreign exchange type may impact currency conversions during the transactions.

For further information, see the following sections.

**Do These Standards Apply to Your Transactions**

IAT is the Standard Entry Class (SEC) code for the US Automated Clearing House (ACH) network. Employers use the ACH network for electronic payments and transactions.
Use IAT for any transaction involving a financial institution located outside the territorial jurisdiction of the United States. The US may be involved in the processing or settlement of the transaction.

Any ACH transactions you want to perform must use the IAT SEC code in these instances.

For example, if your organization is any of the following:

- Non-US headquartered company with US operations
- US company with pensioners or employees located outside of the US who could potentially have funds forwarded to a non-US financial institution
- Third-party sender or payment aggregator
- US company with suppliers located outside the US
- US company receiving ACH credit entries from offshore entities

Create an Organization Payment Method

Use the Create Organization Payment Method to define an organization payment method (OPM) for international transactions. This OPM must have the following settings.

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment Type</td>
<td>Select <strong>International Transfer</strong>.</td>
</tr>
<tr>
<td>Bank Reference Type</td>
<td>Identify the immediate destination identification.</td>
</tr>
<tr>
<td>Bank Name</td>
<td>Identify the immediate destination name.</td>
</tr>
<tr>
<td>Company Reference</td>
<td>Identify the immediate originator name.</td>
</tr>
<tr>
<td>Payment Reference</td>
<td>Enter the value to appear as the Reference Code in the IAT file’s header record.</td>
</tr>
<tr>
<td>Report Category</td>
<td>Select <strong>Standard International EFT</strong> to identify this payment method as being a foreign transaction.</td>
</tr>
</tbody>
</table>

Confirm the Primary Mailing for the Employee

For a payee to receive payments through the IAT process, they must have a foreign Primary address. The address must include the city, state or province, country, and postal code. The country of this address must be outside the United States.

Set this address through the Manage Person task.

Create a Personal Payment Method

Use the Manage Personal Payment Methods task to define a personal payment method (PPM) for your international transactions.

This PPM must have the following settings.

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Name</td>
<td>Specify the name of the receiving Depository Financial Institution to be used in the Fifth Addenda Record.</td>
</tr>
</tbody>
</table>
### Oracle Human Resources Cloud Implementing Payroll for the United States

#### Chapter 13

### Setting Up Payment Methods

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Account Number</td>
<td>Specify the receiver’s bank account number.</td>
</tr>
<tr>
<td>Routing Transit Number</td>
<td>Identify the bank identification number of the Depository Financial Institution maintaining the receiver’s account. This can be:</td>
</tr>
<tr>
<td></td>
<td>- Nine-digit American Banking Association (ABA) routing and transit number</td>
</tr>
<tr>
<td></td>
<td>- Eight or 11-digit Business Identifier Code (BIC) code</td>
</tr>
<tr>
<td>SWIFT</td>
<td>For countries that use Society for Worldwide Interbank Financial Telecommunications (SWIFT), identify the bank identification number of the Depository Financial Institution maintaining the receiver’s account.</td>
</tr>
<tr>
<td></td>
<td>To determine the appropriate SWIFT or BIC codes for an employee’s account:</td>
</tr>
<tr>
<td></td>
<td>1. Check online. Many major institutions post these codes, which identify the bank location and branch.</td>
</tr>
<tr>
<td></td>
<td>2. Contact the bank branch directly, and ask for the correct codes to use.</td>
</tr>
<tr>
<td>IBAN</td>
<td>For countries that use Bank Account Number (IBAN), identify the bank identification number of the Depository Financial Institution maintaining the receiver’s account.</td>
</tr>
<tr>
<td></td>
<td>To determine the appropriate IBAN codes for an employee’s account:</td>
</tr>
<tr>
<td></td>
<td>1. Check online. Many major institutions post these codes, which identify the bank location and branch.</td>
</tr>
<tr>
<td></td>
<td>2. Contact the bank branch directly, and ask for the correct codes to use.</td>
</tr>
<tr>
<td>Foreign Payment</td>
<td>Describe the origin of the entry, so it can be displayed to the employer.</td>
</tr>
<tr>
<td>Country</td>
<td>Specify the receiver’s bank branch location’s country code.</td>
</tr>
</tbody>
</table>

The fields you see depend on the country chosen in the person’s primary address.

By default, all employees inherit the payroll definition’s OPM. To override the default when setting up an international employee, you must create an international PPM and select an international OPM.

### Consider How the Foreign Exchange Type May Impact Currency Conversions

Oracle Fusion Human Capital Management for the US currently supports the Fixed-to-Fixed foreign exchange type to calculate values for international transactions.

In the Fixed-to-Fixed exchange type, both the input and output amounts are calculated in US dollars. Currency conversion does not occur as part of this exchange type.

For example, your company has an employee abroad, and you pay a monthly stipend of 1000 USD. The amount is to be deposited to the employee’s foreign bank account in USD. Your company originates each ACH transaction for 1000 USD from the employer bank account in USD. Then your company requests the bank to transfer the amount to the foreign bank account. The banker deposits 1000 USD in the employee bank account.
Setting Up International Payment Sources in Organization Payment Methods: Worked Example

This example demonstrates how to set up international payment sources when defining organization payment methods. In this example, the InFusion US company maintains a division in Sweden. It pays its Swedish workers by electronic funds using international ACH transfer (IAT) payments.

The following 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 is the destination country of these payments?</td>
<td>Sweden</td>
</tr>
<tr>
<td>How many organization payment methods are needed?</td>
<td>One method to pay by international transfer in US dollars.</td>
</tr>
<tr>
<td>How many payment sources are needed?</td>
<td>One for each payment source</td>
</tr>
<tr>
<td>Is notification required to alert the source financial institution before processing EFT payments?</td>
<td>Yes, 10 days before international payments.</td>
</tr>
</tbody>
</table>

Setting up an international payment source involves:

1. Fulfilling the prerequisites.
2. Setting up an organization payment method (OPM).
3. Configuring the notification setting.
4. Setting up the payment source.

For further information, see the following sections.

Before You Begin

This example assumes you have already set up the following for your organization payment methods.

1. You set up the primary ledger in Oracle Fusion General Ledger, and it is available for use.
2. You set up the banks, branches, and account information to use as the payment sources in Oracle Fusion Cash Management.
3. You have assigned the legal entity associated with the legislative data group (LDG) to a general ledger.
4. You have set up your TRUs.

Set Up the Organization Payment Methods

You must define an OPM for handling international transactions.

1. In the Payment Distribution work area, click Manage Organization Payment Methods.
2. In Search Results, click Create.
3. Select a US LDG.
4. Select the date when you want this payment method to be available for use, and then click Continue.
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 Basic Details, complete the following fields.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Payroll Direct Deposit Sweden</td>
</tr>
<tr>
<td>Payment Type</td>
<td>International Transfer</td>
</tr>
</tbody>
</table>

Note: The available payment types for organization payment methods can vary by legislation.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currency</td>
<td>US Dollar</td>
</tr>
</tbody>
</table>

6. Click **Save**.

Add the International Transfer File Information

When you select the International Transfer payment type, you can enter information at the following levels:

- Organization payment method
- Payment source
- Both levels

Note: International Transfer file information you enter at the payment source level takes priority over information entered at the OPM level.

In this example, set the International Transfer information at the OPM level. Use this level because your company requires notification of planned transfers within 10 days before the transfer date.

1. In Payment Information, enter the following values.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prenotification Required</td>
<td>Yes</td>
</tr>
<tr>
<td>Prenotification Days</td>
<td>10</td>
</tr>
</tbody>
</table>

2. Click **Save**.

Set Up the Payment Source

Set up a payment source specific to this particular bank and branch in Sweden.

1. In Payment Sources under Payment Source Information, click **Create**.
2. On the Create Payment Source page, complete the fields in order.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Payroll IAT Source Sweden</td>
</tr>
</tbody>
</table>
Keep your payment source names unique and as specific as possible for each scenario. This naming convention helps when managing complicated combinations of organization payment methods and payment rules.

3. Click **Continue**.

### International Payment Reporting: Explained

You use the Make EFT Payments process to generate electronic funds transfer (EFT) payments, including international payments, and to generate reports on them. Run this process after you have completed your payroll processing and are ready to issue the payments.

Start the Make EFT Payments process through the Submit a Process or Report task. You can select a payroll for which prepayments have been processed or select a range of dates to process multiple payrolls.

- If you select a payroll, the consolidation set is automatically selected.
- If you don’t select a payroll:
  - a. You can choose one of the listed consolidation sets. This selects all payrolls in that consolidation set.
  - b. The Make EFT Payments process runs on all of the payrolls within the Process Start Date and Process End Date range.

### Prerequisites

Before you can create an international payment:

1. Create an international organization payment method.
2. Attach the organization payment method to a payroll.
3. Verify that there is a primary mailing foreign address for the employee.
4. Create an international personal payment method for the employee.

### Report Parameters

You can specify the following settings in the Make EFT Payments process.

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll</td>
<td>To process a single payroll, select the payroll run for which you are generating International ACH Transactions (IAT) payments. Only payrolls for which prepayments have been processed are shown.</td>
</tr>
<tr>
<td>Process Start Date</td>
<td>To capture payments for multiple payrolls, select the start date of the range for which you want to generate IAT payments.</td>
</tr>
<tr>
<td>Process End Date</td>
<td>Select the end date of the range for which you want to generate International transfer payments.</td>
</tr>
</tbody>
</table>
### Parameters

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidation Set</td>
<td>If a single payroll is selected, then the corresponding consolidation is automatically displayed in this field. If a consolidation set is selected, then all payrolls in that consolidation set are automatically selected.</td>
</tr>
<tr>
<td>Organization Payment Method</td>
<td>Select an organization payment method. Only the organization payment methods that are associated with international transactions are listed.</td>
</tr>
<tr>
<td>Payment Source</td>
<td>Optionally, select the payment source from the list of sources associated with this organization payment method.</td>
</tr>
<tr>
<td>File Reference</td>
<td>Optionally, enter a single alphanumeric character to distinguish multiple versions of the file created the same day. Valid characters include uppercase A-Z and 0-9.</td>
</tr>
<tr>
<td>Company Entry Description</td>
<td>Describe the purpose of the payment in up to 10-characters as it should appear in the Batch Header Record, field 10. For example, payroll or reversal.</td>
</tr>
<tr>
<td>Overriding Payment Date</td>
<td>Optionally, specify the date transactions are to post to the receiving account.</td>
</tr>
</tbody>
</table>

### Report Output

The Make EFT Payments process generates both an electronic file and an audit report. To report international payments, employers submit the IAT electronic file to National Automated Clearing House Association (NACHA) and use the audit report for reconciliation. The report process generates the following files under separate report job name numbers:

- IAT electronic file for international payments
- PPD electronic file for US payments
  - PPD is the EFT template for US payments.
- Audit report for verification of details and totals

### Related Topics

- How You Set Up Formats

### Configurations for International Transactions

If your transaction is one of the following types, your Automated Clearing House (ACH) transaction must use the International ACH Transaction code. You must select the International Transfer type if you are:

- Non-US headquartered company with US operations
  - For example, you are a company based in Sweden that has employees based in the US.
- US company with pensioners or employees located outside of the US who could potentially have funds forwarded to a non-US financial institution.
  - For example, you have a company based in the US with employees located in Ireland, or pensioners located in France.
• Third-party sender or payment aggregator
• US company with vendors located outside the US

For example, you have a US company that has vendors in China and makes payments to China.

• US company receiving ACH credit entries from offshore entities

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 Setting Up Payroll Flow Patterns

Flow Patterns

Payroll Flow Patterns and Flows for the US

There are several predefined tasks you can use to define and process payroll, such as processes, reports, and tasks. You can group together a set of tasks to form a flow. When you submit a flow pattern, you must provide a unique name for it. This instance of a flow pattern is referred to as a flow.

A flow pattern is a series of tasks that are grouped together in a predefined order. The tasks are grouped into activities, such as extract reports and processes, or tasks that cover a phase of the payroll process. A flow pattern can consist of a single task such as Calculate Payroll or a series of tasks that are grouped together in a predefined order. The tasks are grouped into activities such as extract reports and processes, or tasks that cover a phase of the payroll process. A flow pattern can include automatic or manual tasks. Within a flow pattern you can:

You can manage a flow from the Payroll work area or from the Data Exchange work area.

- Determine the sequence of tasks executed.
- Define parameter binding rules so that parameters that are common across multiple tasks, such as dates, can be entered only once on submission. When the flow is submitted, the same value can be used across all tasks within the flow.
- Use the checklist to monitor the status of tasks within the flow.

You can schedule flows to run at a specified time or at regular intervals and monitor the status of the tasks within a flow. You can also:

- 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

The following payroll flow patterns are automatically available to you:

- Expedited Payroll Flow
- Payroll Cycle
- QuickPay
- QuickPay and View SOE
- QuickPay Simplified
- Run Employee Active Payroll Balance Report
- US Simplified Payroll Cycle

For example, the Expedited Payroll Flow pattern includes a sequence of payroll tasks and reports to identify, calculate, and make expedited payments. The 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

Apart from the above task flows, you can also have flows, like the Generate Check Payments or the Run Payroll Register, that submit a single process or report. You can submit these flows as a stand-alone, individual task or include them within a flow to complete a process.

**Configured Flow Patterns**

Use the Manage Payroll Flow Patterns task from the Payroll Checklists work area to create your own flow patterns or copy an existing flow pattern. You can also use the Refine Extracts flow in the Data Exchange work area. You can modify an existing flow and add, delete, or reorder the list of tasks within a flow.

**Scheduled Flow Patterns**

You can schedule flows to run at a specified time or at regular intervals and monitor the status of the tasks within a flow. You can also:

- 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

**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 Description</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 (input) or generate information (output) that subsequent tasks can use. For example, for the Calculate Payroll task, the Payroll Process parameter for the Submit task action generates an output value for the payroll action ID. The Retry task action can use this payroll action ID.

Here’s the typical settings for a parameter whose usage is output. For output usage parameters the parameter is not displayed and its value is derived using the parameter basis.

<table>
<thead>
<tr>
<th>Parameter Option</th>
<th>Setting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Display</td>
<td>No</td>
</tr>
</tbody>
</table>

- **Parameter Basis**
  - Bind to Flow, the application derives the value from the flow parameter and then updates the flow parameters table with the output value
  - If you select no value, the output value results from the task’s output

**Sequence**

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.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Bind the legislative data group parameter to a task parameter that supplies the legislative data group.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>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.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>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 or task owner to start a task or that it 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.
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,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>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.

| Generate Check Payment | Payroll, Start Date, Consolidation Group, Organization Payment Method, Overriding Payment Date, Payment Source, Payment Type |

8. Select the row for the Process Configuration Group flow parameter and 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.

**US Simplified Payroll Cycle Flow**

Use the US Simplified Payroll Cycle flow to run payroll and ancillary processes for your organization. This flow contains the necessary tasks to complete the following steps:

1. Calculate retroactive items
2. Calculate of payroll
3. Generate the Gross-to-Net Report
4. Calculate prepayments
5. Archive periodic payroll results
6. Generate the Payroll Register
7. Make EFT payments
8. Generate check payments
9. Generate payslips

When running the report processes, you can elect to generate them in Microsoft Excel format. For further information, see the Generating Payroll Reports in Microsoft Excel Format: Procedure topic in the Help Portal.

**Note:** The Generate Check Payments task uses the last check number of the previous run plus one as the default Start Check Number parameter. If you run multiple payroll runs at the same time, they may use the same default check number. To prevent this from happening:

1. Configure your own Simplified Payroll Cycle flow.
2. Remove the Generate Check Payments task.
3. After each payroll cycle is complete, run this task manually, selecting the correct value for the **Start Check Number** parameter.

**Related Topics**
- Generating Payroll Reports in Microsoft Excel Format: Procedure

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**QuickPay: How It's Processed**

Use the Calculate QuickPay task to submit a flow that calculates the run results for a person without waiting for the standard payroll run.

For example, use it to:

- Process new-hire or termination payments
- Pay people whose records you removed from the standard run for further processing
- Perform special payments
- Resolve localized problems with a payroll run that requires reprocessing

Selecting the Calculate QuickPay task displays the Person page. Based on the person selected and effective date used for the search, the QuickPay process displays a single page and checklist. It populates parameters, such as the person’s payroll, date earned, and flow name. You can override these parameters.

The checklist is based on the predefined QuickPay flow pattern that includes tasks for calculating payroll run results and prepayments, and processing an external payment. You can replace the default QuickPay pattern with a user-defined QuickPay flow pattern by adding your flow pattern to a user-defined table.

Process a QuickPay action using one of the methods listed on the following table.

<table>
<thead>
<tr>
<th>Method to Use</th>
<th>Work Area</th>
<th>When to Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculate QuickPay task</td>
<td>Payroll Calculation</td>
<td>• Process all QuickPay actions from one page using a checklist</td>
</tr>
<tr>
<td>Calculate QuickPay task on the Actions menu of the Manage Person Details search page</td>
<td>Payroll Calculation</td>
<td>• Automatically populate parameters based on the effective date.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Process one or more QuickPay flows</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Start a QuickPay process immediately after updating a person’s element entries</td>
</tr>
</tbody>
</table>
Table: Settings That Affect Processing

<table>
<thead>
<tr>
<th>Settings</th>
<th>Task</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculation parameters</td>
<td>Calculate QuickPay</td>
<td>You submit an off-cycle QuickPay process. You override the Data Paid parameter, specifying the same date as the Process Date.</td>
</tr>
<tr>
<td>Calculation settings</td>
<td>Calculate QuickPay</td>
<td>You exclude the element entry for a voluntary deduction for a QuickPay flow that issues a bonus payment.</td>
</tr>
<tr>
<td>Payment settings</td>
<td>Calculate QuickPay Prepayments</td>
<td>You override the default payment setting to issue a check instead of an electronic funds transfer.</td>
</tr>
</tbody>
</table>

Settings That Affect Processing

The parameters and settings you specify for the tasks in the QuickPay flow determine which records to retrieve and process. The QuickPay process calculates the element entries for all the assignments associated with the payroll relationship, based on the run type and settings specified.

The following table lists typical examples of settings that you might change to address different processing requirements.
How QuickPay Is Processed

This figure shows the sequence of tasks in a QuickPay flow:

When you submit the Calculate QuickPay task, it performs the following sequence of tasks:

1. It calculates payroll run results for the person, based on the settings you provided.
2. You verify run results on the View Person Process Results page and mark the process completed.
3. The Calculate QuickPay Prepayments task calculates the payment distribution.
   The calculation uses the default payment method and payment source, unless you select to override these settings in the Prepayments section.
4. You verify prepayment results in the Prepayment Results section of the View Person Process Results page and mark the process completed.
5. You issue an external or internal payment:
   a. You issue an external payment by selecting Make Payment from the Action menu. You verify the payment results and mark the task completed.
       The Make External Payment task marks the record as paid so that it isn’t included in the normal payment process.
   b. You skip the Make External Payments task and issue an internal payment. Select the Skip Flow action for the Make External Payment task to skip the rest of the tasks in the flow and mark the flow as complete. When you are ready, run the payment process, which processes the unpaid payments from this QuickPay and any others that match the parameters you provided when you submit the process.
       For example, you might archive the payroll run and prepayment results, and then Make EFT Payments from the Payroll Checklist or Payment Distribution work areas.
5. You verify the payment results and mark the task as complete.
Working with QuickPay Flows: Explained

Depending on the method you use to start a QuickPay process, you process your QuickPay from the payroll flow or the Calculate QuickPay page. The only difference is that the Calculate QuickPay page streamlines access to some tasks, such as interacting with another flow.

This topic explains how to work with the flow from the Calculate QuickPay page and includes the following topics:

- Processing multiple QuickPay flows and interacting with other flows
- Processing tips

Processing Multiple QuickPay Flows and Interacting with Other Flows

Refer to the following table for how to go to process a QuickPay for a different payroll period and how to connect a QuickPay process to another flow.

<table>
<thead>
<tr>
<th>Task</th>
<th>Action to Do</th>
</tr>
</thead>
</table>
| Run QuickPay flows for consecutive payroll periods | 1. Use the Calculate QuickPay task in the Payroll Calculation work area to start a QuickPay flow.  
2. Select Next from the Action menu to go to the next payroll period.  
3. Complete the QuickPay flow.  
4. Select Next from the Action menu to go to the next payroll period.  
5. Complete the QuickPay flow. |

| Interact with another flow        | 1. While working with a QuickPay flow, select Flow Interaction from the Action menu.  
2. In the Flow Interactions dialog box, add a row.  
3. Select the last task you will complete.  
4. Select the destination flow.  
5. Select the task in the destination flow that will continue processing the QuickPay results.  
6. Select the Use to Calculate Results check box.  
7. Click Ok.       |

Processing Tips

Refer to the follow table for how to perform common tasks when working with your QuickPay flow.

<table>
<thead>
<tr>
<th>Task</th>
<th>Action to Do</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quit the QuickPay flow and save it</td>
<td>Click the Done or Close button.</td>
</tr>
</tbody>
</table>

Resume work on a QuickPay flow using the checklist

You can’t resume work on the QuickPay flow using the Calculate QuickPay task. Follow these steps:

1. Go to the Payroll Checklist work area.
### Chapter 14

#### Setting Up Payroll Flow Patterns

<table>
<thead>
<tr>
<th>Task</th>
<th>Action to Do</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roll back tasks</td>
<td>Roll back each task in the checklist until you reach the task you want to roll back.</td>
</tr>
<tr>
<td>1.</td>
<td>Select the last incomplete manual task.</td>
</tr>
<tr>
<td>2.</td>
<td>Select <strong>Roll Back</strong> from the Action menu.</td>
</tr>
<tr>
<td>Skip a flow</td>
<td>On the Overview page of the Payroll Checklist work area, search for and select the flow.</td>
</tr>
<tr>
<td>1.</td>
<td>Select <strong>Skip Flow</strong> from the Action menu.</td>
</tr>
<tr>
<td>Skip the remaining tasks, including ones in error, rolled back, or not started</td>
<td>Select <strong>Skip Flow</strong> from the Actions menu.</td>
</tr>
</tbody>
</table>

### Related Topics
- Submit a QuickPay Flow to Correct a Payroll Calculation Error
- Examples of Using Flow Interaction for QuickPay Flows

### Create a User-Defined QuickPay Flow Pattern

When you start a QuickPay process using the Calculate QuickPay task, the checklist displays the tasks included in the predefined QuickPay flow pattern. To base the checklist on a user-defined flow pattern, you update the FLOW_DEFINITION user-defined table. When required, you can always start a QuickPay process using the predefined or other QuickPay flow pattern. Use the Submit a Payroll Flow task in the Payroll Checklist work area.

This topic covers the following procedures:
- Replace the predefined QuickPay flow
- Revert to the predefined QuickPay flow

#### Replace the Predefined QuickPay Flow

As a prerequisite, you copy and update the predefined QuickPay flow pattern. You then complete the steps to update the FLOW_DEFINITION user-defined table.

Create a user-defined flow pattern.

1. Use the Manage Payroll Flow Pattern task in the Payroll Checklist work area.
2. Copy the predefined QuickPay flow pattern, and specify its legislative data group.
3. Update the new flow pattern with the tasks to include in your QuickPay flow.

Complete the following steps for the FLOW_NAME column.

1. Use the Manage User-Defined Tables task in the Payroll Calculation work area. Specify the legislative data group as a search criteria. Search for and open the FLOW_DEFINITION table.

> **Note:** Each legislative data group can have only one flow pattern specified for the Calculate QuickPay task.
2. Click the **Edit**.
3. Specify the **Effective As-Of Date**.
4. In the User-Defined Columns section, select **FLOW_NAME**.
5. In the User-Defined Rows section, click **Create**.
6. In the Sequence field, enter the number **1**.
7. In the Exact field, enter a name, such as **Enter Flow Name**.
8. Click **Next**.
9. On the Edit User-Defined Table page in the User Defined Table Values section, click **Create**.
10. In the Add User-Defined Table Values dialog, select the name you specified for the Exact field.
11. In the Value field, enter **QUICK_PAY**.
12. Save your work.
13. Click **Back** to return to the Edit User-Defined Table page.

Complete the following steps for the **FLOW_NAME_OVERRIDE** column.

1. On the Edit User-Defined table page, in the User-Defined Columns section, select **FLOW_QUICKPAY_OVERRIDE**.
2. Click **Next**.
3. On the Edit User-Defined Table page in the User Defined Table Values section, click **Create**.
4. In the Add User-Defined Table Values dialog, select the name you specified for the Exact field.
5. In the Value field, enter the name of the QuickPay flow pattern you configured.
6. Click **Submit**.

**Revert to the Predefined QuickPay Flow**

The Calculate QuickPay task uses the user-defined table values specified in the **FLOW_DEFINITION** table. As a result, if you no longer want to use the configured default QuickPay flow, edit the user-defined table values.

1. Use the Manage User-Defined Tables task and search for the **FLOW_DEFINITION** table for your legislative data group.
2. Edit the **FLOW_NAME_OVERRIDE** column. Delete the name of the configured QuickPay in the Value field in the User-Defined Table Values section.
3. Review the **FLOW_NAME** column. Keep **QUICK_PAY** in the Value field in the User-Defined Table Values section.

**Related Topics**
- Example to Create a User-Defined Table for Matched Row Values:
- Example to Create a User-Defined Table for a Range of Row Values

**Checklist and Flow Tasks**

**Checklist and Flow Tasks**

When you submit a flow pattern it creates an instance of the flow. For every submitted flow, the application generates a checklist by default. The flow can be a task flow, process, or report.

Here’s what the checklist might include, depending on the flow pattern.

- Automatic tasks, such as extracts, reports, and processes
- Manual tasks, such as the Verify Payroll Process verification task, required to complete a flow
Here’s what you can do with checklists.

- Monitor the status of the flow tasks
- Manage the flow tasks, such as reassigning tasks, marking tasks as completed, and performing corrective actions
- View task details, such as a list of records processed by the flow

While working on a task in the flow, you can remain in the Payroll Checklist work area or go to a related work area that includes tasks in the regional area. For example, while reviewing the results for the Calculate Payroll task, you can go to the Payroll Calculation work area to review the person’s calculation card or element entries.

Flow Task Start and Due Dates

Specify duration dates and notification options in the payroll flow pattern to give flow owners adequate time before a task starts to prepare and before a task is due to address any issues.

Task Start and Due Dates

Specify the following duration dates on the Tasks page of the Manage Payroll Flow Patterns page:

- Start date, the date the task owner should start the task

  **Note:** The start date applies to notifications only. You schedule when a flow starts on the Scheduling page when you submit the flow.

- Due date, the date the task owner should complete the task

To specify duration dates:

1. Select the flow parameter date to use as the basis for the duration date
2. Optionally, offset the date by specifying a plus or minus value depending on whether the date falls before or after the duration date.

Notifications

Select notifications to send error and warning messages, and to inform the task owner when a task starts or ends. The receipt of notifications depends on the duration dates and their offsets.

1. Specify the notifications the task owner receives.
2. Optionally, specify the number of days before the application automatically deletes a notification from storage.

Use the Manage Payroll Process Configuration task in the Setup and Maintenance work area to complete the Notification Expiration Offset parameter.

Manage Corrective Tasks in a Payroll Flow Pattern

Before defining flow patterns to correct payroll run or payment results, consider whether flow owners can correct individual records or tasks by using task actions, predefined processes, or predefined flows, such as the Cancel Payments flow.

Use Task Actions

Most tasks support corrective task actions at the task level or individual record level. The type of task and its status determine which corrective actions the flow owner can select from the Actions menu when viewing results.
The following figure shows the task actions available from the Actions menu when working on the Payroll Flow Checklist or the Processes and Reports tab of the payroll flow.

You can confirm whether the task includes the task actions by performing these steps:

1. Edit your flow pattern on the Manage Payroll Flow Pattern page of the Payroll Checklist work area.
2. Select the task on the Tasks tab, and edit it.
3. Review the Execution Mode column on the Edit Task Details: Basic Information page to confirm that the task supports the Mark for Retry, Retry, and Roll Back task actions.

Use Predefined Processes
Flow owners can use the Submit a Process or Report task from a payroll work area to submit corrective processes:

- Roll Back Process
- Retry Payroll Process
The flow owner might use these processes to roll back or retry a flow that includes a single process and that is in progress with errors.

**Use Flow Patterns**

If your enterprise performs several tasks to correct problems, flow owners can use a predefined flow pattern, such as the Cancel Payment flow.

- A predefined flow pattern, such as the Cancel Payment flow

  The Cancel Payment flow pattern includes tasks to view the person process results, void the payment, process an external payment to prevent reissue of the original payment, and reverse the original prepayment and payroll run calculations.

- A flow pattern you create, such as a flow pattern to reissue a lost check

  This flow pattern might include tasks to void the payment, issue an external payment, and view the person process results.

**How Flow Patterns are Edited**

You can create or copy a flow pattern and then edit add, delete, or move a task in the flow pattern. This topic provides examples of edits you can perform to tasks in a flow pattern or checklist.

Perform these edits on the Task Sequence tab of the Manage Payroll Flow Patterns page. For payroll flow patterns, use the Manage Payroll Flow Patterns task in the Payroll Checklist work area. For extract flow patterns, use the Refine Extracts task in the Data Exchange work area.

**Edit Tasks**

Here’s a list of examples of edits you can perform and the probable impact the edits can have on the flow.

<table>
<thead>
<tr>
<th>Edits</th>
<th>Impact</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Add a task</td>
<td>You add a task to position it as the last task in the activity or task group. Update the task sequence.</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>
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.
Add 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.
4. Click Select and Add on the menu bar. In the Search Tasks dialog, search for and select Run BI Publisher Report. Click Done.
5. On the Task Sequence page, confirm the sequence is correct.
6. On the Flow Parameters page, add a required parameter for the first argument of the BI Publisher report.

   The flow parameters map to the BI Publisher arguments. For example, if your report is based on a SQL query, the first argument is the first bind variable of a SQL query data model.

   Tip: To easily determine the sequence of arguments, view the list of parameters for the generated report in BI Publisher.

7. Optionally, rename the parameter to a more meaningful name.
8. On the Task parameters page, in the Parameter Details section, complete these steps:
   a. Confirm that the Parameter Basis for the First Argument value is Bind to Flow.
   b. Specify a value for the Report Name and Report Path parameters.

      For example, if the BI Publisher data model is saved to the Custom folder in Shared Folders you would specify /Custom/yourBICreport.xdo.
   c. Specify values for other arguments if required.
9. Review the flow and submit it.
Create a Flow within a Flow

In this example you copy the Transfer Batch flow and modify it to include a predefined report flow pattern you created earlier. The predefined flow you add submits a report to check for any batch line errors during the Transfer Batch process. If the transfer fails, you can skip the transfer process or mark it as complete, and then view the report for error details.

Create the Parent Flow Pattern

1. In the Payroll Checklist work area, select the Manage Payroll Flow Patterns task.
2. Search for and select the row for Transfer Batch, and then click Copy.
3. Enter the name of the new flow pattern, such as Transfer Batch with Error Report.
4. Enter a description, such as “Transfer a batch and view any batch line errors that occurred.” and then click Save and Close.
5. Search for and select the Transfer Batch with Error Report flow pattern, and then click Edit.
6. To add the parameter that derives batch name from the batch ID:
   a. On the Parameters tab, click Add.
   b. Select the added row and click Edit.
   c. Add these values.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flow Parameter</td>
<td>Batch Name</td>
</tr>
<tr>
<td>Use for Searches</td>
<td>No</td>
</tr>
<tr>
<td>Display</td>
<td>No</td>
</tr>
<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>
<tr>
<td>Parameter Value 1</td>
<td>Bind To Flow</td>
<td>Batch Name</td>
</tr>
</tbody>
</table>

c. Click **Next**, and optionally complete the owner and checklist information.
d. Click **Next**, and optionally complete the duration and notification information.
e. Click **Submit**.

5. Edit the task sequence as follows:
   a. On the Task Sequence tab, edit these two rows to enter the flow tasks and sequence in the flow.

<table>
<thead>
<tr>
<th>Start Flow</th>
<th>Following Task</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer Batch</td>
<td>Run Batch Lines Report</td>
</tr>
<tr>
<td>Run Batch Lines Report</td>
<td>End Flow</td>
</tr>
</tbody>
</table>

b. Click **Submit**.
Test the Flow

1. Create and save a test batch that should cause an error. Alternatively, you can search for an existing batch that was transferred with errors using this SQL query:
   
   ```sql
   select * from pay_batch_headers where batch_status = 'E';
   ```

2. On the Submit a Process or Report page, select a legislative data group.
3. Select the Transfer Batch with Error Report task, and then click Next.
4. Enter a unique name for the current flow instance.
5. Enter the name of the batch with errors that you saved or queried, and then click Submit.
6. Click OK and View Checklist, and then click the Refresh icon until the Transfer Batch task shows as in progress with error.
7. View the report in the flow as follows:
   a. Select the row with the Transfer Batch task, and then select Skip Task in the Actions menu.
   b. In the row for Run Batch Lines Report, click Go to Task.
   c. In the Processes and Results section, click the name of the report.
   d. In the row for Run BI Publisher Report, click Go to Task.
   e. On the Process and Reports tab, click View Results.
   f. Click the PDF file name to open the report.

Multiple Instances of a Flow

Multiple Instances 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_PARAMVALUE()` and stores the return value of this formula function in the task parameter 'EFFECTIVE DATE'. The formula function is:

```
*EFFECTIVE DATE=GET_FLOW_PARAMVALUE('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>
</tbody>
</table>
Decisions to Consider | In This Example
--- | ---
What is the effective date of the report? | January 01, 2012
What is the tax year date? | January 01, 2011
What is the repeat formula name? | Sample Formula
Is this report confined to a single legislative data group (LDG) | No. The report can be used globally for any LDG in the organization.
What are the static flow parameters? | Effective Date, Start Date, Tax Year Date, Repeat Counter
What are the dynamic parameters? | Payroll Statutory Unit ID and the Repeat Flow

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.
The flow parameters are used to submit and complete the tasks in the flow pattern, or as a basis for deriving values to submit the remaining tasks in the flow pattern.

10. After you have completed the requisite parameters, click **OK**.
11. On the Task Parameters page, review the parameters, and if necessary update the parameters.
12. Review the resulting checklist for the flow pattern before submitting the flow pattern.
13. Click **Submit**.

**Submit the Flow**

Complete these steps to submit the newly created flow pattern.

1. Select the Submit a Payroll Flow task in the Payroll Checklist work area.
2. Search for EOY Results Flow and click **Next**.
3. Enter these parameters.

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Flow</td>
<td>Enter a payroll flow name.</td>
</tr>
<tr>
<td>Task Name</td>
<td>Archive End-of-Year Payroll Results</td>
</tr>
<tr>
<td>Task Repeat Formula</td>
<td>Archive EOY Results Repeat Formula</td>
</tr>
<tr>
<td>Maximum Repeat Counter</td>
<td>10</td>
</tr>
<tr>
<td>Execute in Parallel</td>
<td>Yes</td>
</tr>
<tr>
<td>Maximum Parallel Threads</td>
<td>3</td>
</tr>
</tbody>
</table>

4. Click **Next**. Check the flow interaction.
5. Click **Next** and select the schedule. You can select ‘As Soon As Possible’ to execute the task immediately.
6. Click **Review** to review the parameters.
7. Click **Submit**.
8. Click **Done**.

### View the Results and Log File

To access the archive results after the process is submitted:

1. From the Confirmation page, click **OK and View Checklist**.
2. Click **Go to Task**.
3. Click the **Processes and Results** tab.
4. Click **View Results**.
5. Highlight a process row to view the results of a specific process.
6. Click the **View Output** icon to view the output of the process.
7. Click **Log** to view the process log.

   The log file shows details of each submission. You can also use the View Payroll Process Results task in the Payroll Checklist work area to view the process results.

### FAQs for Payroll Flow Patterns

#### Can I edit a predefined flow pattern?

You can only edit payroll flow patterns that you copy or create. You can’t edit predefined flow patterns. For example, you might copy a predefined flow pattern and configure it to your requirements, such as adding a report extract you defined, or displaying additional flow parameters. You can create a new flow pattern that includes only the tasks you perform during a specific phase of the payroll cycle, such as the end of an accounting period or at the end of a quarter.

#### Can I skip the flow parameters for a single-task payroll flow pattern?

No, you must specify flow parameters required to successfully complete the task. Typically, these parameters include the mandatory task action parameters. You can also specify optional parameters that serve to restrict the results of the flow.

#### How can I rearrange tasks in a flow pattern?

Every flow pattern begins with a Start Flow task, which does not belong to an Activity or Task Group, and concludes with an End Flow task. Edit the task sequence by selecting a different task in the Following Task column.

When you create a flow, use the Task Sequence page to rearrange the tasks. When you edit a flow, select the task and edit its sequence on the Create Flow Pattern: Basic Information page. When you submit a flow, processes in the flow use and build upon the results of the previous processes. To maintain data integrity, ensure the sequenced tasks follow a consecutive order.

#### How can I run tasks concurrently in a flow?

Use the Manage Payroll Flow Patterns task in the Payroll Checklist. Search for and open your flow pattern. Click the Task Sequence tab. You specify that each concurrent task follows the same previous task.
For example, you create a flow pattern with a payroll calculation task and two reports. The flow ends when both reports complete. For the first row, you specify the Start Flow task with the Calculate Payroll as the following task. For the second row, you specify Calculate Payroll as the task, and the first report as the following task. For the third row, you specify Calculate Payroll as the task, and the second report as the following task. For the fourth row, you specify the first report as the task and End Flow as the following task. For the last row, you specify the second report as the task and End Flow as the following task.

What happens if I don't enter a task owner in a flow pattern?

The person who submits the flow becomes the flow owner and the task owner. The person's security privileges determine whether the person can submit the flow.

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.

Why don't the duration dates in the flow pattern display?

The start and end dates and their offsets display after you complete the flow parameter dates. Use the Manage Payroll Flow Patterns task in the Payroll Checklist work area or the Refine Extracts task in the Data Exchange work area. Enter the flow parameters on the Parameters page, and then return to the Tasks page to enter the duration dates.

If your flow pattern doesn't specify dates as flow parameters, the duration list of values is blank. Change the values for the Duration list by displaying the date parameters for tasks in your flow pattern.
15 Setting Up Payroll Process Configuration

Payroll Process Configuration Groups

Payroll process configuration groups provide sets of processing parameters, primarily related to logging and performance. Select a process configuration group when you run a process, such as a new-hire flow or termination flow, or an extract process or report.

If you don’t select a process configuration group, the application uses the parameters in the default group. You must specify the default group in the Process Configuration Group ACTION_PARAMETER_GROUPS profile option.

Here’s the list of tasks where you can set up profile options and default process configuration groups.

<table>
<thead>
<tr>
<th>Action</th>
<th>Task and Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edit predefined process configuration groups</td>
<td>Default Group tab of the Manage Payroll Process Configuration page</td>
</tr>
<tr>
<td>Create additional process configuration groups</td>
<td>Group Overrides tab on the Manage Process Configuration Group page</td>
</tr>
<tr>
<td>Select a process configuration group as the default at the site or user level</td>
<td>Manage Administrator Profile Values task</td>
</tr>
</tbody>
</table>

To open this page, use the Manage Payroll Process Configuration task from Quick Actions on the Home page.

Create a group with the logging parameters turned on to troubleshoot processes. You can also specify different performance parameter values, such as chunk size and buffer size, for running different processes.

Parameters

Payroll Process Configuration Parameters

Payroll processing parameters are system-level parameters that control aspects of payroll-related processes, such as flows and reports. Values for each parameter are predefined with the application, but you can override these values as part of your initial implementation and for performance tuning. Use the Manage Payroll Process Configuration task from the Quick Actions menu.

Processing Parameters

The effects of setting values for specific parameters may be system-wide. When you submit a process that uses flows, such as a batch upload, new hire, or report process, it reads values from the PAY_ACTION_PARAMETERS table.
**Note:** You should understand the concept of array processing and how this affects performance before setting some parameters.

The application does not allow a blank value for any parameter and you must delete the parameter row if the parameter is not required.

The following table describes processing parameters and lists values and predefined default values. These parameters apply to HR applications including payroll and payroll interface.

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Description</th>
<th>Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assignment ID to End Logging</td>
<td>Assignment ID upon which logging ends.</td>
<td>Default: All assignments</td>
</tr>
<tr>
<td>Assignment ID to Start Logging</td>
<td>Assignment ID upon which logging starts.</td>
<td>Default: All assignments</td>
</tr>
<tr>
<td>Balance Buffer Size</td>
<td>Buffer size for array inserts and updates of latest balances, based on one row per balance.</td>
<td>Maximum: 1000</td>
</tr>
<tr>
<td></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 Post-Populate Method</td>
<td>Disables the locking code added to the post-populate method to improve check process performance. 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>Yes, No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default: No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Don’t change this value unless advised by Oracle Support.</td>
</tr>
<tr>
<td>Element Entry Buffer Size</td>
<td>Buffer size that payroll runs use in the initial array selects of element entries, element entry values, run results, and run result values per assignment.</td>
<td>Maximum: 1000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Minimum: 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default: 500</td>
</tr>
<tr>
<td>Parameter</td>
<td>Description</td>
<td>Values</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>Formula Execution Logging</td>
<td>Sets the logging level to investigate formula code problems. See also the Logging Processing Parameters topic.</td>
<td>Delete the parameter row if the parameter is not required.</td>
</tr>
<tr>
<td>Historic Payment</td>
<td>Removes the validation to look for banks active as of the process date. This validation is usually enforced by the payments process. 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>Yes, No</td>
</tr>
<tr>
<td></td>
<td></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. Refer to the Logging Processing Parameters topic in the Related Links section for applicable values. Delete the parameter row if the parameter is not required.</td>
</tr>
<tr>
<td>Manual Task Processing</td>
<td>Enables processing of manual tasks when SOA server is unavailable.</td>
<td>Y, N</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default: Y</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></td>
<td>Default: CHUNK_SIZE or 20</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></td>
<td>Default: 1000000</td>
</tr>
<tr>
<td>Maximum Iterations Allowed per Run Action</td>
<td>Maximum number of iterations allowed per run action within net-to-gross calculations within the payroll run.</td>
<td>Minimum: 0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default: 15</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></td>
<td>Default: 50</td>
</tr>
<tr>
<td>Parameter</td>
<td>Description</td>
<td>Values</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>Multithreaded XML Generation for Extracts</td>
<td>Generates XML for extracts using multiple threads.</td>
<td>Y, N</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default: N</td>
</tr>
<tr>
<td>New Hire Flow Pattern</td>
<td>Name of the customer-defined flow that is triggered as part of the new hire process.</td>
<td>Delete the parameter row if the parameter is not required.</td>
</tr>
<tr>
<td>Notifications Expiration Offset</td>
<td>Number of days before a payroll flow notification is automatically deleted.</td>
<td>Minimum: 5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default: 5</td>
</tr>
<tr>
<td>Payroll Batch Loader Encryption Type</td>
<td>The type of encryption applied to source files loaded using the payroll batch loader.</td>
<td>PGPSIGNED, PGPUNSIGNED, PGPX509SIGNED, PGPX509UNSIGNED</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Delete the parameter row if the parameter is not required.</td>
</tr>
<tr>
<td>Payroll Criteria for Element Eligibility</td>
<td>Enables eligibility by payroll for assignment-level elements.</td>
<td>Yes, No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default: No</td>
</tr>
<tr>
<td>Process Timeout</td>
<td>Number of minutes before the Run Balance Generation process times out.</td>
<td>Minimum: 0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default: No timeouts limit enforced. Delete the parameter if no value is specified.</td>
</tr>
<tr>
<td>Remove Report Assignment Actions</td>
<td>Removes report processing actions after generating reports.</td>
<td>Yes, No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default: Yes</td>
</tr>
<tr>
<td>Run Result Buffer Size</td>
<td>Buffer size for array inserts and updates, based on 1 row for each payroll run result.</td>
<td>Maximum: 1000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Minimum: 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default: 500</td>
</tr>
<tr>
<td>Shuffle Chunk Processing</td>
<td>Random processing of order chunks for assignment actions.</td>
<td>Yes, No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default: No</td>
</tr>
<tr>
<td>Suppress Empty XML Tags in Extract Reports</td>
<td>Reduces the size of extract output for reports by excluding tags with blank values in XML output files.</td>
<td>Y, N</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default: Y</td>
</tr>
<tr>
<td>Termination Flow Pattern</td>
<td>Name of the customer-defined flow that is triggered as part of the termination process.</td>
<td>Delete the parameter row if the parameter is not required (No predefined Termination flow pattern).</td>
</tr>
<tr>
<td>Threads</td>
<td>Total number of subprocesses that you can run from the Oracle Enterprise Scheduler Service. See also the Parallel Processing Parameters topic.</td>
<td>Minimum: 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default: 1</td>
</tr>
</tbody>
</table>
### Oracle Human Resources Cloud Implementing Payroll for the United States

**Chapter 15**

### Setting Up Payroll Process Configuration

<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></td>
<td></td>
<td>Default: 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></td>
<td></td>
<td>Default: None</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></td>
<td></td>
<td>Default: 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>
<tr>
<td></td>
<td></td>
<td>Default: Y</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></td>
<td></td>
<td>P = Process Date</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EVE = For the Partial Period Accrual Reversal process, date earned is used. If the date earned isn’t defined for the time periods on the Payroll Definition page, the payroll period end date is used.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>For the payroll run that includes the actual costs, the process date of the payroll run is used.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default: P</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></td>
<td></td>
<td>Minimum: 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default: 500</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></td>
<td></td>
<td>P = Date paid</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Default: P</td>
</tr>
<tr>
<td>Earliest Retroactive Processing Date</td>
<td>The earliest date that retroactive processes are calculated. Updates made before this date are not recalculated.</td>
<td>Date value in YYYY/MM/DD format</td>
</tr>
</tbody>
</table>

---

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### 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

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 is not 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

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</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>1</td>
<td>Level 1 (combination of c, f, i, and m)</td>
</tr>
</tbody>
</table>
Parameter Value | Meaning
---|---
2 | Level 2 (combination of 1, c, d, n, and w)
3 | Level 3 (combination of 2, D, s, and W)
4 | Level 4 (combination of 3 and F)
5 | Level 5 (combination of 4 and T)

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.
Auditing Business Objects

Auditing Payroll Business Objects: Explained

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>
<tr>
<td>Payroll Business Object</td>
<td>Description</td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Calculation Reporting Card Usage</td>
<td>Attaches a reporting card to a person record.</td>
</tr>
<tr>
<td>Element Entry</td>
<td>Holds earning and deductions details for a person.</td>
</tr>
<tr>
<td>Element Entry Value</td>
<td>Holds the values of the compensation and benefits granted to a person.</td>
</tr>
<tr>
<td>Payroll Calculation Range Value</td>
<td>Defines the values or sets of values used in the calculation of a value definition.</td>
</tr>
<tr>
<td>Payroll Calculation Value Definition</td>
<td>Defines how a value is calculated in payroll processing.</td>
</tr>
<tr>
<td>Personal Payment Method</td>
<td>Holds the payment method details for a person.</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 are not audited. To continue to audit the business object with select attributes, deselect those attributes that are not to be audited. When users view the audit history for an application, they can specify the period for which they want the results. Therefore, make a note of when you start and stop auditing an application.

For example, users intend to view the audit history of an object for the previous week, but auditing for that object was stopped last month. They wouldn’t get any audit results for that week, because during the entire month that object wasn’t audited. Even if you enable audit for that object today, users can’t get the wanted results because audit data until today isn’t available.

Audit History

Using audit history you can view changes to the application data such as the business objects that were created, updated, and deleted. To view the history or to create a report, you must have a role with the assigned privilege View Audit History (FND_VIEW_AUDIT_HISTORY_PRIV). For appropriate assignment of roles and privileges, check with your security administrator.

To open the Audit History work area, click Navigator > Audit Reports.

The default search displays a summary of the audit history in the search results table. It includes key data such as date, user, product, event type, business object type, and description. For a detailed report, search again with modified search criteria. You can export the report summary to Microsoft Excel.
The following table lists the search parameters used and the outcome of their selection in the detailed report.

<table>
<thead>
<tr>
<th>Search Parameter</th>
<th>Result of Selection</th>
</tr>
</thead>
</table>
| Business Object Type           | • Narrows the search results to that specific business object within the selected product.  
                              | • Enables the Show Attribute Details check box.                                        |
| Include Child Objects          | Displays all the child objects that were listed for that business object when audit was set up. For example, a sales order object that contains several items as child objects. |
| Note: This parameter is applicable only for the business objects that belong to Oracle Applications Cloud. |                                                                                       |
| Show Impersonator             | Displays the details of the impersonator who modified the objects during an impersonation session. |
| Show Attribute Details        | Enables the attribute list so that users can select either all attributes or a specific attribute to view the changes. Based on the selection, the search results indicate whether the attribute is created, updated or deleted, and the corresponding old and replaced values. |
| Show Additional Object Identifier Columns | Displays the instances (contexts) in which the business object was used. The context values identify the objects and the transactions in which they were used. Each context is unique and assigns a unique description to the business object. |
| Note: 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. |                                                                                       |

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

Adding 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 any or all of the following processes:

- Payroll Data Validation Report for identifying missing payroll data needed for processes
- Worker Validation Report for identifying missing HR data needed for processes
- Data Validation Report for Payroll Interface for identifying missing HR or payroll data of persons associated with a given object group or payroll. The primary goal of the report in this case is to validate the data before it is exported by the Global Payroll Interface process to a third-party payroll provider.
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>Which data group does the new validation belong in?</td>
<td>Person Details</td>
</tr>
<tr>
<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>
<td></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>

Prerequisites

1. 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.

Creating the Validation

To create a validation:

1. In the Name field, enter Data Validation Report.
2. In the Data Exchange work area, select Manage Extract Definitions.
3. Search for and select the extract definition to edit as follows:
   a. In the Type list, select Full Profile.
   b. Select a legislative data group.
   c. Click Search.
   d. In the search results, click Data Validation Report.
4. On the Manage Extract Definitions page, click Switch Layout.
5. In the Session Effective Date field, enter 01/01/0001.
6. Add a new record to the Data Group to which you want to add validations as follows:
   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>Enter a unique value for the records within the Data Group. It is recommended to use a sequence number between 200 and 600.</td>
</tr>
</tbody>
</table>

Note: Two records in the same Data Group cannot use the same sequence number.
<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Detail record</td>
</tr>
<tr>
<td>Process Type</td>
<td>Fast Formula</td>
</tr>
</tbody>
</table>

d. Click **Save**.

7. Add the database item attribute as follows.

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>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Enter a suitable name, for example, Person Address Line 1 Attribute. This name is used in the validation message.</td>
</tr>
<tr>
<td>Tag Name</td>
<td>Person_Address_Line_1_Attribute</td>
</tr>
<tr>
<td>Short Code</td>
<td>Enter a suitable name to match the lookup code and remove the suffix, '&gt;MC', for example, CST_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>Enter a value appropriate to the data that you want to check. For example, Text for address details.</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>

⚠️ **Note:** If you don’t find the Database Item Group that fetches the attribute value you want to validate, it could be that:

- The Extract Attribute is added at an incorrect level (Data Group), or
- The Database Item Group is unavailable. Verify the availability of the Database Item Groups by trying to add the extract attribute to other levels (Data Group). If the required Database Item Group is unavailable, you can contact Oracle Support.
For more information, see Database Items for Extracts and Formulas in Oracle Fusion HCM guide on My Oracle Support (1565118.1).

8. Create another attribute for the validation rule as follows:
   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 Rule</td>
</tr>
<tr>
<td>Tag Name</td>
<td>RULE_TEXT</td>
</tr>
<tr>
<td>Short Code</td>
<td>CST_PERSON_ADDRESS_LINE_1&gt;MC</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>Always set as Rule</td>
</tr>
<tr>
<td>Rule</td>
<td>Global Attribute Mandatory Check</td>
</tr>
<tr>
<td>Output Label</td>
<td>Enter a value same as the Short Code, for example, CST_PERSON_ADDRESS_LINE_1-RULE</td>
</tr>
<tr>
<td>Output Column</td>
<td>Enter a unique value within the record, 26.</td>
</tr>
<tr>
<td>Results Display Option</td>
<td>Summary and detail</td>
</tr>
</tbody>
</table>

   c. Click Save and Close.

9. In the Actions menu, select Generate Formula.
10. In the Actions menu, select Compile Formula.
11. Click the Extract Execution Tree node and verify that all formulas are compiled.
12. Click Submit.
absence plan
A benefit that entitles workers to accrue time for the purpose of taking leave and receiving payments during absence periods.

absence type
A grouping of absences, such as illness or personal business that is used for reporting, accrual, and compensation calculations.

abstract role
A description of a person's function in the enterprise that is unrelated to the person's job (position), such as employee, contingent worker, or line manager.

aggregate privilege
A predefined role that combines one function security privilege with related data security policies.

assignment
A set of information, including job, position, pay, compensation, managers, working hours, and work location, that defines a worker's or nonworker's role in a legal employer.

assignment level
See sourcing assignment level.

assignment statement
A statement that formulas use to set a value for a local variable.

benefits object hierarchy
A structure that enables efficient management of benefits that share similar attributes. The four object types used to structure benefits offerings are programs, plan types, plans, and options.

business unit
A unit of an enterprise that performs one or many business functions that can be rolled up in a management hierarchy.

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 factor**
A data-driven rule for calculating a deduction or exemption.

**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.

**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.
**department**
A division of a business enterprise dealing with a particular area of activity.

**dimension**
See

**distribution**
Amount paid to a participant from a plan such as a savings plan or a flexible spending account.

**division**
A business-oriented subdivision within an enterprise. Each division is organized to deliver products and services or address different markets.

**duty role**
A group of function and data privileges representing one duty of a job. Duty roles are specific to applications, stored in the policy store, and shared within an application instance.

**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.

**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.
enterprise
An organization having common control over one or more legal entities.

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.

external payment
A payment processed by a prepayment process, but generated externally. Examples include a hand-written check for a terminated employee and a payment made with a different payment type or payment source than specified in the prepayment process.

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.
**LDG**
Abbreviation for legislative data group.

**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 jurisdiction**
A physical territory, such as a group of countries, single country, state, county, parish, or city, which comes in the purview of a legal 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.

**lookup code**
An option available within a lookup type, such as the lookup code BLUE within the lookup type COLORS.

**lookup type**
The label for a static list that has lookup codes as its values.

**object group**
User-defined set of elements or people that restrict the items you want to include in various processes and reports.
**payment source**
Bank account or other source of funds associated with organization payment methods.

**payroll employment group**
Group of people that payroll runs use for processing, data entry, and reporting.

**payroll processing parameters**
System-level information that controls settings for flow processes, such as logging, chunk size, and other options that affect process performance.

**payroll relationship**
Defines an association between a person and a payroll statutory unit based on payroll calculation and reporting requirements.

**payroll statutory unit**
A legal entity registered to report payroll tax and social insurance. A legal employer can also be a payroll statutory unit, but a payroll statutory unit can represent multiple legal employers.

**person type**
A subcategory of a system person type, which the enterprise can define. Person type is specified for a person at the assignment level.

**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.

**profile option value**
The setting mapped to the level of a profile option. A profile option may have multiple values set at different levels, such as Site or User.

**registration**
The record of a party’s identity related details with the appropriate government or legal authorities for the purpose of claiming and ensuring legal and or commercial rights and responsibilities.

**reporting establishment**
An organization used in the production of human resources (HR) reports that are required by government agencies.
**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**
Classified and grouped reference data that organizational entities share.

**stage table**
An intermediate table to which records are loaded from a spreadsheet or file and where some validation occurs.

**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.