

Oracle Fusion Cloud Human Resources

Administering Payroll for Canada Involuntary Deductions

25A



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1 Introduction

Overview of Involuntary Deductions for Canada

An involuntary deduction is a court ordered payment taken from the employee's pay and paid to a court or an individual person.

The secondary classification determines the wage basis to be used for the calculation of the deduction. All processing occurs at the payroll relationship level. The secondary classifications defined for involuntary deductions for Canada include:

- Garnishments
- Maintenance and Support
- Tax Levy

These fundamental rules define how involuntary deductions are processed for an employee:

- Wage Basis Rules
- Disposable Income Rules
- Protected Pay Rules

Creating Involuntary Deductions for Canada includes:

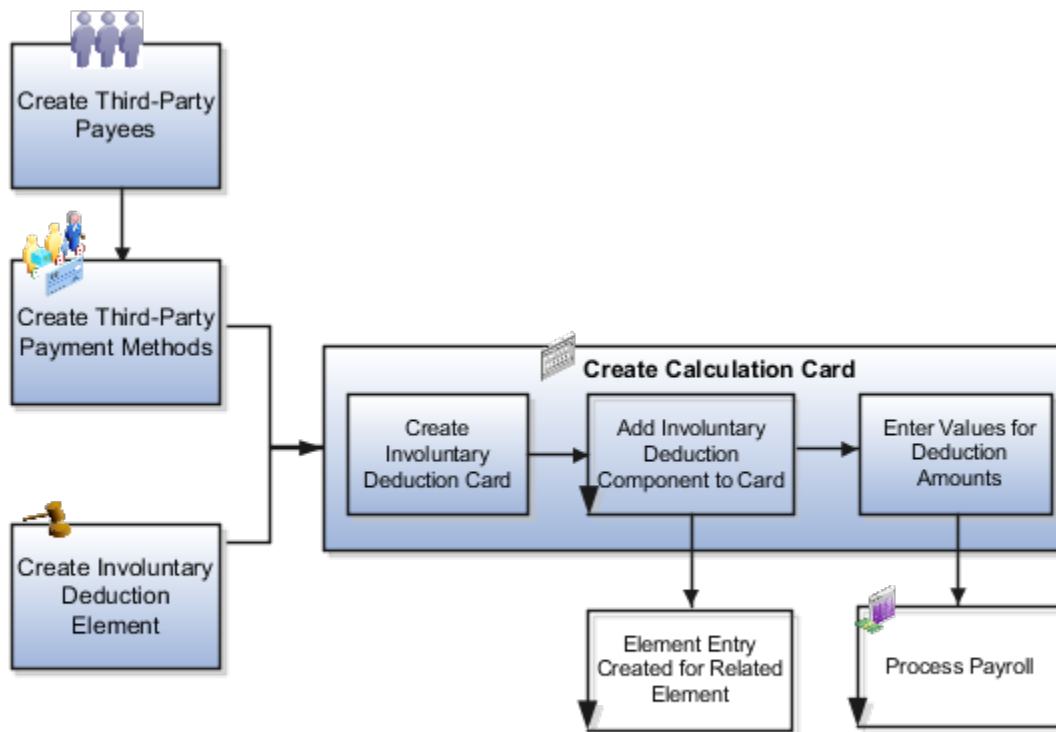
1. Creating involuntary deduction elements
2. Creating the element eligibility records
3. Creating the employee Involuntary Deductions calculation card
4. Processing the involuntary deductions

Before You Process Involuntary Deductions

Before you process the involuntary deductions, complete these tasks:

- Create an Organization Payment Method that's unique for the involuntary deductions. For example, create an organization payment method with a payment type of cheque.
- Include this payment method as a valid payment method in the payroll.
- Create a third party payee as either a person or organization. Configure third-party payments before you create the involuntary deduction card. Once you create the third-party payee, it becomes available for selection as a payee on the employee's Involuntary Deductions calculation card. The payee fields in the Involuntary Deduction Payment Details section display all third-party person payees associated with this payroll relationship and all external payees defined for your legislative data group.

Here's a look at the steps involved in creating an involuntary deduction.



Create Involuntary Deduction Elements

You must first define an involuntary deduction element for each involuntary deduction type you want to process. Use the Elements task under **Payroll** in **My Client Groups** on your Home page to create a new element with a primary classification of Involuntary Deductions. Select an appropriate secondary classification. The element template has specific questions for involuntary deductions.

Create the Element Eligibility Record

After you create the element, you must create element eligibility records for the newly created element. It automatically creates the associated balances, feeds, input values, formulas, and related elements required for payroll processing. It also creates a calculation component that you can add to an employee's Involuntary Deductions calculation card.

Create the Involuntary Deductions Calculation Card

The deduction details are attached to an employee through the Involuntary Deductions calculation card. You can capture the details of the deductions on the card. While calculating the involuntary deductions, the employee assignments, terms, and payrolls within the same payroll relationship are taken into consideration .

Use the Calculation Cards task to create an Involuntary Deductions calculation card.

You can also edit the Involuntary Deductions calculation card of an employee to:

- Add calculation components
- Select the payees for the deduction

- Set the deduction rules
- Set calculation values to override the predefined calculation component values on the card

Although rules exist on how Involuntary Deductions are processed, the courts have the authority to override these rules on a case-by-case basis. You can also apply court orders from provinces other than the employee's province of employment.

You can add multiple calculation components for the same or different involuntary deduction types. You can use the Subprocessing Order to specify the order in which the deductions are to be processed in the payroll run.

An employee should only have one active Involuntary Deductions card at a time, as the card is created per payroll relationship and is date-effective. When an involuntary deduction has been fully repaid, you must end date both the element and the calculation component.

Loading Involuntary Deduction Cards

Use the HCM Data Loader (HDL) to load involuntary deduction data into the application.

For more information on loading calculation cards, refer to the Loading Involuntary Deduction Cards technical brief located in the Canada Information Center on My Oracle Support: **Canada Information Center (Doc ID 2102586.2)**.

Process the Payroll and View the Results

Run a payroll for the employee and view the involuntary deductions processed for the employee in these reports:

- Employee's Statement of Earnings
- Payroll run results
- Balance Views

During a payroll run, the deduction element calculates the deduction amount based on:

- The element eligibility rules defined for this element
- The information entered on the Involuntary Deductions calculation card

Related Topics

2 Configure Involuntary Deductions

Involuntary Deductions Card for Canada

Involuntary Deductions Calculation Card Components for Canada

Use the Calculation Cards task under Payroll in My Client Groups to create an Involuntary Deductions calculation card for an employee with involuntary deductions.

You can edit the Involuntary Deductions calculation card of an employee and add calculation components, select the payees for the deduction, set the deduction rules, and set calculation values to override the predefined calculation component values on the card.

Let's look at the components to consider when managing involuntary deductions for Canada:

- Base information
- Calculation component details
- Involuntary deduction data
- Involuntary deduction payment details
- Involuntary deduction rules
- Start and end dates
- Involuntary deduction calculation values on calculation cards, such as:
 - Protected pay rules
 - Exemptions
 - Maximum rules

Base Information

When creating a new calculation component, you're prompted to provide these details related to the involuntary deduction.

Field	Required	Description
Calculation Component	Yes	Name of the involuntary deduction element type that you created for the garnishment, tax levy, or maintenance and support element that you want to attach to the employee.
Element Name	No	Reporting name of the element associated with this calculation component. This isn't editable and is automatically defaulted based on the element selected.
Subprocessing Order	No	Processing order override for cases when multiple card components have been defined.

Field	Required	Description
		Any positive number can be used for this value. The lower the number, the higher the priority. When multiple card components exist, use the subprocessing order to ensure correct processing. Enter a large number for the first card component, such as 100, and for subsequent card components, use a lower or higher number. The number you enter depends on whether you want it processed before or after the existing card components. For example: An employee has both a maintenance and support and a garnishment order. Enter 50 for the maintenance and support component and 100 for the garnishment component. This ensures the maintenance and support processes before the garnishment. In the case of duplicate subprocessing orders, involuntary deduction elements are processed in order by the element entry date. In the case of duplicate involuntary deduction elements, where the same start date is used and no subprocessing order is specified, the elements are processed in order by the lowest element entry ID (the order in which the element entries were created).
Reference Code	Yes	Reference code as provided on the originating order. This code is used to uniquely identify the deduction. An employee can have more than one order of the same deduction element. You can enter a court order number, remittance identifier, or other identifier provided by the issuing authority.

Calculation Component Details

Calculation component details contain settings shared across all involuntary deduction types.

These values are predefined based on the legislative rules. Use the Calculate Value Definitions task to set overrides for them for all employees in the LDG.

Let's look at the calculation components that are created and applied automatically whenever an involuntary deductions card calculation component is created for an employee:

- Involuntary Deduction Data
- Involuntary Deduction Payment Details
- Involuntary Deduction Rules

Changes made in the Calculation Card apply to the current employee only.

Involuntary Deduction Data

Involuntary deduction data provides configuration details for the involuntary deduction. The details you can add include:

- Multiple calculation components for the same or different involuntary deduction types
- Subprocessing Order to specify the order in which the deductions are to be processed in the payroll run
- Calculation component details for Garnishments, Support or Tax Levy deductions

Involuntary Deduction Payment Details

The payment values provide details on how involuntary deductions and their fees are paid. The list of available options for these fields is populated by persons and organizations defined through the Third Parties task. The payee fields display all third-party person payees associated with this payroll relationship and all external payees defined for your legislative data group.

Note: To use a third-party organization payee, select "External Payee" in the Party Usage Code field on the Third-Party Payment Methods page. This makes the organization payment method available for selection as a payee on the employee's involuntary deductions card.

Involuntary Deduction Rules

In the Involuntary Deduction Rules section, enter the receipt date of the order, the start date of the deductions, the frequency of deductions, and the issuing authority.

You can override the order amount, fee, or other amounts used in the calculation on the Involuntary Deductions card.

The Frequency field specifies how often the deduction is made, such as monthly or weekly, regardless of the payroll frequency. If you leave the Frequency field blank, the payroll frequency is used.

Start and End Dates

The following start and end dates determine which involuntary deductions are included in payroll processing:

- Effective As-of Date
Set when the involuntary deductions card is created.
- Received Date
Found under Involuntary Deduction Rules for the calculation component, this field indicates when the deduction order was received. Used to specify when the deduction begins in payroll if no start date is specified.
- Start Date
Found under Involuntary Deduction Rules for the calculation component, this field determines when the deduction should begin deducting in payroll. If not specified, Oracle Fusion Payroll uses the received date.

The element entry starts on the same date as the card component effective date and not as of this start date. If applicable, the maximum withholding duration days are tracked from this date. The start date should be on or after the card component date.

- End Date

When an involuntary deduction has been fully repaid, you must end date both the element and the calculation component. To end date a calculation component:

- End date all overrides associated with the calculation component and save.
- End date each of the calculation component details and save:
- End date the calculation component.

Once the calculation component is end dated, the element entry is end dated.

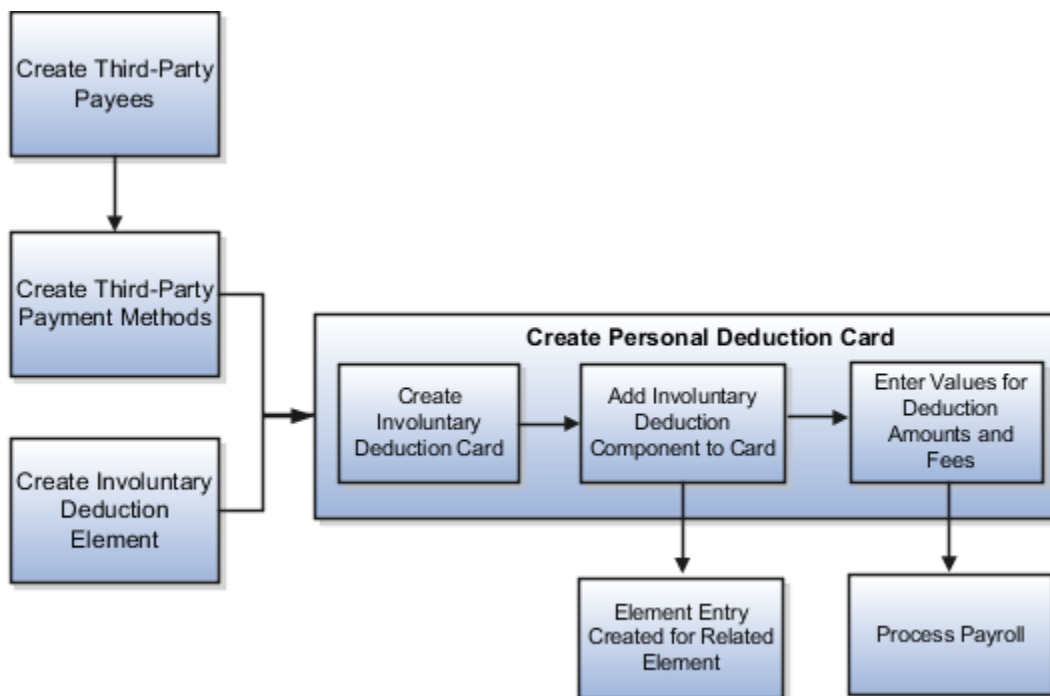
Involuntary Deduction Calculation Values on Calculation Cards

The Involuntary Deduction Calculation Values on Calculation Cards section has rules that are specific to the involuntary deduction or calculation component. These rules are configured for each involuntary deduction as defined by the calculation component.

Add Involuntary Deductions to a Calculation Card for Canada

Use element templates to create involuntary deduction elements such as garnishments, maintenance and support payments, and tax levies. The templates also create calculation components, which you can add to a personal calculation card, so the deductions are processed during a payroll run.

This figure shows the steps involved in creating an involuntary deduction and adding it to a personal calculation card:



Before you Begin

Before you can add an involuntary deduction to a personal calculation card, you must first:

- Create an organization payment method that's unique for the involuntary deductions and has a payment type of cheque. Associate this payment method to the payroll.
- Create a third party (organization or person) to receive the payment and associate the organization payment method.
- Create an involuntary deduction element and the element eligibility.

You can create multiple elements for the same involuntary deduction type if processing information or other details vary. For example, each jurisdiction you deal with may have different processing rules for court orders.

How to Create an Involuntary Deduction Calculation Card

Here are the steps for creating an Involuntary Deduction calculation card::

1. In the Payroll area under My Client Groups, search and select the **Calculation Cards** task.
2. Search for and select the payroll relationship.
3. If the person doesn't already have an involuntary deduction calculation card, click **Create**.
4. Enter a start date for the card and select the involuntary deduction card type.
5. Click **Continue**.

How to Add the Calculation Component to the Calculation Card

Add multiple calculation components for the same or different involuntary deduction types. For example, you could add two child support components and one garnishment component to the same calculation card.

On the Calculation Cards page:

1. In the Calculation Components section, click **Add Row**.
2. Select the calculation component with the same name as the involuntary deduction element.
3. Optionally, enter a number in the Subprocessing Order field if the calculation card must include more than one calculation component.

By default, the payroll run processes these element entries in order by date received, starting with the oldest entry.

4. Enter a reference code to uniquely identify this deduction, such as a court order number, case number, or other identifier provided by the issuing authority.
5. Complete the fields on the Calculation Component Details tab.

- In the Involuntary Deduction Payment Details section, select all payees for the deduction.

The payee fields display all third-party person payees associated with this payroll relationship and all external payees defined for your legislative data group.

- In the Involuntary Deduction Rules section, specify the information you require, including:
 - The date of receipt of the involuntary deduction order
 - The issuing authority (such as a court)
 - The frequency of the deduction such as monthly or weekly, regardless of the payroll frequency. If you leave the Frequency field blank, the payroll frequency applies.

How to Add Involuntary Deductions Calculation Values on Calculation Cards

You enter the order amount, fee, or other amounts used in the calculation on the calculation card.

The rules presented here are specific for each involuntary deduction as defined by the calculation component.

Under the Enterable Calculation Values on the Calculation Cards tab, complete the fields as shown in the following table. The values you can enter are described in the table below.

Note: For most values, you can enter either an amount or a rate. Enter a rate if you want the application to calculate the amount as a percentage of available pay. For example, to define a rate of 20 percent for the order amount, create an Order Amount (Rate) value. Then enter 0.20 in the Rate field. Enter the percentage rate as a decimal value. For example, 25 percentage is entered as 0.25 in the Rate field.

Calculation Value	Description
Order Amount	Rate or amount paid to the Order Amount Payee based on the frequency you specified. For example, if you specified a frequency of monthly in the component details, enter the amount to deduct each month, regardless of the payroll period. The application automatically calculates the correct amount to deduct in each payroll period. If you leave the Frequency field blank, this amount is deducted at the payroll frequency defined at the assignment level.
Organization Fee	Rate or amount paid to the Organization Fee Payee each time the deduction is processed.
Person Fee	Rate or amount paid to the Person Fee Payee each time the deduction is processed.
Processing Fee	Rate or amount paid to the Processing Fee Payee each time the deduction is processed.
Initial Fee	Rate or amount paid to Processing Fee Payee the first time this deduction is processed.
Maximum Withholding Amount and Minimum Withholding Amount	Maximum and minimum rates or amounts that can be withheld in one payroll period for this deduction.
Maximum Withholding Duration	The number of days after the Date Received that the order is valid. For example, a court order might only be valid for 90 days after the date issued.
Protected Pay Amount	Amount of the net pay an employee is left with after the involuntary deduction is taken.
Protected Pay Percentage	Percentage of the employee's pay that must be remaining after the deduction is taken.
Exemption Percentage	Percentage of the employee's pay that's exempt from this deduction.

Payment Methods

Create Organization Payment Methods for Involuntary Deductions for Canada

Create an organization payment method that is unique for the involuntary deductions and has a payment type of cheque. After you create the payment method, associate this payment method to the payroll.

Here are the steps to create an organization payment method for involuntary deductions:

1. Search and select the **Organization Payment Methods** task under Payroll.
2. In the Search Results section, click **Create**.
3. Select the legislative data group, for example, Canada LDG.
4. Select the date when you want this payment method to be available for use, and then click **Continue**.

Tip: Select a date that's 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**.

Field	Value
Name	Enter a name for the organization payment method.
Payment Type	Cheque
Currency	Canadian Dollar

6. Add a Payment Source and click **Continue**.
7. Click **Save**.

Related Topics

- [Organization Payment Methods for Canada](#)
- [Set Up Payment Sources in Organization Payment Methods for Canada](#)

Create Third-Party Payees for Canada

An involuntary deduction is a court ordered payment taken from an employee's pay and paid to a court or an individual person. Create a third party payee to process payments to an external organization or a person who isn't on the payroll.

Configure third-party payments before you create the involuntary deduction card. Once you create the third-party payee, it becomes available for selection as a payee on the employee's Involuntary Deductions calculation card.

Consider these points while creating the third-party payee for involuntary deductions:

- For court-ordered payments, create an entry for the court or other issuing authority as a third-party organization payee. When you select the payee on the involuntary deductions card, the address and contact information you specify here is displayed.
- For maintenance and support payments, create as either a person or an organization payee, as determined by the court order.

Here are the steps to create a third-party payee for involuntary deductions:

1. Search and select the **Third-Party Payment Methods** task under Payroll.
2. Click **Create**.
3. Select either an **Organization** or **Person** payee.
4. In the Basic Details section, complete the fields as shown in this table.

Third-Party Payee Details

Field	Value
Third-Party Name	Select the Third-Party Name of the organization payee.
Legislative Data Group	Select the Legislative Data Group of the employee whose pay is subject to the deduction.
Organization Payment Method	Select the relevant Organization Payment Method.
Payroll Relationship	Select the Payroll Relationship of the employee whose pay is subject to the deduction. Note: This field is displayed only if you chose Person as the payee.

5. Click **Save**.

Create Third-Party Payee Correspondence Language

When you create a third-party payee, capture a correspondence language for the payee. This allows cheques to third-party payees to be generated in French. This is available for both Organization and Person payee types.

Capture the address of the third-party payee on the **Create Address** page. Use the **Language** field to select the correspondence language.

You can only select American English or Canadian French. The default language is English and if you don't select a language, the cheques are generated in English by default.

If the payee has multiple addresses configured, the language designated on the primary address is used to generate the cheques.

Involuntary Deduction Elements

Options for Creating Involuntary Deduction Elements for Canada

Define an involuntary deduction element for each involuntary deduction you want to process for an employee.

Use the Elements task in the Payroll area to create a new element with a primary classification of Involuntary Deduction. Select an appropriate secondary classification.

Use the element template to create and configure involuntary deduction elements and their associated objects. Here are a few factors to consider when creating an involuntary deduction element for a Canadian payroll.

Secondary Classifications

The secondary classifications defined for Involuntary Deductions for Canada include:

- Garnishments
- Maintenance and Support
- Tax Levy

The secondary classification determines how the deduction is calculated and all processing occurs at the payroll relationship level.

Partial Deductions and Arrears

When an employee has insufficient earnings for involuntary deductions, you can select one of these options.

Option	Description
Take a partial deduction, but don't create arrears	Available amount is deducted, and the balance amount isn't maintained in arrears. This is the default value
Take a partial deduction, place remaining in arrears	Balance amount is maintained in arrears.

If you have selected the second option, the template gives you the option to specify if the arrears amount must be cleared in subsequent payroll runs. The default value is *No*, meaning that the arrears amount isn't cleared.

If your Answer to the above question is *Yes*, the following question is displayed:

"Processing Stop when the Total is reached?". The answer to this question determines if the deductions have to stop after a certain total owed amount is deducted:

- If the answer is *Yes* the deductions will stop after an override amount is reached. You must provide a total owed override amount for the deduction.
- If the answer is *No*, the deductions continue irrespective of whether the total owed amount is reached or not.

Related Topics

- [Overview of Involuntary Deductions for Canada](#)

Create an Involuntary Deduction Element for Canada

This example demonstrates how you can use the element template and create a Maintenance and Support involuntary deduction element for Canada.

In this example, create an Involuntary Deductions element with a secondary classification of Maintenance and Support. The element takes a partial deduction, but doesn't create arrears when there are insufficient funds to cover deductions. The processing stops when the total is reached.

How to Create the Deductions Element

To create the deductions element:

1. Search and select the *Elements* task.
2. Click *Create*.
3. Complete these fields, as shown in this table.

Field	Value
Legislative Data Group	Select an appropriate LDG.
Primary Classification	Involuntary Deductions
Secondary Classification	Maintenance and Support

Note: A secondary classification is required for a Canadian involuntary deductions element.

4. Click *Continue*.
5. On the Basic Details page, complete the fields, as shown in this table:

Field	Value
Name	Enter a name, example: Involuntary Deductions1
Reporting Name	Enter the name that you want to display on reports for this deduction payroll element.
Effective Date	Enter an early date so that the payroll element is available for use immediately.
Input Currency	Canadian Dollar

Field	Value
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	Final Close

6. Under the Standard Rules section, respond to the questions as shown in this table. The questions and default answers shown here are based on the predefined Canadian element template for Involuntary deductions. Your answers drive the definition of the Involuntary Deductions element to be created.

Question	Answer
What should happen when there are insufficient funds to cover the deductions?	Take a partial deduction, place remaining in arrears. An arrears amount is created and the following question is displayed.
Should the arrears be cleared?	No
Processing Stop when the Total is reached?	Yes

7. Click *Next* twice. Verify that the information shown on the Create Element: Review page is correct.
8. Click *Submit*.

How to Create an Eligibility Record

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

1. In the Element Overview section, select *Element Eligibility*.
2. Select *Actions*, and then *Create Element Eligibility*.
3. On the Element Eligibility name field, enter a name for the eligibility record.
4. In the Eligibility Criteria section, select any criteria if you want to restrict who can pay this deduction. Or else, select *All payrolls eligible*.
5. Click *Submit*.

All the associated balances, feeds, input values, formulas, and related elements required for payroll processing are created automatically.

Related Topics

- [Overview of Involuntary Deductions for Canada](#)

Upgrade Involuntary Deduction Elements for Canada

Use the Element Upgrade flow to upgrade your existing elements, created before Release 20D, whenever new features become available.

Run the Element Upgrade flow to apply new features to your involuntary deduction elements, such as legislative changes, new calculation value overrides, formula changes, calculation changes, and new balances.

Run this flow regularly, such as after each release.

Consider these points before you run the upgrade process:

- Use this process only to upgrade your existing elements.
- Run this process in a test environment first. This process performs changes to your elements that can't be rolled back. You must first thoroughly test your scenarios to ensure they perform correctly during payroll processing after the upgrade. Only after you have verified your scenarios in a test environment should you run this process in a production environment.
- Regardless of whether you are in the test environment or production, run this process initially in Draft mode, and use the output report to review the changes to be made. Once your evaluation is complete, and you approve of the changes, perform it in Final mode to implement the element upgrade.
- By default, when you enter the primary classification, this process runs against all eligible secondary classifications and elements. To limit the scope of the output, run it against specific secondary classification and element combinations.

Global Transfer of Calculation Cards for Canada

Calculation cards capture values required for payroll calculations. During a global transfer, you can copy the Tax Credit Information calculation card and its components at a payroll relationship level.

Note: The application doesn't copy calculation cards from other modules such as Time, Absence and Workforce Compensation.

When a global transfer is initiated in a Canadian Legislative Data Group (LDG), all components, including all flexfields and value definitions, are copied from the old Legal Employer to the new Legal Employer. The application doesn't copy the taxation component, `HRX_CA_WTH_TAXATION`. Also, the Vacation Liability Plan and Vacation Service Date (which are located on the taxation component) aren't copied and are left blank. The application copies the employee's Tax Credit Information card and its components at the payroll relationship level. Cards at the Payroll Statutory Unit (PSU) and Tax Reporting Unit (TRU) level aren't copied.

The global transfer process ends the current assignment or assignments, and the work relationship of the old Legal Employer, then creates a new work relationship and assignment in the new Legal Employer.

Rules for Copy

These rules determine how the application copies the calculation card and its components.

1. The application copies the card or component from the source payroll relationship, if the target payroll relationship doesn't have the card or component.
2. The application creates an association for the target TRU only if it exists for the source TRU. For cards and components associated to the source TRU, the application verifies whether the target card and component is associated to the target TRU. The application creates a new association, if an existing association isn't present.
3. For cards and components having an association detail record on the source assignment, the application creates an association detail for the target assignment.
4. All components are copied except the taxation component, `HRX_CA_WTH_TAXATION`. Also, the Vacation Liability Plan and Vacation Service Date, that are located on the taxation component, aren't copied and are left blank.

Calculation Card Copy Scenarios

These scenarios describe whether the application creates or reuses calculation cards and components.

1. When the payroll relationship and TRU are unchanged

For transfers within a PSU, the application creates a new assignment in the same payroll relationship depending on the payroll relationship rules for the legislation.

- The application reuses the existing card and component and adds a new association detail to the target assignment if required.

2. When the target TRU is different from the source, but payroll relationship remains unchanged

For transfers within a PSU, the application creates a new assignment in the same payroll relationship depending on the payroll relationship rules for the legislation.

- The application can reuse the card and component associated to the source TRU for the target TRU depending on each country's legislation. If not, the application creates a new card and component, and associates it to the target TRU.
- If the application reuses the card and component, it may support only one TRU at a time. In such a scenario, the application updates the TRU association to the new TRU as of the global transfer date. In all other scenarios, the source TRU association isn't changed, but the application associates the target TRU with the new TRU.
- The application creates a new association detail to the target assignment, if required.

3. When the target payroll relationship and TRU are different from the source

- The application creates a new card and component, and copies the source information to the new card and component. The application also adds an association to the target TRU and an association detail for the new assignment.

If multiple TRUs exist for the target legal employer, you must add the TRU association manually.

Note: The application reuses an existing card or component if the worker has an existing card or component on the target payroll relationship. This could be through a different assignment, which isn't part of the global transfer. In such cases, the rules defined under scenario 2 apply.

Involuntary Deductions Calculation Cards

When a global transfer is initiated in a Canadian Legislative Data Group (LDG), the application transfers the employee's Involuntary Deductions Calculation Card values at the same time.

If the Total Owed amount is already reached for the source Legal Employer, the involuntary deduction card is copied, but its card components and its corresponding data, aren't copied. You will receive a message in the dashboard informing you that the total owed amount is already reached.

If the target LE has a different payroll frequency than the source LE, you will receive a message on the dashboard. If this occurs, you must update the calculation values for the new payroll frequency.

Related Topics

- [Global Transfer Overview](#)

3 Processing Rules

Disposable Income Rules

Disposable Income Rules for Canada

Disposable income is the remaining amount after deducting mandatory deductions from gross pay. Disposable Income Calculation Rules determine how the disposable income is used in the involuntary deduction calculation.

The Disposable Income Calculation Rules are defined for the employee in the Canada Involuntary Deduction Data section on the Involuntary Deductions Calculation Card. You can select one of these rules:

- Percentage of gross pay
- Net pay (default)
- Net pay less specific deductions

Percentage of Gross Pay

The Percentage of Gross Pay rule uses an employee's gross pay as disposable income in the involuntary deduction calculation.

Net Pay

The Net Pay rule includes total earnings minus the following statutory deductions as disposable income in the involuntary deduction calculation:

- Canada Pension Plan
- Quebec Pension Plan
- Employment Insurance
- Quebec Parental Insurance Plan
- Federal and Provincial Tax
- Payroll Tax

Net Pay less Specific Deductions

The Net Pay less Specific Deductions rule includes total earnings minus the following statutory and specific pretax deductions (as specified in the by the wage basis rules) as disposable income in the involuntary deduction calculation:

- Canada Pension Plan
- Quebec Pension Plan
- Employment Insurance
- Quebec Parental Insurance Plan
- Federal and Provincial Tax

- Payroll Tax
- Specific pretax deductions as specified by the wage basis rules
- Voluntary deductions, where legislatively required for specific elements

Disposable Income Calculation Rules

The following rules regarding the Disposable Income Calculation Rule are predefined in the application.

- If the Disposable Income Calculation Rule isn't defined, the default value is Percentage of Net Pay. This means that the employee's net pay is used in the protected pay calculations. Net pay represents gross pay less statutory deductions.
- The Disposable Income Calculation Rule works in the same way for the Deduction Percentage as it does for the Protected Pay Percentage rule.
 - If the rule is Percentage of Gross, the percentage entered on Calculation Values is the percentage of gross pay
 - If the rule is Percentage of Net, the percentage entered on Calculation Values is the percentage of net pay
 - If rule is Percentage of Net Pay Less Specific Deductions, the percentage entered on Calculation Values is the percentage of net pay less specific deductions.

Voluntary Deductions Included in the Disposable Income Rule

The disposable income rule "Net pay less specific deductions" allows voluntary deductions to reduce the disposable income. This is legislatively required in some jurisdictions for the following voluntary deduction elements.

- Professional Fees
- Union Dues
- Health Insurance Premiums
- Disability Insurance Premiums

To reduce disposable income by the voluntary deduction amount, change the processing priority of the voluntary deduction element as given here.

- Change the priority of the base element, and all other shadow elements, for the voluntary deduction to **7000**.
- Change the priority of the retroactive shadow element to **6999**

The voluntary deduction elements are now processed before the involuntary deduction elements, when disposable income is calculated.

Follow these steps to update the processing priority of the element:

1. Navigate to My Client Groups > Payroll > Elements.
2. Search for and select the voluntary deduction element.
3. Click **Edit > Correct**.
4. Update the **Priority** as given here:
 - For the base and shadow elements, enter **7000**.
 - For the retroactive element, enter **6999**.

5. Click **Save** and click **OK** for the warning that is issued.
6. Click **Submit**.

Repeat this process for each shadow and retroactive element.

Note: Update the processing priority for any voluntary deduction that impacts disposable income for garnishments. If the voluntary deduction shouldn't impact disposable income, don't update the processing priority.

Wage Basis Rules

Wage Basis Rules for Involuntary Deductions for Canada

The processing rules for Canadian involuntary deductions vary for each province and for each type of involuntary deduction.

The application provides the provincial rules for all predefined primary and secondary classifications. Wage basis rules define how earnings contribute to the subject wages for the different involuntary deduction types.

Use the Component Group Rules task in the Payroll area to create and view wage basis rules.

The calculation of an involuntary deduction can be based on one of these factors:

- *Gross pay*: Includes all earnings (excluding Nonpayroll payments).
- *Net pay*: Includes Gross pay minus the following statutory deductions:
 - Canada Pension Plan
 - Quebec Pension Plan
 - Employment Insurance
 - Quebec Parental Pension Plan
 - Federal Tax
 - Provincial Tax
 - Payroll Tax
- *Net pay less specific deductions*: Includes Gross pay minus the following statutory and specific deductions:
 - Canada Pension Plan
 - Quebec Pension Plan
 - Employment Insurance
 - Quebec Parental Pension Plan
 - Federal Tax
 - Provincial Tax
 - Payroll Tax
 - Specific pretax deductions

How to View Predefined Wage Basis Rules

To view the wage basis rules predefined at the provincial and federal level:

1. From the area in My Client Groups, select the **Component Group Rules** task.
2. On the Component Group Rules page, select a Canadian **Legislative Data Group** and click **Search**.
3. In the tree structure, expand the **Involuntary Deductions** node. You can resize the Calculation Component Group Overview pane to view the tree.
4. Expand the **Wage Basis Rules** node.
5. Expand the **Related Deductions** node. You can see the three secondary classifications of Garnishments, Maintenance and Support, and Tax Levy.
6. Select the appropriate classification and select a Province node to view province-specific rules.

A table of all wage basis rules display, organized by province and deduction type.

The deductions column has different meanings for earnings and deductions:

- For earnings, they identify the classifications that contribute to the disposable income for that deduction type.
- For deductions, they identify the classifications that are subject to disposable income and don't reduce the disposable income for calculations of the indicated involuntary deductions.

The following applies to the wage basis rules:

- A check mark indicates that the earning contributes to the disposable income for the involuntary deduction calculation.
- Absence of a check mark indicates that the earning does not contribute to the disposable income for that involuntary deduction calculation.
- For Pretax Deductions primary classifications, a check mark indicates that the deduction does not impact the disposable income.
- For Pretax Deductions primary classifications, absence of a check mark indicates the disposable income is reduced by the pretax deduction amount prior to the involuntary deduction being calculated.

While Garnishments and Maintenance and Support have rules defined by province, Tax Levies apply to all provinces and therefore have no province context.

Province Override

By default, the employee's home address determines the province used by the wage basis rules. However, you may override the default province in the employee's involuntary deduction calculation card.

How to Create Wage Basis Rules

When you create a new secondary classification, earnings or deduction, you can also define wage basis rules for it:

1. From the Payroll area, select the **Component Group Rules** task.
2. On the Component Group Rules page, select a Canadian **Legislative Data Group** and click **Search**.
3. Select the Component Group **Involuntary Deductions**.
4. Under the Component Group Rules pane, navigate in the tree structure to the **Related Deductions** node for the appropriate deduction type.
5. Select the **Wage Basis Rules** node. A table of all wage basis rules displays, organized by province and deduction type.

6. Select **Actions** and click **Create**. The Create Wage Basis Rule page appears.
7. Enter the information required for new wage basis rule as listed in this table.

Field	Comments
Effective Start Date	It's recommended to use either the implementation date or the earliest date a pay period exists.
Year End Forms	Select the year end form for reporting this deduction or earning.
Province	Select the Province for which you're defining the wage basis rules, example, Ontario. Note: Although the UI doesn't denote this field as required, this information is necessary for creating the provincial tax rules.
Primary Classification	Select the Primary Classification as Involuntary Deductions.

8. Click **Submit**.

Protected Pay

Protected Pay for Canada

For each province and type of involuntary deduction, a portion of the earnings paid to an employee is exempt from involuntary deductions. These earnings are referred to as protected pay. The remainder of the earnings is considered disposable income.

Regardless of multiple assignments or multiple runs in a pay period, protected pay is applied.

Use the Enterable Calculation Values on Calculation Cards tab on the Calculation Cards page, to create individual entries and define the rules. The payroll process calculates the protected pay amount based on the rules you configure on the involuntary deduction card for the employee.

You can configure protected pay rules for each involuntary deduction type as a protected pay amount, protected pay percentage, or a combination of both. You can have different methods of calculating protected pay as given below.

Multiple Deductions of the same Deduction Type

If an employee has multiple deductions of the same deduction type, the highest value derived for protected pay is determined within each deduction type. The process applies that value to all other deductions of that same deduction type.

For example, consider a case where multiple Garnishments are configured with different rules, one with a protected pay percentage of 40, and the other with a percentage of 50. The higher percentage of 50 is applied as the protected pay

percentage for both Garnishments for the employee. In the same way, you can have one Garnishment with a protected pay amount of 300 and a protected pay percentage of 50. In this case, both protected pay entries are used to calculate the highest value of the two. This value is compared to other Garnishment entries to come up with a final protected pay value for Garnishments.

Multiple Deductions of Different Deduction Types

If the deduction types are different, the highest protected pay doesn't apply across deduction types. Each deduction type determines its own protected pay value.

The order in which the elements are processed is determined by the subprocessing order. If a Maintenance and Support deduction is processed first, that deduction impacts how much of the disposable income is available for subsequent deductions processed.

For example, consider a case where a Maintenance and Support deduction is configured with a protected pay percentage of 50 and a subprocessing order of 1. In addition a Garnishment deduction is configured with a protected pay percentage of 80 and a subprocessing order of 2. The disposable income remaining for the Garnishment is affected by the first calculation of protected pay of the Maintenance and Support deduction. There may not be enough disposable income left to guarantee the 80 percent protected pay rule, so there is no Garnishment deduction.

Protected Pay Rules for Canada

Configure provincial protected pay rules for each individual deduction on the involuntary deduction card for the employee. The protected pay amount is calculated based on the rules configured on the involuntary deduction card for the employee.

Use the Enterable Calculation Values on Calculation Cards tab on the Calculation Cards page, to create individual entries and define the rules.

The following rules are predefined in the application. You can use a combination of these rules to meet the requirements defined on the court order.

Protected Pay Amount

The Protected Pay Amount rule is available to configure a flat amount. By defining this value, you define an amount of the employee's pay that is exempt from this deduction. Only pay that exceeds this amount is available for the deduction.

Protected Pay Percentage

The Protected Pay Percentage rule is available to configure a percentage, in addition to an amount. By defining this value, the formula creates a Percent of Protected Pay for the deduction, as given here:

- If the Disposable Income Calculation Rule is defined as Percentage of Gross Pay, the protected pay is a percentage of the employee's gross wages.
- If the Disposable Income Calculation Rule is defined as Percentage of Net Pay, the protected pay is a percentage of the employee's net pay.
- If the Disposable Income Calculation Rule is defined as Percentage of Net Pay Less Specific Deductions, the protected pay is a percentage of the employee's net pay less specific deductions.

Note: The rate is entered as a percent, for example, .50 for 50%.

Apply Protected Pay Percentage to Income Above Protected Pay Amount Rule

The Apply Protected Pay Percentage to Income Above Protected Pay Amount rule applies the protected pay percentage on the non-exempted portion of the wages to calculate the protected pay amount. The result of the percentage calculation is added to the base amount to calculate the total protected pay. For example, use this rule, if the court order specifies a protected pay exemption amount, plus a percentage of the wages above that exemption.

This is a Yes or No option that specifies how the protected pay calculation applies the percentage.

- If your selection is *Yes*, the protected pay percentage is calculated on the disposable income over the protected pay amount, and then added to the protected pay amount, as follows:

$$\text{Protected Pay} = (\text{Disposable Income} - \text{Protected Pay Amount}) \times \text{Protected Pay\%} + \text{Protected Pay Amount}$$

- If your selection is *No*, the protected pay is the maximum of the protected pay percentage or the protected pay amount. This is the default behavior.

Exemption Rule

The Exemption rule is an exemption amount used to reduce the gross or net wages, prior to applying the deduction percentage in the calculation.

Maximum Protected Pay Amount Per Month

The Maximum Protected Pay Amount Per Month Rule specifies a maximum value for the protected pay amount for each deduction in a month. If there are multiple deductions of the same type, for example two garnishments, this value serves as the maximum for all deductions of the same deduction type. This applies only to the specific deduction you set up.

Maximum Withholding Amount Per Month

The Maximum Withholding Amount Per Month Rule specifies a maximum withholding value for the deduction in a month.

British Columbia FMEP

The British Columbia Family Maintenance Enforcement Program (FMEP) has a prescribed rate for protected pay based on the amount of wages paid per period. This is only for maintenance and support deductions and is addressed by configuring the following rule. This is a Yes or No option that specifies whether the protected pay calculation for British Columbia FMEP is enabled.

The requirements for British Columbia FMEP are preconfigured by Oracle.

- If your selection is *Yes*, the British Columbia FMEP protected pay calculations are applied.
- If your selection is *No*, the British Columbia FMEP protected pay calculations aren't applied. This is the default behavior.

If other protected pay rules are configured, the British Columbia FMEP protected pay calculations are overridden and the other protected pay rules are used in the calculations.

If multiple Involuntary Deduction components exist, each with a differing Protected Pay Percentage entered, the formula uses the highest percent defined.

Select the rule from the list of values in the Edit Calculation Values within the Involuntary Deductions Calculation Card for the employee. The protected pay amount calculated for the deduction, as well as additional details, are displayed in the run results for the Results and element's shadow elements. Any amounts in arrears observe the protected pay limits.

4 Third-Party Payment Processing

Third-Party Payment Date Options

Use time definitions when a third-party payee wants payment on a date that's different from the employee payment date.

A time definition is either a date or a span of time. For example, employee payroll payments are on the last day of the month, whereas third-party payments are five days later. Create a time definition to define the time span and select this definition while defining the payment method for this payee.

Use the Time Definitions task to create your time definition for a time span of 5 days with values in this table.

Field	Value
Name	Specify a name: Third Party 5 Days
Short Name	Specify a short name: TP5Days
Type	Specify a type: Time Span
Period Type	Specify a period type: Daily
Period Unit	Specify the unit: 5
Adjustment Type	Specify type of adjustment: Days
Time Span Usages	Specify a usage for the time span: Third-Party Payments

Use the Time Definition field on the Third-Party Payment Methods page to assign this time definition.

Run the Generate Payments for Employees and Third Parties process twice, one for the employees and one for the third-party payees. Select the relevant process end date and enter an overriding payment date.

Related Topics

- [Third-Party Payment Rollup](#)
- [Employee and Third-Party Check Payments Overview](#)
- [Third-Party Payment Methods](#)
- [Third-Party Payment Methods Overview](#)
- [Time Definitions](#)

Employee and Third-Party Cheque Payments for Canada

Use the **Generate Cheque Payments for Employees and Third-Parties** process to generate cheque payments for employees and third parties who:

- Are processed in the prepayments process for a given payroll
- Have a payment method of cheque

Third-party payments are available for these types of deductions:

- Pretax
- Voluntary
- Involuntary

Before you generate the cheque payments, consider these factors:

- An employer can have multiple employee deductions made to the same third-party payee, such as multiple child support orders. Rather than make individual payments for each employee deduction, use the Third-Party Payments Rollup process to combine individual employee deductions and make a single payment.
- For involuntary deductions, create an involuntary deductions element for the process to use the balances required to process the payments.
- For pretax and voluntary deduction element creation, you must specify during element creation if the element is applicable to third-party payments (note that this template question is not needed for involuntary deduction elements). You can only use this element for third-party payments once you specify that this element is used for third-party payments.
- Run this process to generate your cheques for employees and then run the process again to generate cheques for your third parties. Use the *Payee* field while running this process to select the appropriate payee.
- You may want to exclude specific third parties from the Third-Party Rollup process because they may want an individual cheque per payment. Select the *Exclude from Third-Party Rollup Process* check box on the Third-Party Payment Methods page to exclude a third-party payee from the Third-Party Rollup process. Run the Third-Party Rollup process before running the **Generate Cheque Payments for Employees and Third-Parties** process. This ensures that you exclude each third-party payment marked for exclusion rollup and you pay them separately.
- A third-party payee may want the payments on a date that's different from the employee payment date. For example, you may want to make employee payroll payments on the last day of the month, whereas, make third-party payments 5 days later. Use the Time Definitions task and create a time definition to define a time span of 5 days. Select this time definition in the *Time Definition* field on the Third-Party Payment Methods UI. Enter the relevant process dates, and run the prepayments process, for example, with a process date of 30, June. This stamps the effective employee payments date as 30, June and the third-party payments date as 05, July. The payments process runs twice:
 - Once for the employees with a process end date of 30, June
 - Once for the third parties with a process end date of 05 July and an overriding payment date of 05 July
- Different banks can have different cheque templates. To accommodate this requirement, you must first create a report category for each separate bank and cheque template. Select the created report category for

the requisite bank's payment source so that the process uses the correct cheque template to generate the payments. Use the Organization Payment Methods task to define the payment source for third-party payments. Attach the correct report category for that payment source. Use the Report Category for Third-Party Payee or Report Category for Worker field in the Payee Information section of the Create Payment Source page.

Process Output

The **Generate Cheque Payments for Employees and Third-Parties** process generates these two outputs:

- Third-Party Cheque Payment

The third-party cheque payment displays the payment details on the cheque stub, along with the physical cheque payable to the third party. The maximum number of payment detail lines included on the cheque stub is 17. If more than 17 detail lines are present in the payment, the cheque stub displays a message to refer to the audit report for details. The cheque stub displays no detail lines.

Rollup provides the ability to combine multiple payments of different employees to one payee, or multiple separate payments of one employee to one payee. For payments aren't rolled up, the process creates individual cheques for each employee payment or each third-party payee.

- Third-Party Cheque Payments Audit Report

The cheque payment audit report displays the employee payment details of each third-party cheque generated. The application produces this report automatically as part of the process.

Generate Cheque Payments for Employees and Third-Parties for Canada

Run the **Generate Cheque Payments for Employees and Third-Parties** process to generate cheques for your employees and third parties. The process selects employees and third parties who:

- Are processed in the prepayments process for a given payroll
- Have a payment method of cheque

Before You Begin

Before you use the **Generate Cheque Payments for Employees and Third-Parties** process, complete these tasks:

- Create the deduction element. For pretax or voluntary deduction elements, answer 'Yes' to the question 'Is the element applicable to third-party payments?'.
- Create the third-party payee (person or organization)
- Create the organization payment method (this must be unique for third-party payments).
- Add the payment method to a payroll definition.
- Attach a payroll to the employee.
- Attach element entries to the employee, enter amount and payee.
- Run payroll, prepayments and periodic payroll archiver.

- Run the Third-Party Payment Rollup process if applicable.

For information on creating third parties and organization payment methods, see the Administering Payroll for Canada Involuntary Deductions guide on the Oracle Help Center.

How to Generate the Employee and Third-Party Payments

Here's the steps for generating employee and third-party cheque payments:

1. Use the **Submit a Flow** from **Payroll** in **My Client Groups** on your Home page.
2. Select the required legislative data group.
3. Select the **Generate Cheque Payments for Employees and Third-Parties** process, and click **Next**.
4. Enter a unique payroll flow name.

Note: Name the flow so you can easily identify the process later. This is helpful while searching, so you can determine what you have already run or if you must roll back any process.
5. Specify the required payroll name.
6. Select the payee type for which the cheque payment process is run. The available options are *Employee* or *Third Party*. You can generate the cheque payments for either employees or third parties.
7. Enter a Process Start Date to define the date range of this process.
8. Enter a Process End Date to define the date range of this process.
9. Select the required consolidation group to view the payments for all payrolls that are included in this consolidation group. A consolidation group defines a grouping of different payrolls for reporting purposes. This isn't a mandatory field. If you don't select a value, the process uses the default consolidation group assigned to the payroll.
10. Select the OPM you want to use for this process. The value you select determines the payment source to make the payments. There could be multiple payment sources in the OPM.
11. Select the payment source to process for the above payment method. This parameter is optional. If you have defined attributes, such as a payment file limit or report category, at the payment source level, you should enter the payment source. When you enter the payment source, the defined attributes are applied.

Note: You can have different payment sources (bank accounts), with different banks, which have different cheque templates. You must then run the cheque process for each payment source and each set of payees. Select the correct payment source so that the correct stationary is used for the payments.

To accommodate this requirement, you must first create a report category for each separate bank and cheque template. Attach the created report category to the appropriate bank's payment source so that the correct cheque template is used to generate the cheque payments.

12. Optionally, specify an **Overriding Payment Date** on which a payment is due to be made to the payee.
13. Specify the **Start Cheque Number** in the sequence of cheques used for payroll processing.
14. Specify the **End Cheque Number** in the sequence of cheques used for payroll processing.
15. Select a **Process Configuration Group** if available. Use a process configuration group to set rules for payroll processes, such as passwords or number of threads. If you don't select a process configuration group, the process uses the parameters in the default group.
16. Click **Next**.
17. Click **Submit**.

You can view the results in the Process Results Summary page. The process generates these outputs:

- Third-Party Cheque Payment

- Third-Party Cheque Payments Audit Report

Third-Party Rollup Payments for Canada

The Third-Party Payment Rollup process allows you to consolidate multiple payments to the same third-party payee into a single payment. This process is optional and can be used when you want to avoid making multiple individual payments to the same payee. The rollup process applies to both cheque and direct deposit payments.

For example, if several employees are members of the same union, or if an employee has multiple deductions payable to the same third-party (for example, multiple maintenance and support orders), you can consolidate these into one payment. To initiate this process, use the **Submit a Flow** task to run the Run Third-Party Payment Rollup.

Before you run the Third-Party Payments Register process to view third-party payment details, complete these tasks:

1. Calculate and verify prepayments
2. Run the Third-Party Payments Rollup process
3. Generate the payments

The Run Third-Party Payments Rollup process is optional. Use the Run Third-Party Payment Register process to consolidate multiple payments made to a third party and generate a single payment.

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 cheque per payment.

You may exclude third-party payments from the rollup process by selecting the **Exclude from Third-Party Rollup Process** when setting up the Third-Party Payment Method in the Payment Method page. When running the rollup process prior to either the **Generate Cheque Payments for Employees and Third-parties** or the **Generate Direct Deposit Payments** process, each payment to the third-party marked for exclusion will not be included in the rollup and will be paid separately. For more information on third-party payment rollup, refer to the Implementing Global Payroll guide on the Oracle Help Center.

Generate the third-party payments register to view the individual payments made.

Report Third-Party Rollup Payments

Here's what you can generate and view after you run the Third-Party Payments Register process:

- 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

5 Reporting

How Payroll Run Results Are Calculated

The calculation of payroll run results begins with identifying the payroll relationships and element entries to process. A series of gross-to-net calculations based on legislative requirements create run results and balances.

You can verify these results by viewing the statement of earnings and payroll reports. If you implement costing, the process also calculates the cost distributions.

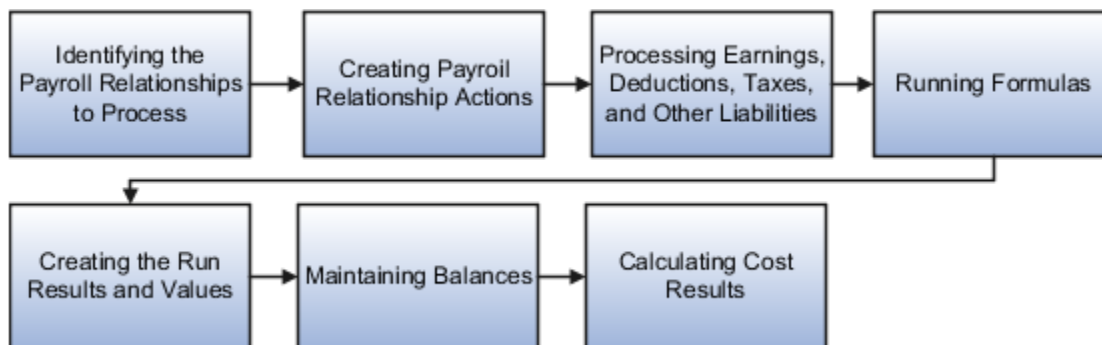
Parameters That Affect Processing

This table lists flow submission parameters determine, which determine the records that the Calculate Payroll task processes.

Parameters	Required	Result
Payroll Flow Name, Payroll Name, Payroll Period, Run Type	Yes	Determine which payroll relationships and element entries to process, and the time period dates to use for the calculations
Element Group, Payroll Relationship Group	No	Restrict the people and elements processed by the flow
Process Configuration Group	No	Determine performance parameters, such as logging and chunk size

How Results Are Calculated

Before submitting the Calculate Payroll flow, you submit the Recalculate Payroll for Retroactive Changes flow to process separately elements enabled for retroactive pay. Payroll calculation and recalculation occur at the payroll relationship level. They involve these actions.



The main steps of the payroll run processing:

1. The calculation process:

- Identifies the payroll relationships to process
 - Evaluates the assignment status of each identified payroll relationship to determine whether to include the assignment.
2. The process creates these actions:
- Payroll action representing the payroll run
 - Payroll relationship action for each relationship processed, with child actions for each run type used in the run.
3. The calculation process loads the element entries for a payroll relationship and uses this information:
- Processing sequence by determining priority of the element and the subpriority of the element entry, if specified.
 - Processing type and rules.
 - Processing calculations for:
 - Unprocessed nonrecurring entries
 - Recurring entries, in accordance with frequency rules and skip rule formulas associated with the element.
4. If the element is associated with a calculation component, the process references information held on the calculation card, including:
- Calculation factors that indicate the correct values
 - Calculation type to use in the calculation based on formula contexts
 - Calculation value definition to use and any overriding values
5. The process uses a proration formula to calculate elements enabled for proration if the value of the element entry changed within the payroll period.
6. The process identifies the payroll formula to run and how to handle the results:
- The status processing rule associated with the element determines which formula the process uses to calculate the element entry, based on the assignment status.
 - Formula result rules determine how to use the results generated by the formula, such as:
 - Message
 - Direct result
 - Indirect result
- Indirect results affect the further processing of the current element or another element, as defined in the formula result rule.

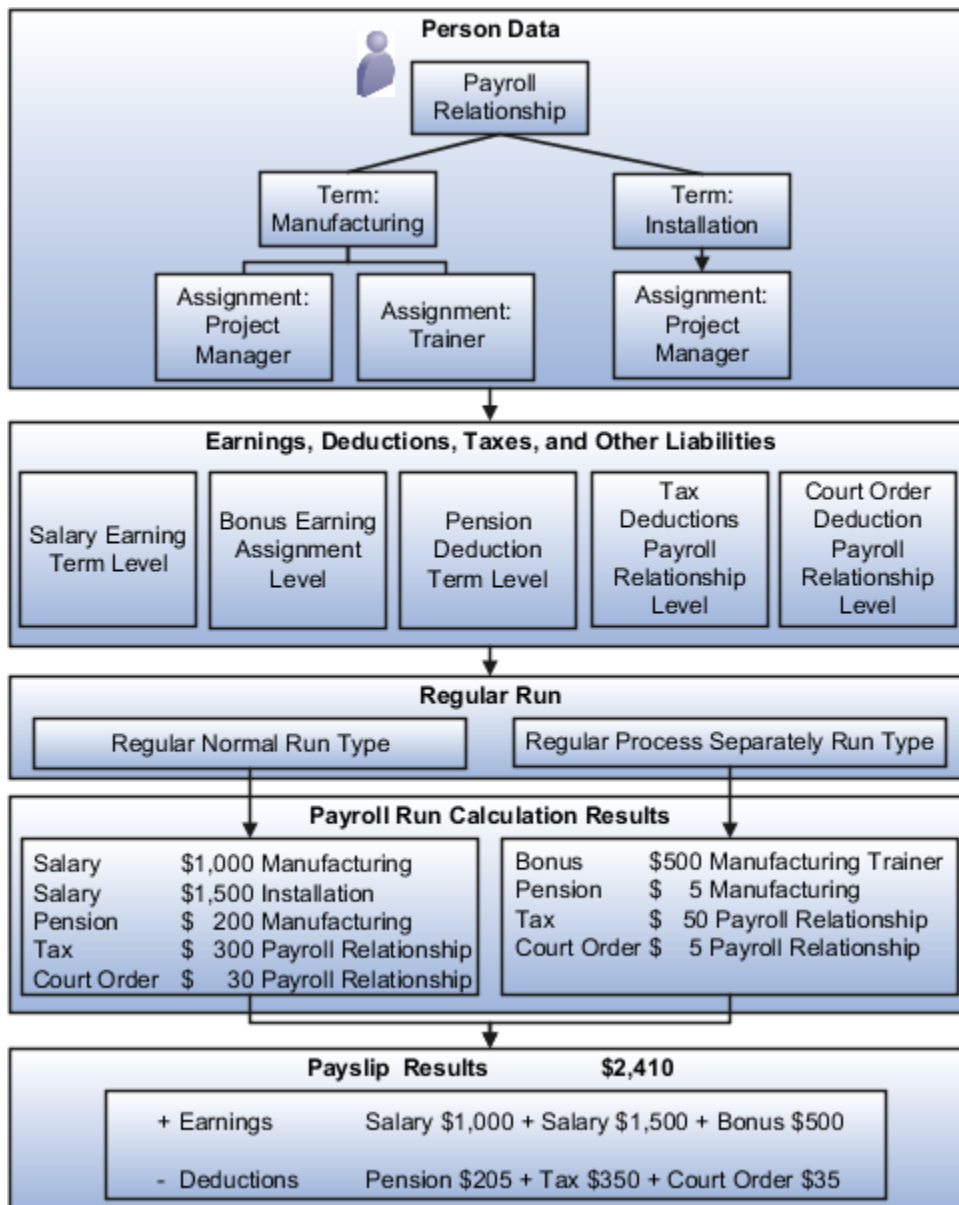
The formula for some payroll calculations involves multiple steps, calling other formulas. For example, the iterative formulas for calculating gross-up earnings include multiple steps. The formula for calculating a deduction could have a prerequisite step to calculate the exemption amount.

7. The calculation process ends with one run result value for each element entry value. If the element entry involves currency conversion, the payroll calculation uses the current exchange rate and rounds the monetary result based on the formula rules.
8. For each run result, the process determines which balances the result to feed with the run result values. The process then writes and updates the balances to the database.
9. If you implemented costing, the process calculates the cost and offset entries for your run results.

Example

This shows you how the results for a regular run calculate at the payroll relationship level of entries at the assignment, and payroll relationship level, including:

- Pension, tax, and court order entries processed at the payroll relationship level for the regular run
- The salary element processed and paid with other earnings
- The bonus element processed separately, and paid with other earnings



Related Topics

- [How the Payroll Process Calculates Retroactive Pay for the US](#)
- [Restrict Payroll Processing](#)
- [How Payroll Cost Results are Calculated](#)
- [How Element Setup Affects Entries and Their Values](#)
- [Overview of Using Formulas](#)

How to View the Statement of Earnings



Use the Statement of Earnings (SOE) section to view all the relevant information of an employee's payroll run in a single place so that you can view and verify the run results easily. For example, as a payroll manager of an employee who's transferred to another state or province, you can view the employee's Statement of Earnings to verify their withholding is paid to the correct state or province.

You can open an employee's Statement of Earnings using either of these tasks:

- Use the **Person Results** task to directly search for an employee and view their Statement of Earnings.
- Use the **Process Results Summary** task to search and select the flow you've submitted and view individual records processed by the flow. Use the **Actions** menu on an individual record to open the Statement of Earnings of the employee.

You can find the **Person Results** and the **Process Results Summary** tasks in the **Payroll** section under **My Client Groups** on the Home page.

Details of the Statement of Earnings

The SOE section shows you the processing details and the breakdown of the payroll calculations by balance groups.

The SOE section displays at the top of the page, summary amounts of the calculations for the payroll run. You can view at a glance the total amounts of all the balance groups. Scroll down the page to view the calculation details for each of the amounts displayed.

For example, you can expand the Gross Pay or Employee Tax Deductions to view more details of the calculations.

The tabs and sections available to view depends on your country's implementation. The tabs at the top of the SOE section display the following:

- Net Payment
- Earnings
- Employee Tax Deductions
- Employer Contributions

The page display amounts for the payroll run and the year-to-date period.

Use the **Actions** menu at the page-level to select other results to review on the View Person Process Results page. This table lists the sections you can view in place of the Statement of Earnings.

Sections	Details
Costing Results	Costing details for elements processed in the payroll run that have costing information defined for them.
Balance Results	Balance results that confirm the payroll run has completed successfully. • Verify that an employee has the correct pay and amount of tax deducted • Review a balance before and after adjusting it
Messages	Messages generated by payroll processes when they raise warnings or errors.
Run Results	Run results for each element processed in the payroll run. Use the filter options to narrow your search. For example, filter on state or province to view if the employee's balance calculation reflects values for the new state or province.
Calculation Card	For example, open the transferred employee's calculation card to verify if the work address reflects the new state or province.

Here's an example that shows how the SOE section displays time information.

1. Consider a scenario where an employee creates this time card for the week ending 12-April-24:
 - 08-April-24: 8 hours
 - 09-April-24: 8 hours
 - 10-April-24: 8 hours
 - 11-April-24: 8 hours
 - 12-April-24: 8 hours
2. The time card details are passed to Payroll, and the employee is paid 40 hours.
3. The employee later updates this time card to reduce the time worked on 09-April-24 to 6 hours:
 - 08-April-24: 8 hours
 - 09-April-24: 6 hours
 - 10-April-24: 8 hours
 - 11-April-24: 8 hours
 - 12-April-24: 8 hours
4. The updated time for 09-April-24 is passed to Payroll. Retropay is processed, and the 2 hours overpayment is deducted from the next payroll run.

The information displayed on the SOE section varies slightly, based on whether the time is passed to Payroll from the Time and Labor or Absence application, or from a third party product using HCM Data Loader (HDL).

- When time is passed from the Time and Labor or Absence applications, the SOE section displays two entries for 09-April-24: **8 hours** and **6 hours**.
- When time is passed to Payroll using HDL, the SOE section displays **-2 hours** for 09-April-24.

However, in both instances, the employee is deducted 2 hours for the overpayment.

Control the Details to View in the Statement of Earnings

The Person Process Results page shows the results for all the run types processed for the payroll run at the payroll relationship level. Use one of these options to control which details display in the detailed and summary sections of the Statement of Earnings.

- Use the **Process** field to view the Statement of Earnings of the employee for a previous payroll period. Also view the child processes included in the master process, such as the processes included in a QuickPay or the run types if the payroll run included more than one run type.
- If the employee has multiple assignments, use the **Assignment** field to view the appropriate earnings at the assignment level.
- Use the **Process Details** tab to view details of the process used for the calculations.
- Use the **Balance Results** tab on the page to view the balance results values for the run.
- Use the **Download to Excel** option to export the calculation details into an MS Excel worksheet.
- Click on a **Pay Run** amount to view the Reference details and the balance feeds that contribute to the balance calculations.

Third-Party Payment Register

Use the Run Third-Party Payment Register task to report on roll up payments and multi-deduction payments. You can view a summary or detail listing of all third-party payments.

Use Submit a Flow task under **Payroll** in **My Client Groups** on the Home page, and submit the **Run Third-Party Payment Register Report** flow to run the report.

Before you begin, run the report after calculating and verifying prepayments and generating the payments.

Report Parameters

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

Scope

You control the results of the report by specifying the scope of the report, as given in this table.

Scope Value	Report Results
Summary	Provides a list of payments by payee.
Detail	Provides details of employee and deduction information for third-party payments.

Payroll

Select the required payroll name. The report is generated for the selected payroll run.

Process Start Date

Enter a start date to define the date range of this process.

Process End Date

Enter an end date to define the date range of this process.

Consolidation Group

Select a consolidation group to view the payments for all payrolls that are included in this consolidation group. A consolidation group defines a grouping of different payrolls for reporting purposes. If you don't select a value, the application uses the default consolidation group assigned to the payroll.

Payroll Statutory Unit

Select a payroll statutory unit (PSU) to view the payments for a specific PSU.

Tax Reporting Unit

Select a tax reporting unit (TRU) to view the payments for a specific TRU.

Payroll Relationship Group

Select the payroll relationship group name, if you have defined one. Payroll relationship groups limit the persons processed for payroll, data entry, and reporting. For example, you can create a group to process the report for terminated employees.

Person

Select the person number to validate payments for each employee, including the payment amount, bank, and check information, as reported in the detailed report.

Process Configuration Group

Select a value if available. Use a process configuration group to set rules for payroll processes, such as passwords or number of threads. If you don't select a process configuration group; the process uses the parameters in the default group.

Note: Use the Object Groups task to define the payroll relationship group or the process configuration group, before you can select it here.

Payee

Select the payee for which the check payment process is run, to view the payment details of individual and rollup payments made for each payee.

Use the following parameters to view a list of individual payments, including total amounts paid by payment category, type, status, and method:

- Payment Category
- Payment Method
- Payment Process

- Payment Type
- Payment Status

Report Results

The results of the report depend on the scope value you select while running the report, as given below. Both the formats have a page break after every payee, so you can provide the payment details separately to each payee.

Summary Report

The Summary report displays the payments made to each payee by the payment source, payment status, and payment category. The report doesn't show PSU, TRU, and employee and deduction information. This is because the rollup payments include employees across PSUs and TRUs.

Detail Report

The Detail report has a multiple-tier layout that includes:

- Payment details of individual and rollup payments made for each payee. Within each payee report, the payments are further segregated into:
 - Employee deduction information for individual payments, including single deductions and multiple deductions
 - Employee deduction information for rollup payments
- Consolidated totals of each multiple deduction payment and rollup payment
- Deduction reference details for involuntary deductions stored on the calculation card

It displays a blank deduction reference if the details are not available.

- Element name of voluntary deductions

Support for Spreadsheet Tabular Layout

You can create your own template for a tabular output of data in Microsoft Excel file format for both the summary and detail reports.

Related Topics

- [Third-Party Payment Rollup](#)
- [Employee and Third-Party Check Payments Overview](#)