Oracle Fusion Cloud Human Resources

Implementing Payroll for Mexico

25B

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Implementing Payroll for Mexico

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Author: Srividya Balasubramanian

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Get Help

There are a number of ways to learn more about your product and interact with Oracle and other users.

Get Help in the Applications

Some application pages have help icons to give you access to contextual help. 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. If the page has contextual help, help icons will appear.

Get Support

You can get support at *My Oracle Support*. For accessible support, visit *Oracle Accessibility Learning and Support*.

Get Training

Increase your knowledge of Oracle Cloud by taking courses at *Oracle University*.

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Use *Cloud Customer Connect* to get information from industry experts at Oracle and in the partner community. You can join forums to connect with other customers, post questions, suggest *ideas* for product enhancements, and watch events.

Learn About Accessibility

For information about Oracle's commitment to accessibility, visit the *Oracle Accessibility Program*. Videos included in this guide are provided as a media alternative for text-based topics also available in this guide.

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We welcome your feedback about Oracle Applications user assistance. If you need clarification, find an error, or just want to tell us what you found helpful, we'd like to hear from you.

You can email your feedback to *oracle_fusion_applications_help_ww_grp@oracle.com*.

Thanks for helping us improve our user assistance!

1 About This Guide

About This Document

This guide is designed to help you with the Oracle Global Payroll setup tasks for Mexico.

Objectives

This guide supports the implementation team in understanding the concepts and the associated requisite setup tasks listed here:

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

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

Audience

This guide provides practical end-to-end guidance for Oracle Payroll for Mexico implementations. It's assumed that you have working knowledge of the basic principles of payroll and you're familiar with the basic payroll terminology and the Mexican legislative requirements. It's also assumed that you have consulted these two guides:

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

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

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

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

Organization and Format

This guide provides step-by-step information to help you understand payroll concepts, implementation task order, and setup tasks necessary for you to implement Oracle Payroll for Mexico. This guide is a combination of the Global Payroll Implementation guide and Mexico-specific information for implementing payroll for Mexico. You only need this one guide for your implementation.

Specific information regarding the requisite tasks can be found in relevant sections of this document. At the end of each topic are links to related topics. These links help you find additional information available in the Oracle Applications Help.

Other Documents

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

2 Let's Get Started

Implement Global Human Resources Cloud Payroll for Mexico

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

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

Workforce Deployment Offering

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

This 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.

Functional Area	Description
Legal Structures	Work with legal entities, legal reporting units, tax reporting units, payroll statutory units, legal authorities, legal registrations and jurisdictions, and additional statutory requirements. Statutory requirements include Workers' Compensation, Provincial Medical Liability, Record of Employment, and so on.
Organization Structures	Work with organization structures, business units, and organization models that best suit your business process.
Workforce Structures	Work with locations, divisions, departments, jobs, positions, and grades.
Elements and Formulas	Configure elements and formulas to record earnings and deductions for processing payroll and reporting.
Payroll	Define payroll objects required for payroll calculations and reporting.
Mexican Payroll	Define and maintain legislative and statutory requirements and payroll information specific to Mexico.

Setup Tasks for Implementing Payroll for Mexico

To implement Payroll for Mexico, sign-in as a user with Application Implementation Consultant or Payroll Implementer role and opt into the offerings applicable to your business requirements.

Before you begin implementing Payroll, you must complete:

- Initial application setup.
- Implementation of Global Human Resources and the requisite HR setup tasks for implementing and processing payroll. For more information, see the Implementing Global Human Resources guide

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

This table lists the setup tasks required to implement the Global Payroll application for Mexico. Perform all of these tasks from the Setup and Maintenance work area. Use **My Enterprise** on the Home page to navigate to Setup and Maintenance. Most of these tasks are under the Workforce Deployment offering unless otherwise specified in the first column of this table.

Setup Tasks for Implementing Payroll for Mexico

Implementation Tasks List	Task Name	What you must do	Where to find info on the Help Center
Prerequisite Tasks for Payroll Setup			
Setup and Maintenance	Create an Implementation Project	Create an implementation project and select the enabled Workforce Deployment offering to generate the initial list of setup tasks required to implement the Global Payroll application.	• How You Use Implementation Projects to Manage Setup • Manage Setup Using Implementation Projects
• Offering: Customer Data Management • Functional Area: Application Extensions	Manage Territories	If you're unable to find a specific country in the Manage Geographies page, create the country. Use this country to set up your organization and other setup tasks. Use the territory code and name to verify geographies, create legal addresses, and select the country extension.	Create Countries
	Select Default Currency	On the Manage Territories page, select the default currency for the country. This is the currency in which balances are accumulated for this legislation.	Manage Currencies
Define Common Applications Configuration/Define Geographies for HCM	Manage Geographies	Use the territory code to verify predefined geographies and load any additionally required local geographies. You can import	*Geography Structures for Mexico*

Implementation Tasks List	Task Name	What you must do	Where to find info on the Help Center
		Oracle-licensed data from Loqate, for those countries where the data is available.	
Define Common Applications Configuration/Define Features by Country or Territory	Features by Country or Territory	Select the correct product for your legislation. The country extension setting ensures that certain payroll-related features, such as element templates, work correctly in your implementation.	How Country Extensions are Selected
	Select Address Style and Address Validation	Check the address style and address validation for your country.	*Geography Validation for Mexico*
Define Common Applications Configuration/Define Enterprise Structures for HCM	Manage Legislative Data Groups	Define at least one Legislative Data Group for each country your enterprise operates in.	*Define Enterprise Structures for Mexico*
Define Common Applications Configuration/Define Enterprise Structures for HCM/Define Legal Jurisdictions and Authorities for HCM	Manage Legal Addresses	Create legal addresses for all organizational units of the enterprise before you create legal entities.	What's a legal address?
	Manage Legal Jurisdictions	Review the predefined jurisdictions for your country and create any jurisdictions you require for specific local taxes.	• Overview of Legal Jurisdiction and Authorities • Create Legal Jurisdictions, Addresses and Authorities
	Manage Legal Authorities	All legal entities must be registered against a jurisdiction that is governed by a legal authority. Create legal authorities as required for your country.	
Define Common Applications Configuration/Define Enterprise Structures for HCM/Define Legal Entities for HCM	Manage Legal Entity	Create all legal entities that apply to the enterprise you are setting up. Designate the legal entity as a legal employer and as a payroll statutory unit (PSU) for payroll.	*Define Legal Entities for Mexico*
	Manage Legal Entity Registrations	Define registration details of the legal entity you create. Register them with the appropriate government or legal authorities for the purpose of claiming and ensuring legal or commercial rights and responsibilities.	
	Manage Legal Entity HCM Information	Manage legal entity HCM information to include statutory components as required.	
Define Common Applications Configuration/Define Enterprise Structures for HCM/Define Legal Entities for HCM/Define Legal Reporting Units for HCM	Manage Legal Reporting Unit	Define legal reporting units (LRU) also known as tax reporting units, to group employee records for tax and social reporting.	*Define Legal Reporting Units for Mexico*
	Manage Legal Reporting Unit Registrations	Define registrations details of the LRU and register them with the appropriate government or legal authorities for the	

Implementation Tasks List	Task Name	What you must do	Where to find info on the Help Center
		purpose of claiming and ensuring legal or commercial rights and responsibilities.	
	Manage Legal Reporting Unit HCM Information	Review the LRU that employs and pays workers. Define statutory requirements as required.	
Define Payroll Legislations	Configure Legislations for Human Resources	Create the legislative rules for your country. Legislative rules govern default values and how you manage employee records in your organization. Configure payroll relationship rule for your country and map a person type to a payroll relationship type.	• *Payroll Relationships for Mexico* • *Payroll Relationship Rules for Mexico*
Payroll Setup Tasks			
Define Payroll Legislations	Configure Payroll Legislations	Create the payroll legislative data for your country. Set up elements, balances, and other payroll-related data for implementations.	• Legislation • Payroll Relationships
Define Common Applications Configuration/Define Enterprise Structures for HCM/Define Legal Entities for HCM	Legal Entity Calculation Cards	Review and edit predefined calculation cards for payroll statutory units. The payroll process uses the calculation rules defined on the cards to calculate earnings and deductions.	*Create a Legal Entity Calculation Card for Mexico*
Define Common Applications Configuration/Define Enterprise Structures for HCM/Define Legal Entities for HCM/Define Legal Reporting Units for HCM	Legal Reporting Unit Calculation Cards	Review and edit predefined calculation cards for tax reporting units. The payroll process uses the calculation rules defined on the cards to calculate earnings and deductions.	
Define Payroll/Define Payroll Business Definitions	• Payroll Lookups • Payroll Value Sets • Descriptive Flexfields for Payroll • Extensible Flexfields for Payroll	Create lookups, value sets, and descriptive and extensible flexfields that you need to support payroll.	• Define Lookups • FAQs for Define Lookups • Manage Value Sets • FAQs for Manage Value Sets • HCM Flexfields Setup • HCM Flexfields Maintenance
Define Payroll/Define Earning and Deduction Definitions	• Elements • Element Classifications	The application provides many predefined elements that cannot be modified at the implementation level. Define additional elements as required.	*Element Classifications for Mexico*
	Calculation Value Definitions	Review the tables that hold the rates and values used to calculate earnings, deductions and exemption amounts. Create new calculation definitions as needed.	Calculation Value Definitions

Implementation Tasks List	Task Name	What you must do	Where to find info on the Help Center
	Payroll Calculation Information	Review the payroll calculation information rules and definitions generated for user-defined elements. These rules and definitions are used for calculation of earnings and deduction amounts.	• Payroll Calculation Information • Payroll Calculation Information Formulas
	Values Defined by Criteria	Create the criteria rules or evaluation conditions that determine a particular value or rate.	Values Defined by Criteria
	Rate Definitions	Review the predefined rate definitions and create new definition as needed. The rate definition can either be a derived rate or a value defined by criteria.	Rate Definitions
	Component Group Rules	Review the rules defined for earnings and deductions that belong to the same component group and create new rules.	Component Group Rules
Define Payroll/Define Balance Definitions	• Balance Definitions • Balance Groups • Balance Group Usages • Balance Exceptions • Balance Exception Reports	The application provides many predefined balances. Review the definitions of predefined balances and create new definitions, including assigning dimensions and feeds.	Payroll Balances
Define Payroll/Define Payment Methods/Set Up Banks, Branches, and Accounts	• Manage Banks • Manage Bank Branches • Manage Bank Accounts	Create and edit banks, branches, and accounts.	*Bank Configuration for Mexico*
Define Payroll/Define Payment Methods	Organization Payment Methods	Review predefined organization payment methods and create new methods and their payment sources.	*Overview of Organization Payment Methods for Mexico*
Define Payroll/Define Pay Frequency	Consolidation Groups	Review the consolidation groups assigned to payroll definitions and create new groups. They let you process the results from more than one payroll in a single action.	Consolidation Groups
	Time Definitions	Review predefined time definitions and create or update static and dynamic intervals of time.	Time Definitions
	Payroll Definitions	Create and update payroll definitions that specify the payment frequency, processing schedule, and other parameters.	• Payroll Definitions • Run Types • Pay Frequency • Periodicity

Implementation Tasks List	Task Name	What you must do	Where to find info on the Help Center
Define Payroll/Define Fast Formulas	User-Defined Tables	Review the predefined table structures and create and update new user-defined table structures.	User Defined Tables
	Fast Formulas	Review predefined formulas and create new ones to validate or calculate data for payroll.	Fast Formulas
Define Payroll/Define Payroll Flow Patterns	Payroll Flow Patterns	Review the predefined payroll flow patterns and create new patterns to meet specific requirements.	Payroll Flows

Security Reference

The tasks that people can do and the data that they can see depend on their roles, duties, and privileges. For information about these factors, see these two guides:

- *Securing HCM*
- *Securing Reference for HCM*

Responsive User Experience Setup

Deep Links

You can use deep links to provide easy navigation directly to a page in the HCM Cloud application.

You can also use deep links for mobile responsive pages on your intranet, custom and third-party applications, or in a document. This helps people run transactions in the HCM cloud and provides quick access to their HR information.

To access deep links:

1. Open the main menu.
2. Go to **Tools> Deep Links**.
3. Copy the URL for a deep link.
4. Paste the URL in the appropriate location.

When you open Deep Links, you find a list of all available deep links.

Search Logic Profile Options for Client List of Values

You can use the logic <codeph>CONTAINS</codeph> to create the client list of values. This returns results containing the characters you enter.

Optionally, for individual list of values, you could change this logic to <codeph>STARTS WITH</codeph>, to return results that start with the search characters you enter.

For example, when you search for a person with the name John Smith while using the logic `CONTAINS`, you can search by **'jo'** or **'sm'** or **'th'**. When you use the logic `STARTS WITH`, your search must start with **'j'**.

Use the logic `STARTS WITH` when your list contains thousands of values (more than 15,000 records) to improve the search performance. Or, if you don't partition your data by set ID.

> **Note:** If you change the search logic for a client list of values, the logic changes in all pages where the list of values is used.

Related Topics

- Search Logic Profile Options for Client List of Values in Global Human Resources

Use Transaction Design Studio to Configure Field Displays

Use the Transaction Design Studio (TDS) to configure transactions and pages for responsive applications. TDS is available within the HCM Experience Design Studio.

You can control the visibility of attributes that are displayed either as **Delivered** or **Enabled**, and the availability of fields and sections of a transaction based on the user's role, person's business unit, or legal employer.

By default, the responsive pages display the often used attributes and hide the less often used attributes. Use Page Composer to personalize the responsive pages and display the attributes and tabs delivered within the feature.

Here's how you start HCM Experience Design Studio:

1. Sign in to the application as Human Capital Management Application Administrator with Access HCM Page Configurator (HRC_ACCESS_HCM_TRANSACTION_CONFIGURATOR_PRIV) privilege. This privilege provides you access to TDS in HCM Experience Design Studio.
2. Enable a sandbox to compose data for configuring business objects. On the Home page, click the **HCM Experience Design Studio** quick action under the **My Client Groups** tab.
3. Under **Settings and Actions**, click **Edit Pages**.
4. Select the site layer and click **OK**.

Related Topics

- Overview of Page Modification

Payroll Concepts to Understand

Date Effectivity

Date Effectivity

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

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

Logical and Physical Records

Date-effective objects include one or more physical records. Each record has effective start and end dates. One record is current and available to transactions. Others are past or take effect in the future. Together, these records constitute the logical record or object instance. For a date-effective logical row, which is a collection on contiguous temporal physical rows, each physical row CreatedBy (CREATED_BY) and CreationDate (CREATION_DATE) are the same.

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

Physical Record	Effective Start Date	Effective End Date	Department Manager
4	18 January, 2022		C. Woods
3	15 October, 2021	17 January, 2022	A. Chan
2	13 June, 2020	14 October, 2021	T. Romero
1	22 March, 2019	12 June, 2020	G. Martin

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

Effective End Dates in Physical Records

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

Object End Dates

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

Status Values in Date-Effective Objects

Some date-effective objects, such as grades and jobs, have both effective dates and status values. When the object status is **Inactive**, the object isn't available to transactions, regardless of its effective dates. Setting the status to **Inactive** makes objects unavailable to transactions. If you can't enter an effective end date for an object, then changing its status has the same effect.

Future-Dated Changes

For date-effective objects, you can enter future changes. For example, you enter the worker promotion shown in this table on 25 July, 2022 to take effect on 18 October, 2022.

Physical Record	Effective Start Date	Effective End Date	Grade
2	18 October, 2022		IC2
1	14 December, 2020	17 October, 2022	IC1

Physical record two becomes current on 18 October, 2022. From 14 December, 2020 until 17 October, 2022 physical record one is current and available to transactions. If you can access the object history, you can see physical record two before it takes effect.

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

Date-Enabled Objects

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

Related Topics

- How You Delete Physical Records from Date-Effective Objects
- Examples of Updating Date-Effective Objects
- Examples of Correcting Date-Effective Objects
- How You Make Multiple Updates to Date-Effective Objects in One Day

How You Delete Physical Records from Date-Effective Objects

The effect of deleting a physical record from a date-effective object depends on the record's position in the object's history.

Consider the date-effective object, which has three physical records, shown in this table.

Physical Record	Effective Start Date	Effective End Date	Attribute Value
3	15 August, 2022		C
2	30 October, 2021	14 August, 2022	B
1	10 June, 2020	29 October, 2021	A

Intermediate Records

If you delete physical record two, where the attribute value is B, then the object is as shown in this table after the deletion.

Physical Record	Effective Start Date	Effective End Date	Attribute Value
2	15 August, 2022		C
1	10 June, 2020	14 August, 2022	A

If physical records exist both before and after the deleted record, then the deletion adjusts the dates of the surrounding records automatically. The effective end date of the previous record is now the day before the effective start date of this record. This change closes the gap in the object's effective dates.

First or Only Records

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

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

Final Records

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

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
- Talent Pool
- 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

Payroll Security Profiles

You can use different methods to provide access to payrolls for members of the Payroll department. Use the Manage Payroll Security Profiles task to organize your payroll definitions into appropriate payroll security profiles.

Then, 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

It's common to use the payroll security profile to organize payroll definitions by payroll period type. You simply create one security profile for each payroll type, such as 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 employees' work location. For example, you can create one for Canadian facilities and another for European facilities.

Individual Contributors

If your payroll managers can access only the payroll definitions that they manage, use create payroll security profiles to include 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.

Enterprise Structures

Overview of Enterprise Structures for Mexico

There's 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.

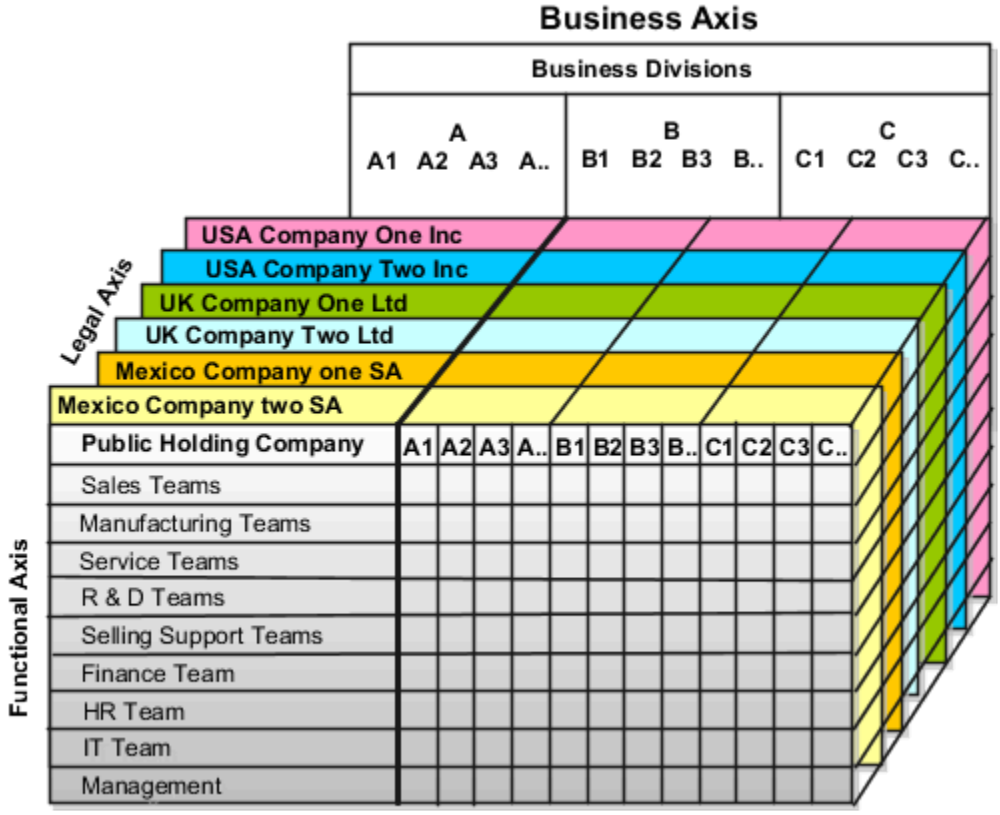
- Legal
- Managerial
- Functional

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 (US), but have its Mexico legal entity represent all businesses in Mexico.

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 Mexico 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 Cloud Applications, the legal structure is implemented using legal entities.

Management Structure

Successfully managing multiple businesses requires that you segregate them by their strategic objectives, and measure their results. Although related to your legal structure, the business organizational hierarchies don't have to be reflected directly in the legal structure of the enterprise. The management structure can include divisions, subdivisions, lines of business, strategic business units, profit, and cost centers. In the figure, the management structure is shown on the Business Axis. In Oracle Cloud 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 Cloud Applications, the functional structure is implemented using departments and organizations, including sales, marketing, project, cost, and inventory organizations.

Legal Entities for Mexico

A legal entity is an entity 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

The judicial framework may enforce their rights and responsibilities.

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

- Facilitating local compliance
- Minimizing the enterprise's tax liability
- Preparing for acquisitions or disposals of parts of the enterprise
- Isolating one area of the business from risks in another area

  For example, your enterprise develops property and also leases properties. You can operate these two businesses separately.

There are no predefined legal entities for Mexico. Create all legal entities that apply to the enterprise you're setting up. Use the 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
- What additional reporting information do you need

Roles of Legal Entities

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

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

Legal entities must comply with the regulations of jurisdictions, in which they register. Europe now allows for companies to register in one member country and do business in all member countries, and the US allows for companies to register in one state and do business in all states. To support local reporting requirements, legal reporting units are created and registered.

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

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

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

Types of Legal Entities

There are two types of legal entities.

This kind	Does this
Legal employer	A legal entity that employs workers.
Payroll statutory unit (PSU)	A legal entity 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 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's 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 don't report together, they must be segregated by PSU.

What's a legal employer?

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

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

Legislative Data Groups

Legislative data groups are a means of partitioning payroll and related data. At least one legislative data group is required for each country where the enterprise operates.

Each legislative data group is associated with one or more payroll statutory units. Each payroll statutory unit can belong to only one legislative data group.

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

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

What's a payroll statutory unit?

Payroll statutory units are legal entities that are responsible for paying workers, including the payment of payroll tax and social insurance.

A payroll statutory unit can pay and report on payroll tax and social insurance on behalf of one or many legal entities, depending on the structure of your enterprise. For example, if you're a multinational, multiple company enterprise, then you register a payroll statutory unit in each country where you employ and pay people. You can optionally register a consolidated payroll statutory unit to pay and report on workers across multiple legal employers within the same

country. You associate a legislative data group with a payroll statutory unit to provide the correct payroll information for workers.

Plan Legal Reporting Units

Each of your legal entities has at least one legal reporting unit. Some legal reporting units can also be referred to as establishments. You can define either domestic or foreign establishments.

Define legal reporting units by physical location, such as sales offices. For example, set up legal reporting units to represent your company and its offices for tax reporting.

Planning Legal Reporting Units

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

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.

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

You can designate legal entities as legal employers and payroll statutory units, which makes them available for use in Oracle Fusion Human Capital Management (HCM).

You can have only one legal entity that's also a payroll statutory unit and legal employer, or multiple legal entities, payroll statutory units and legal employers. Payroll statutory units and tax reporting units share a parent child relationship with the payroll statutory unit being a parent of a tax reporting unit

Legal Employers and Payroll Statutory Units

You can designate payroll statutory units to group legal employers to do statutory calculations at a higher level. For example, you can use payroll statutory units for court orders, or to calculate the United Kingdom (UK) statutory sick pay. A legal employer can exist independently of an enterprise or be a part of a payroll statutory unit. There can be many legal employers belonging to a payroll statutory unit, but a legal employer can belong only to one payroll statutory unit.

Legal Employers and Tax Reporting Units

Tax reporting units are indirectly associated with a legal employer through the payroll statutory unit. One or more tax reporting units can be used by a single legal employer, and a tax reporting unit can be used by one or more legal employers.

For example, if a single tax reporting unit is linked to a payroll statutory unit and two legal employers are associated with this payroll statutory unit, then both legal employers are associated with the tax reporting unit. Use the Manage Legal Reporting Unit HCM Information task to designate an existing legal reporting unit as a tax reporting unit. You need to select a parent payroll statutory unit when you create a legal reporting unit belonging to a legal employer (that isn't a payroll statutory unit as well). Next, you need to designate the legal reporting unit as a tax reporting unit and select the legal employer.

Related Topics

- What's a legal employer?
- What's a payroll statutory unit?
- What's a tax reporting unit?
- Examples of HCM Organization Models
- Overview

Payroll Employment Hierarchy Profile Options

You can use profile options to specify the values that you want to display for each payroll employment hierarchy level. You can specify up to three values at each level to help identify the record.

For example, you can select payroll relationship type and payroll relationship number to identify payroll relationship records that you will see in the payroll relationship switcher on the Payment Methods page.

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

- Payroll relationship
- Assignments

To define profile option settings and values, select the **Payroll Employment Hierarchy Profile Option Values**.

Profile Options for the Payroll Relationship Level

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

Profile Option Codes	Profile Values
PAY_EMP_HIERARCHY_REL_DESC_1	Payroll Relationship Number
PAY_EMP_HIERARCHY_REL_DESC_2	Payroll Statutory Unit Name
PAY_EMP_HIERARCHY_REL_DESC_3	Payroll Relationship Type

Profile Options for the Assignment Level

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

Profile Option Codes	Profile Values
PAY_EMP_HIERARCHY_ASG_DESC_1	Assignment Name
PAY_EMP_HIERARCHY_ASG_DESC_2	Assignment Number
PAY_EMP_HIERARCHY_ASG_DESC_3	Employment Category
	Grade Name
	Job Name
	Legal Employer Name
	Location Name
	Position Name

Override Site-level Values with User-level Values

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

Related Topics

- Overview of Implementing Payroll Relationship

Examples of Enterprise Structures

Examples of HCM Organization Models for Mexico

Let's look at some examples of different models for Mexican organizations in Human Capital Management (HCM). To operate the HR processes for Mexico, you need to define a set of organizational units that comprise the organization's structures.

Each enterprise can combine these organizational units in a different way in order to set up the model that best fits their business needs. Before you begin creating organizational units, it's helpful to understand the organization structure models supported by the Mexico localization.

The organization model has these characteristics:

- The legal entity is usually the legal employer and Payroll Statutory Unit (PSU)
- Tax reporting units (TRU) are defined in relation to a legal employer

These examples show how to partition payroll data within a legislative data group (LDG). Note that an enterprise can have many PSUs of the same or different legislative data groups. It's possible for a legal entity to be both a PSU and a legal employer.

Single Payroll Statutory Unit with Single Legal Employer and Single Tax Reporting Unit

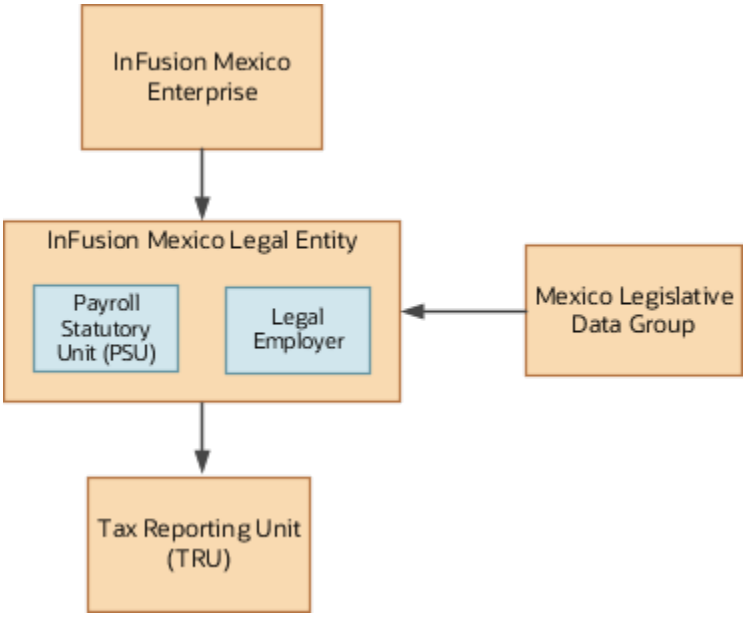
Let's look at an example of the basic model for setting up a single location organization. InFusion Mexico is a registered legal entity, which is both a payroll statutory unit (PSU) and a legal employer.

Set up this model with these basic steps:

1. Create a Mexican enterprise in the Enterprise Structures Configurator. The Enterprise classification represents the top most structure of the organization.
2. Use the Functional Setup Manager to create a Mexican Legislative Data Group.
3. In the Setup and Maintenance area, go here:
    - Offering: Workforce Deployment
    - Functional Area: Legal Structures
    - Task: Define Enterprise Structures for Human Capital Management

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

A legal reporting unit (LRU) is created automatically when a legal entity is created. In HCM payroll, it's referred as a tax reporting unit (TRU). Enter the LRU information. Set the Legal Reporting Unit Classification to Tax Reporting Unit on the Legal Reporting Unit HCM Information page.

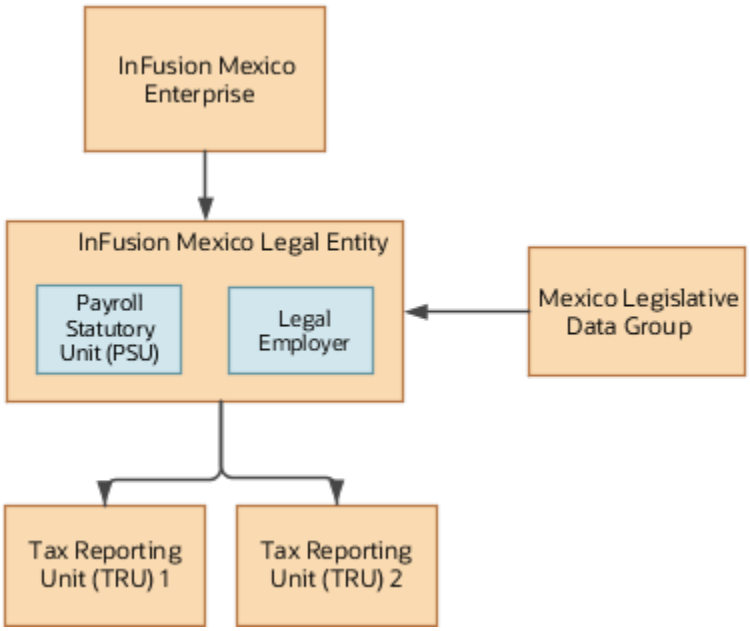


Single Payroll Statutory Unit with Single Legal Employer and Multiple Tax Reporting Units

This example illustrates the basic model for setting up a single location organization with multiple TRUs. InFusion Mexico is a registered legal entity which is both a PSU and a legal employer.

The setup procedure for this model is the same as shown above, except that you create an additional TRU under the PSU. Use the Legal Reporting Unit task to create a new LRU associated with the main legal entity. Enter the necessary details for the new LRU.

This figure shows an organization structure for Mexico having a single PSU with a single Legal Employer and multiple TRUs.



Single Payroll Statutory Unit with Multiple Legal Employers and Multiple Tax Reporting Units

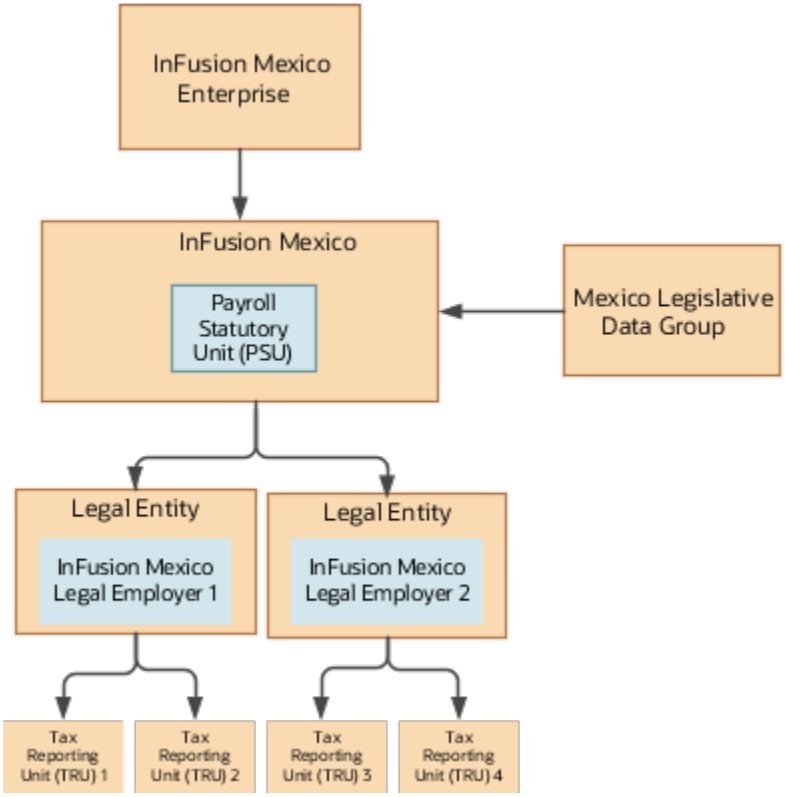
Let's look at an example of an enterprise with multiple legal employers and multiple tax reporting units (TRU) under a single Payroll Statutory Unit (PSU). You can have two different types of setup for this model:

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

In this example, InFusion Mexico has two legal employers, InFusion Mexico Legal Employer one and InFusion Mexico Legal Employer two, both belonging to the same PSU.

The setup procedure for this model is the same as shown above, except that you create two separate legal entities and designate them as legal employers. The first legal entity, InFusion Mexico Legal Employer one, is designated also as a PSU. For InFusion Mexico Legal Employer two, you must select the PSU as InFusion Mexico Legal Employer one. Every legal employer under the same PSU must be similarly configured. Enter the jurisdictions and registrations as required.

This figure shows an organization structure for Mexico having a single PSU with multiple legal employers, where each employer is associated with multiple TRUs.



Jurisdictions and Legal Authorities

Jurisdictions for Mexico

A jurisdiction represents a physical territory, such as a country or state where a particular piece of legislation applies. All legal entities are registered against a jurisdiction that's governed by a legal authority.

A legal jurisdiction is a combination of the legislative category (such as labor law or income tax law) and the physical territory (such as a country or a state) to which legal rules are grounded.

You need to set up jurisdictions before you create registrations, because a jurisdiction is required in the registration process. The jurisdiction has a start date and end date to show when the jurisdiction is effective and when you can register against the jurisdiction.

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

Identifying Jurisdiction

The identifying jurisdiction is usually the first jurisdiction that the legal entity must register to be recognized in its territory. The registration to the identifying jurisdiction of the legal entity territory is called the identifying registration. This table specifies the jurisdictions that have been identified for Mexico.

Jurisdiction	Territory	Legislative Category	Registration Code	Purpose
Mexico Federal Tax	Mexico	Federal Tax	Federal Taxpayers Registry (RFC)	Federal Tax
State Income Tax	State	Income Tax	RFC	Income Tax
Mexico Social Insurance	Mexico	Social Insurance	Social Insurance Number	Social Insurance

Note: State Income Tax uses the same registration number as Federal Tax. The Mexico Federal Tax jurisdiction is the only predefined jurisdiction.

Related Topics

- Tax Jurisdictions
- Jurisdictions

Legal Authorities for Mexico

Legal authorities are the government or legal entities with which an enterprise interacts, for example to send legislative reports or levy and collect fees and taxes. No legal authorities are predefined for Mexico.

You must create a legal authority for each government entity, such as a local tax office, that has a relationship with the enterprise. Later, you will register each legal entity you create with a legal authority.

Examples of legal authorities that you can set up for Mexico include State Tax Office or the Social Insurance Office.

To define legal authorities:

1. In the Setup and Maintenance work area, go here:
    - Offering: Workforce Deployment
    - Functional Area: Legal Structures
    - Task: Legal Authorities

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

Workforce Structures

Workforce Structures for Mexico

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

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

The implementation team is responsible for defining all the workforce structures that apply to the enterprise for which the setup is being done. This includes:

- Locations
- Departments
- Jobs
- Grade

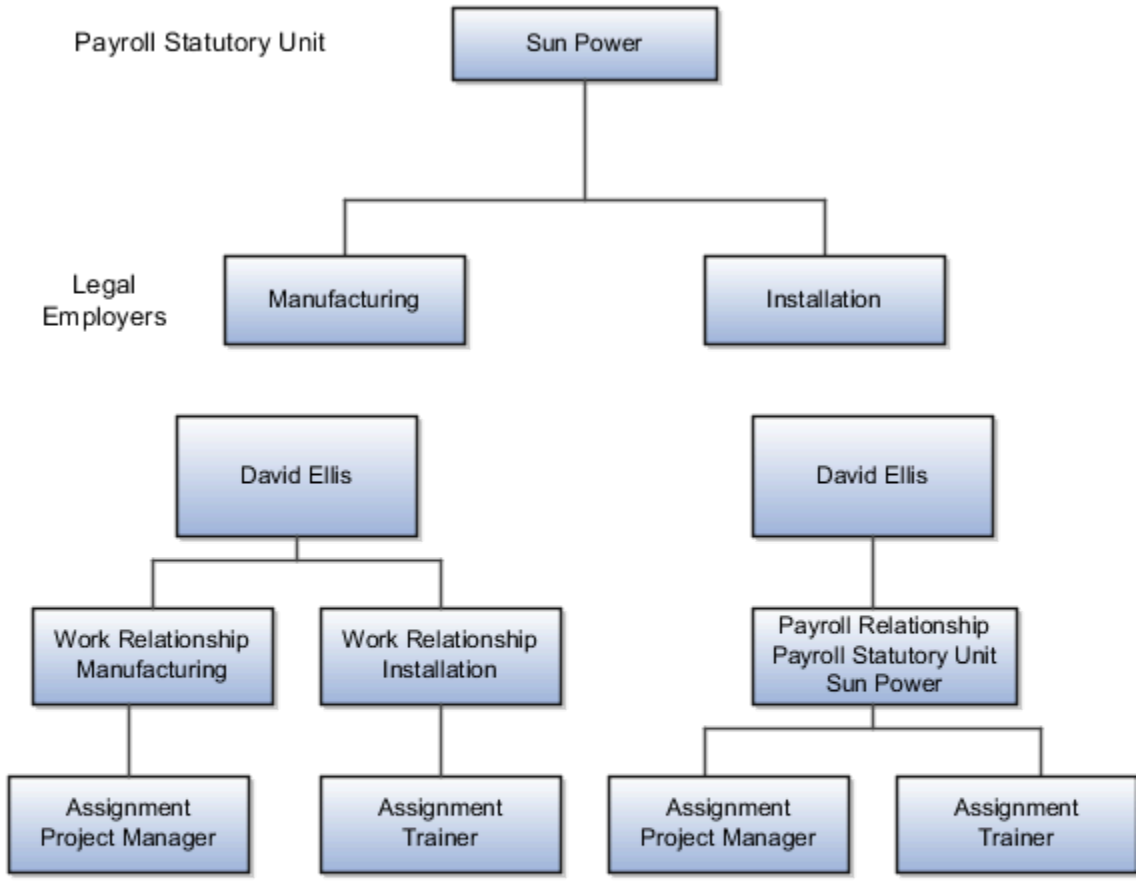
Payroll Employment Model

Overview of Payroll Employment Model

In the payroll employment model, each person has a payroll relationship to a payroll statutory unit (PSU), and one or more payroll assignments and other employment structures.

Comparing the HR and Payroll Employment Models

This diagram shows the human resource (HR) employment model and the payroll employment model contrast where two legal employers, Manufacturing and Installation belong to one PSU, Sun Power. As you can see, David Ellis has two assignments where the HR model creates two work relationships and the payroll employment model creates one payroll relationship.



Related Topics

- Payroll Employment Hierarchy Profile Options
- Employment Level Options for Payroll Elements
- How do I diagnose payroll employment model setup issues?

Payroll Employment Hierarchy Profile Options

You can use profile options to specify the values that you want to display for each payroll employment hierarchy level. You can specify up to three values at each level to help identify the record.

For example, you can select payroll relationship type and payroll relationship number to identify payroll relationship records that you will see in the payroll relationship switcher on the Payment Methods page.

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

- Payroll relationship
- Assignments

To define profile option settings and values, select the **Payroll Employment Hierarchy Profile Option Values**.

Profile Options for the Payroll Relationship Level

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

Profile Option Codes	Profile Values
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PAY_EMP_HIERARCHY_REL_DESC_3	Payroll Relationship Type

Profile Options for the Assignment Level

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

Profile Option Codes	Profile Values
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PAY_EMP_HIERARCHY_ASG_DESC_2	Assignment Number
PAY_EMP_HIERARCHY_ASG_DESC_3	Employment Category
	Grade Name
	Job Name
	Legal Employer Name
	Location Name
	Position Name

Override Site-level Values with User-level Values

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

Related Topics

- Overview of Implementing Payroll Relationship

FAQ for Payroll Employment Model

How do I diagnose payroll employment model setup issues?

After creating enterprise structures, run the Payroll Employment Model Setup Validation test. 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 header. You must have access to the Diagnostic Dashboard to run this test.

Payroll Relationships

Payroll Relationships for Mexico

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 provider for payroll processing.

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

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

Create Payroll Relationship Records

You establish a mapping between system person types and the payroll relationship types. 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 can't create your own payroll relationship types.

This table shows the predefined payroll relationship types.

Payroll Relationship Type	Description
Standard	Person types mapped to this payroll relationship type are included in payroll runs.
Element Entries Only	Person types mapped to this payroll relationship type have only element entries created for them and are excluded from payroll processing.

Relationship mapping rules, which map system person types to payroll relationship types, can vary by country or territory. This table shows the mapping between system person types and payroll relationship types, that are applicable for Mexico.

System Person Type	Payroll Relationship Type
Employee	Standard
Nonworker Unpaid	Element Entries Only
Nonworker Paid	Standard
Contingent Worker	Element Entries Only
Pending Contingent Worker	Element Entries Only
Pending Employee	Standard
Contingent Worker Candidate	Candidate Element Entries Only
Employee Candidate	Candidate Standard

Note: System Person Type Employee, Pending Employee and Nonworker Paid are included in the payroll processing.

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

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

Payroll Relationship Rules for Mexico

Mexico supports the Continuous Period of Service rule for payroll relationships. When you create a work assignment, the application looks for an active payroll relationship of the same payroll relationship type and payroll statutory unit.

If it exists, the new work assignment is attached to it; otherwise, a new payroll relationship is created.

When you terminate a work assignment, the associated payroll relationship remains active even though it doesn't have a work assignment associated with it. In the case of a rehire, the new work assignment is attached to an existing active payroll relationship and the existing balances are updated.

FAQ for Payroll Relationships

When do I change the payroll relationship rules for an international legislation?

Configure payroll relationship mapping rules for all person types when you implement an international legislation.

The Configure Legislation for Human Resources task would create mapping rules for person types such as employee. You can use this task to create any person type mapping rules that aren't predefined by Oracle.

If employment records already exist, the best approach is to not change the payroll relationship rules. This approach ensures that new and existing employment records have the same rules. However, if you want to update the payroll relationship rules after employment records exist, your updates will affect only the newly created employment records for the person type.

Related Topics

- Configure Legislations

Earnings and Deductions

Define Earning and Deduction Definitions for Mexico

The Define Earning and Deduction Definitions task list in the Setup and Maintenance work area contains the tasks required to set up elements and payroll components. Your implementation may include a few predefined elements, usually for legislative tax deductions.

Use the 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.

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 work with wage basis rules for deductions and taxes.

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

What you can do:

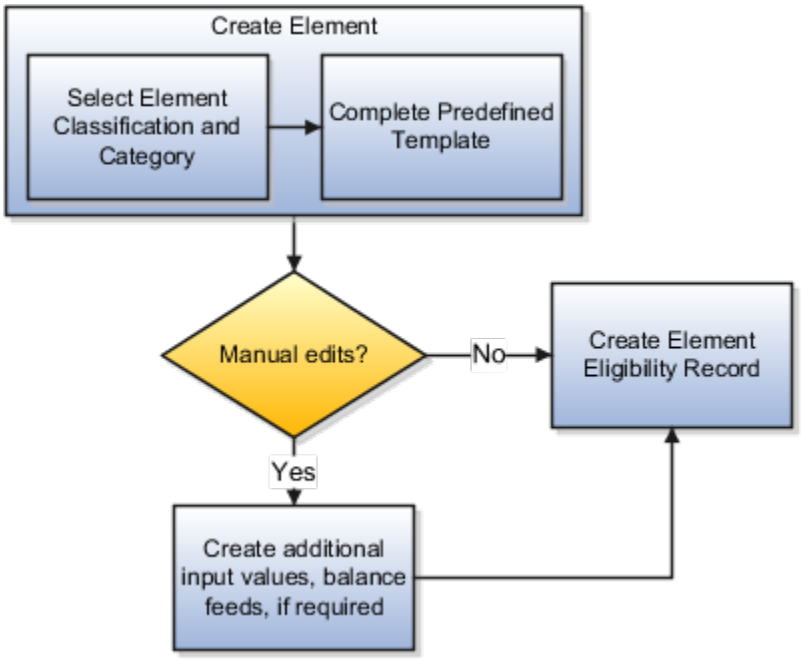
- Create additional balances that the primary classifications feed.
- Create secondary classifications, if required.
- Specify costing setup options and frequency rules for element classifications. The default frequency rule is always each period.

Elements

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

You must create at least one element eligibility record for all predefined and newly created elements.

This figure shows the tasks involved.



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

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

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

What you can do:

- Review the tables that hold the rates and other values used to calculate deduction and exemption amounts.
- Modify some value definitions. For example, you might enter a default payee for pension payments.
- Create new calculation ranges, if required

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

What you can do:

- Review the calculation information supplied for your country or territory, such as the wage basis rules and calculation factors
- Create new calculation factors, if required.

Component groups are predefined categories of calculation components governed by component group rules.

What you can do:

- View rules for component groups.

- Modify the rules, such as wage basis rules, for some deductions

After setup, you add calculation components to personal calculation cards by loading data, such as time cards, or using the Calculation Cards task in the Payroll Calculation work area. In Mexico, hiring a worker creates an Employee Tax Card automatically.

Add Eligibility Rules For Predefined Elements

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

> **Note:** Make sure you create an eligibility record for the statutory deduction elements like Tax, before you start hiring workers.

Element eligibility determines who can receive entries of the element. Here's what you do next:

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.

Rate Definitions

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

You can define rates to be:

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

Mexico uses rate definitions to calculate the fixed and variable portions of the Social Security Integrated Daily Wage (SDI).

Related Topics

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

How Payroll Elements Hold Information for Multiple Features

Use Payroll Elements to determine the payment of base pay, benefits, absences, and other earnings and deductions. Associate payroll elements with salary bases, absence plans, and the benefits object hierarchy to determine how you will use those elements.

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

Payroll Element Usage	Examples of Payroll Elements
Base Pay Management	Annual Salary Basis Monthly Salary Basis Hourly Salary Basis
Absence Management	Absence Payment Leave Liability Discretionary Disbursement Final Disbursement
Benefits	Health Care Deduction Savings Plan Deduction Employee Stock Purchase Deduction
Time and Labor	Regular Hourly Earnings Overtime Earnings Shift Earnings
Payroll	Regular Standard Earnings Bonus Earnings Tax Deduction Involuntary Deduction

Base Pay Management

To manage base pay, you attach an earnings element to each salary basis (hourly, monthly or annual) for each worker. When a manager or compensation specialist enters a base pay amount for a worker, the application writes the amount to an element entry. The application does this by using the element input value associated with the worker's salary basis. Payroll processing uses the element entry to generate payment amounts.

Absence Management

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

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

You can process the payments in Oracle Fusion Global Payroll or use HCM extracts to transfer the information to a third-party payroll application for processing.

Benefits

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

Object Groups

Overview of Object Groups

Object groups are sets of elements or persons. Use object groups to define subsets of objects for processing or reporting.

Use the **Object Group** task to define these object group types.

- Element
- Payroll Relationship
- Work Relationship
- Process Information Group

> **Note:** If you're loading an object group with a large number of inclusions or exclusions, you're recommended to use the individual Object Group Amend file to achieve that. This supports the data to be multithreaded and minimizes the processing time.

Element Groups

Use Element groups to limit the elements processed for payroll, reporting, cost distribution, and for global transfer purposes.

This table explains the usages for an element group.

Element Group	What It Does
Run group	Specifies the elements to be processed in a payroll run.

Element Group	What It Does
Distribution group	Defines the elements on which the cost results are distributed
Configuration group	Restricts the elements that can be updated on the Element Entries page.

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.
    - Individually select additional work relationships and assignments to include in or exclude from the group.

Process Information Groups

You use a bank reprocessing group to load the bank corrections file returned by your bank. Each payroll period, you transfer payroll payments directly into the bank accounts designated by the employee. If any of the bank account records are invalid, your bank returns a file containing these details.

For example, an employee can have an incorrect account number which results in the payment being rejected by the bank. Alternatively, the payment could have been transferred to an invalid branch number due to the closure of a bank or merger of a bank branch with another.

Related Topics

- Overview of Loading Object Groups
- Example of Loading Object Groups
- Set Up Distributed Costing for an Element

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 Fusion Cloud HCM 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've licensed the Oracle Fusion Global Payroll Cloud Service, then you create the PayrollAdmin_ViewAll and PayrollMgr_ViewAll data roles. You 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

    You can also go to this page by selecting **Navigator** > **My Client Groups** > **Workforce Structures** > **Data Roles and Security Profiles**.
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.

Field	Value
Data Role Name	PayrollAdmin_ViewAll
Job Role	Payroll Administrator

4. Click **Next**.
5. In the sections of the Create Data Role: Security Criteria page, select the following predefined security profiles for each drop-down list.

Section	Security Profile
Organization	View All Organizations
Position	View All Positions
Legislative Data Group	View All Legislative Data Groups
Person	View All People
Document Type	View All Document Types
Payroll	View All Payrolls
Payroll Flow	View All Flows

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.

Field	Value
Data Role Name	PayrollMgr_ViewAll

Field	Value
Job Role	Payroll Manager

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

Section	Security Profile
Organization	View All Organizations
Position	View All Positions
Legislative Data Group	View All Legislative Data Groups
Person	View All People
Document Type	View All Document Types
Payroll	View All Payrolls
Payroll Flow	View All Flows

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

Integration With Other Applications

Time and Labor

Overview of Time, Absence, and Pension Data for Payroll

You can automate the regular import of time card entries, absence entries, and pension enrollments.

Load Data Options

The application that you use to record time, absences, and pensions determines options for importing data to payroll. This table lists the applications for transferring data to payroll.

Source Application	Data Load Options
Time card	• For Oracle Fusion Time and Labor, submit the Load Time Card Batches process. • For third-party time applications, you can load time cards using HCM Data Loader.
Absences	• For Absence Management, use the **Absence Records** task to record an absence and transfer it directly to the person's absence calculation card. When you set up the plan in Absence Management, select the **Transfer absence payment information for payroll processing** check box. Find this setting in the **Payroll Integration** section of the **Entries and Balances** tab on the **Create Absence Plan** page. • For third-party absence applications, you can load absence records using HCM Data Loader.
Pensions	You can load benefits and pension calculation cards using HCM Data Loader. The availability of this process depends on the implementation for your country or territory.

Related Topics

- Example of Loading Payroll Time Cards
- Example for Loading Absence Records
- Guidelines for Loading Calculation Cards

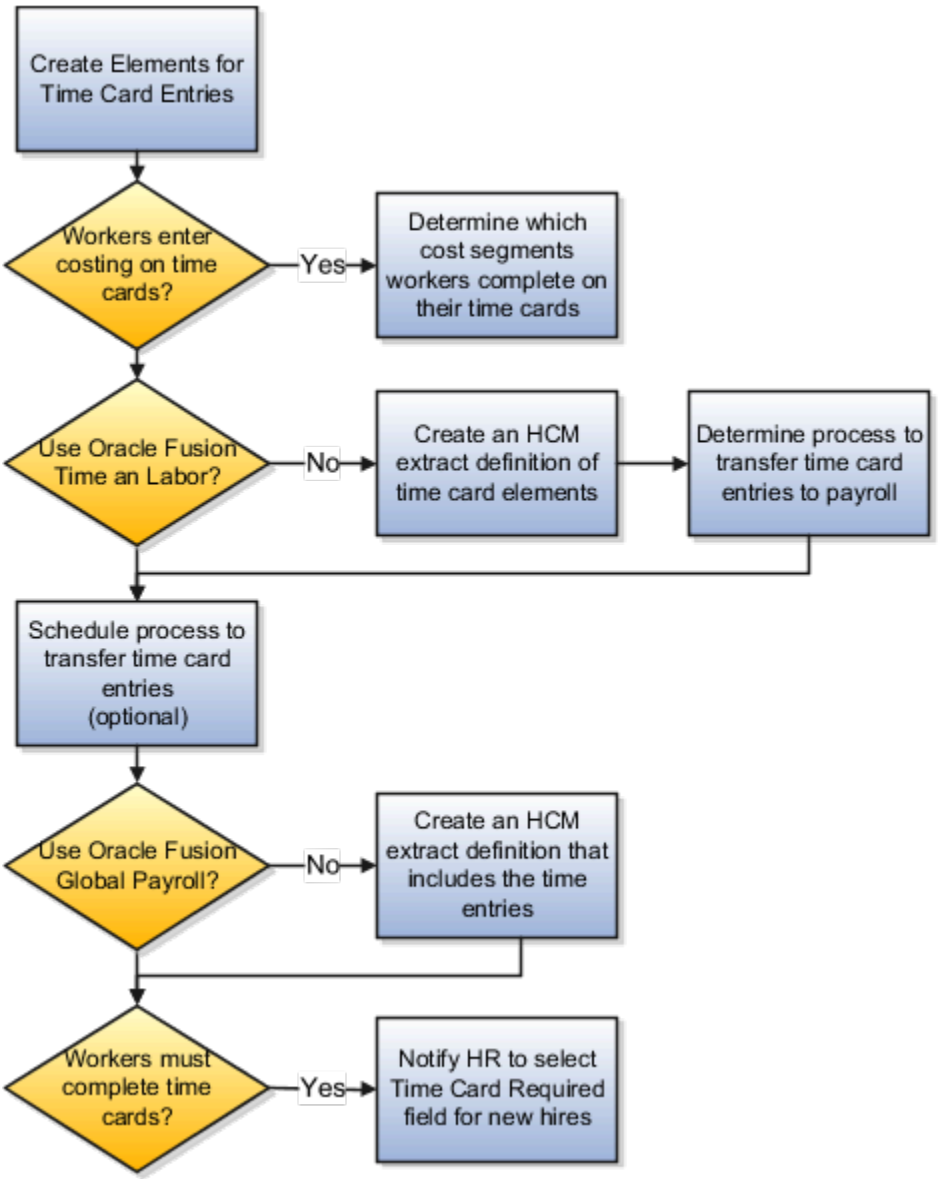
Prerequisite Payroll Setup for Importing Time Entries

Before you can import time card entries to process in a payroll run or extract for a third-party payroll provider, complete payroll setup tasks.

These tasks vary depending on your configuration, specifically whether your enterprise:

- Uses Oracle Fusion Time and Labor or a third-party time provider
- Uses Oracle Fusion Global Payroll or a third-party payroll provider
- Requires workers to submit a time card if their pay is calculated using time entries

This figure and table lists the tasks that depend on each of these configuration choices.



All configurations create elements for use with time cards. This table describes the remaining setup tasks and processes that vary based on your configuration.

Task	Applies To
Create elements for time card entries	All configurations
Create rate definitions and associate with the elements if the rate is different from the default salary rate	Elements whose rate isn't the default salary rate
Determine which value definitions would override the criteria for the rate definition	Optional for all configurations

Task	Applies To
Determine which cost segments workers complete on their time cards Record costing overrides at the element entry level by having workers specify the account to charge on their time cards. **Note:** If you enable costing overrides, ensure that you're using the segments that are enabled for element entry level costing in the Cost Allocation key flexfield.	Optional for all configurations
Create an HCM extract definition of time card elements	Third-party time provider
Determine process to transfer time card entries to payroll: • Use the Load Time Card Batches process to upload time entries to calculation cards. • Use HCM Data Loader to load element entries.	Third-party time provider
Schedule process to transfer time card entries As an example, schedule the Load Time Card Batches process: • After normal working hours to distribute the load on server • To run more frequently during time periods when most employees submit their time cards	Optional for all configurations
Create an HCM extract definition that includes time entries	Third-party payroll provider
Notify HR to select Time Card Required field at the Terms or Assignment level when a new hire's pay calculations depend on time cards.	Optional for all configurations

Related Topics

- Time Card Required Option
- Extract Components
- Create Time Card Elements for Time Entries
- Enable Overrides for Time Elements Using Values Defined by Criteria

Absence Management

Integrate Absence Management with Global Payroll

Use Oracle HCM Cloud Absence Management to set up and enroll persons in absence plans. Transfer absence information to Cloud Payroll for processing and paying absences.

Select these different quick actions under the **My Client Groups** tab to integrate Absence Management with Cloud Payroll.

Steps	Tasks
Create an absence plan, such as an Accrual, Qualification, or No Entitlement plan.	Absence Plans
Create absence types based on predefined absence patterns and associate them to the absence plans.	Absence Types
Create rate definitions to use in calculating accrual and liability balances.	Rate Definitions
Create absence elements.	Elements
Complete these payroll integration information: • Select the Transfer absence payment information for payroll processing check box. • Select the element for the plan in the Element field. The element links the absence plan to the calculation component shown on the person's calculation card. • Optionally, specify rates. These rates override rates specified elsewhere.	Absence Plans **Note:** Find these settings in the Payroll Integration section of the Entries and Balances tab on the Create Absence Plan page.
Enroll persons in the absence plan:	Absence Records

Steps	Tasks
• Add the plan and provide the entitlement date information. • For accrual plans, select the Run Accruals for Selected Plan task action.	

After the information is set up, use the **Absence Records** task to record an absence. When the absence is approved, the daily and summary breakdown information is automatically transferred to payroll.

You can then process the payroll that includes these absence entries and view the resulting absence balances on the person's Statement of Earnings. After you process and archive payments, you can view the resulting absence balances on the person's payslip.

Related Topics

- How Many Salary Bases to Create
- Define Payroll Elements to Process Absences
- Import Absence Entries to Payroll
- Rates Used to Calculate Absences in Payroll

3 Load Payroll Data Using Transformation Formula

Data Loader

Load Objects with HCM Data Loader

Use HCM Data Loader for bulk-loading and maintaining payroll data. You can navigate to the HCM Data Loader pages directly from the Payroll Checklist page. On the Checklist page, select the Initiate Data Loader task to open the HCM Data Loader object status page.

You can use HCM Data Loader to load these payroll objects.

- Balance Definitions
- Element Entries
- Object Groups
- Organization Payment Method
- Payroll Consolidation Groups
- Payroll Costing
- Payroll Definitions and Time Periods
- Payroll Element Run Usage
- Payroll Elements
- Payroll Relationship
- Personal Payment Method
- Time Definitions
- User-Defined Tables
- Wage Basis Rules

For more info on how to load these business objects, refer to the Integrating with HCM guide.

Payroll Transformation Formula for HCM Data Loader

Your existing data or the data that you upload might not be in the format recognized by HCM Data Loader. In such cases, use the Payroll Transformation formula for HCM Data Loader to transform your data into a format that's supported by HCM Data Loader.

Payroll Transformation Formula for HCM Spreadsheet Data Loader

You can use HCM Spreadsheet Data Loader to load all payroll objects that HCM Data Loader supports. As the first step, you create a spreadsheet template for the required object from the Data Exchange work area and further download the template in CSV format. The Payroll Transformation Formula for HCM Spreadsheet Data Loader transforms the raw delimited file to a format that suits the template.

Related Topics

- Example of Loading Organization Payment Methods
- Example of Loading Payroll Balance Attribute Definitions
- Overview of Loading Payroll Costing
- Overview of Loading Payroll Details
- Overview of Loading User-Defined Tables

Payroll Transformation Formula for HCM Data Loader

Overview of Payroll Transformation Formula For HCM Data Loader

Often times, your existing data or the payroll data that you upload might not be in the format recognized by HCM Data Loader.

In such cases, you can use a payroll transformation formula to transform your data into a format that's supported by HCM Data Loader.

Let's consider these examples.

- An inbound file contains data that needs to be loaded using different payroll business objects in HCM Data Loader. Here, the content of the file needs to be split across more than one HCM Data Loader file.
- You might create a transformation formula to convert an attribute value in the file to another value that you derive using value sets.
- You want to change a person number into an assignment number. In this case, you'll use a more complex formula to convert the attributes.

You use the **Load Data From File** flow to transform your data into the HCM Data Loader file format using your transformation formula.

As this table shows, the two flow patterns are secured using these privileges:

Flow Pattern	Privileges
Submit Payroll Flow	PAY_SUBMIT_PAYROLL_FLOW_PRIV
Load HCM Data	HRC_LOAD_HCM_DATA_PRIV

This example specifies the file name in the formula as `PersonalPaymentMethod`, the file discriminator as `PersonalPaymentMethod`, and the business operation as MERGE.

```
/*HDL Related Outputs*/
 FileName = 'PersonalPaymentMethod'
 BusinessOperation = 'MERGE'
 FileDiscriminator = 'PersonalPaymentMethod'
```

To view details about the file name, file discriminator, and a list of supported business operations, use the **View Business Objects** task in the Data Exchange work area.

1. On the View Business Objects page, search for and select your business object. In this example, the business object is Personal Payment Method.
2. On the Component Details page, you can find the name of the file, and the file discriminator and a list of supported actions for the object.

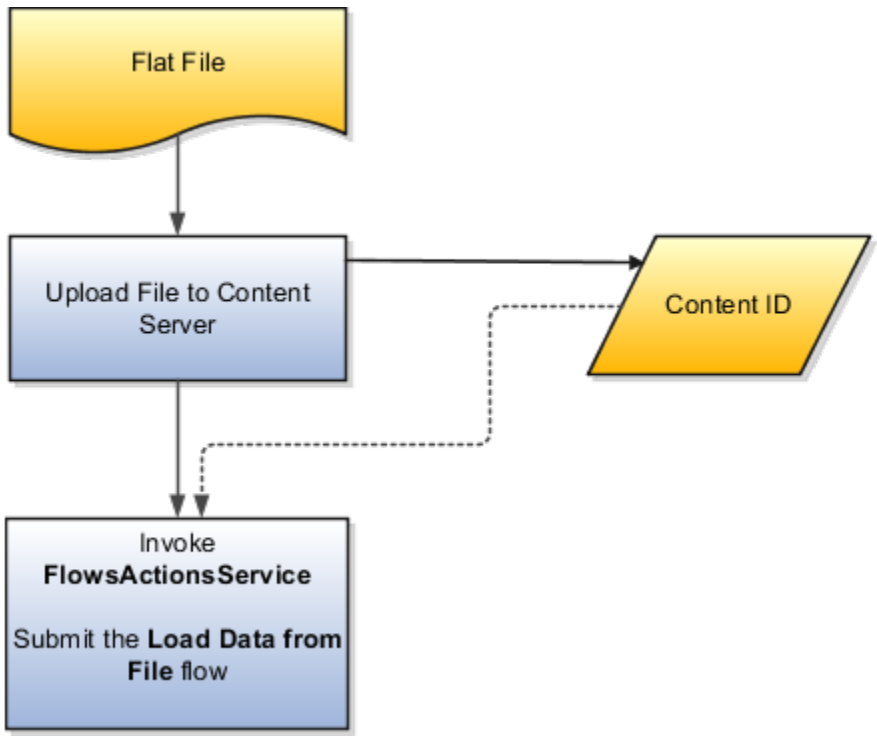
Related Topics

- How You Transform Data Using Payroll Transformation Formula for HCM Data Loader
- How To Create A Program for Automation
- Submit the Load Data From File Flow

How To Create A Program for Automation

You can submit the **Load Data from File** flow by using a web service.

As this figure shows, your program uploads the source file to content server, and retrieves the content ID for the Flow Actions Service web service. Then, the program calls the Flow Actions web service by supplying certain parameters.



When calling the web service, your program supplies these parameters.

- Name of the flow pattern, which is **Load Data from File**
- Content ID of the uploaded file
- Unique name to identify the flow instance being submitted
- Process configuration group ID for special processing (optional)

- Transformation formula ID (mandatory)

For more information about the Flow Actions Service web service, refer to the SOAP Web Services for Oracle HCM Cloud guide. For examples of its usage for automating file uploads, refer to the attachment for HCM Data Loader User Guide (1664133.1) on My Oracle Support at https://support.oracle.com.

Related Topics

- Submit the Load Data From File Flow
- Transformation Formula Input Variables
- Payroll Transformation Formula Operations
- Sample Payroll Transformation Formula for HCM Data Loader
- Sample Payroll Transformation Formula for Multiple Business Objects

How You Transform Data Using Payroll Transformation Formula for HCM Data Loader

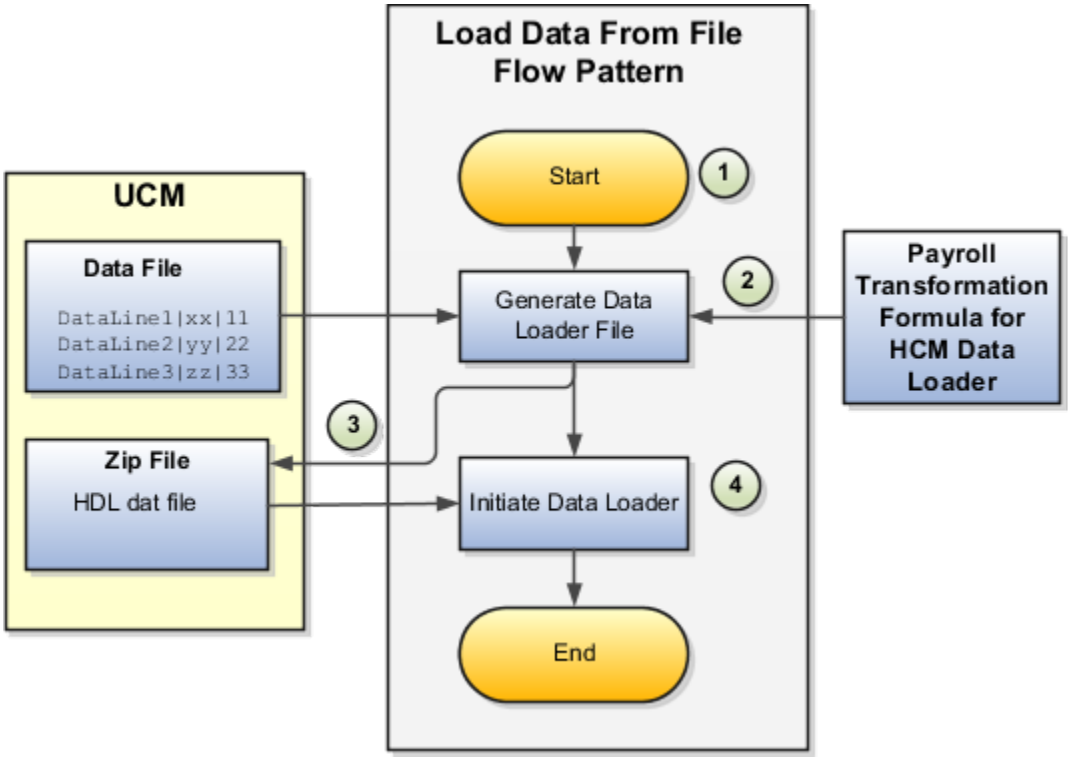
Use the **Load Data From File** flow to transform data in the source file into a format that's supported by HCM Data Loader.

You can submit this flow independently or include it in a flow that you create for automating data loads on a periodic basis. When you submit the flow, either manually or using a web service, you must specify a transformation formula to transform the data, as needed.

The flow contains these two tasks that help you to transform data into a HCM Data Loader format:

- Generate Data Loader File
- Initiate Data Loader Task

As this figure shows, the first step is to submit the **Load Data From File** flow. This flow takes data from the flat file and generates an equivalent file format for the data present in the input file.



Perform these steps to transform data using Payroll Transformation Formula for HCM Data Loader:

1. On the Home page, click the **Submit a Flow** quick action under the **My Clients Groups** tab. On the Flow Submission page, search for, select, and submit the **Load Data From File** flow pattern.
2. The flow invokes the Payroll Transformation Formula for the Content ID. Typically, you create your transformation formula for HCM Data Loader on the Manage Fast Formulas page. The type of the formula should be HCM Data Loader.
3. The Generate Data Loader File task reads the data file line by line, producing an equivalent HCM Data Loader format for each line. Finally, it creates a compressed file of all the transformed data files and uploads to the Oracle WebCenter Content server. Also, the task records the Content ID.
4. The **Initiate Data Loader** task takes the Content ID for the file generated by the **Generate Data Loader File** task. And it invokes HCM Data Loader. HCM Data Loader validates the data and creates valid records in the HCM cloud.

   The table shows the tasks and the privileges that they're secured with:

Task	Privilege
Submit Payroll Flow	PAY_SUBMIT_PAYROLL_FLOW_PRIV
Load HCM Data	HRC_LOAD_HCM_DATA_PRIV

Related Topics

- How To Create A Program for Automation
- Submit the Load Data From File Flow
- Transformation Formula Input Variables

Submit the Load Data From File Flow

On the Home page, click the **Submit a Flow** quick action under the My Clients Groups tab. On the Flow Submission page, submit the **Load Data from File** flow pattern to transform data in your source file into the HDL format.

Assumptions

This procedure has these assumptions.

- You have the Human Capital Management Integration Specialist role.
- You have the source file ready to upload to Oracle WebCenter Content.
- If you have already uploaded the source file, you have the content ID handy.

Note: To upload files to the content server, browse to the source file on your file system, check it in to the content server, and retrieve its Content ID. For more information, see Oracle Fusion Middleware Using Oracle WebCenter Content guide.

Before You Begin

Before you submit the flow, ensure that you meet these prerequisites.

Characteristics	What You Should Do
Data transformation	If the data in the source file requires transformation, create and compile a transformation formula using the HCM Data Loader formula type. On the Home page, click the **Fast Formulas** quick action under the **My Clients Group** tab. You can now specify the processing parameters for your process configuration group.
File encryption	Before loading encrypted files, ensure that the encryption keys exist for the secure file transfer. This process involves creating a service request, generating PGP key pairs, and sharing the encryption keys. Specify the **Payroll Batch Loader Encryption Type** parameter value for the process configuration group you select when running the flow or the web service. Valid values are **`PGPSIGNED`**, **`PGPUNSIGNED`**, and **`NONE`**. On the Home page, click the **Process Payroll Configuration** quick action under the My Clients group tab. Now, you can specify the processing parameters for your process configuration group.
Other processing parameters	Use the **Payroll Process Configuration** task to add parameters for the process configuration group. Examples of processing parameters include Batch Error Mode, Logging Area, Logging Category, and Threads.

Characteristics	What You Should Do

1. On the Home page, click the **Submit a Payroll Flow** quick action under the **My Clients Groups** tab.
2. In the **Legislative Data Group** option, select a legislative data group.
3. Search for and select the **Load Data from File** flow pattern.
4. Click **Next**.
5. Enter the parameters, as shown in this table.

Field	Value
Payroll Flow	Descriptive name for this specific flow process.
Content Id	Enter the Content Id. The source file must already exist on the content server.
Transformation Formula	Select the required transformation formula. The type of the formula should be **HCM Data Loader**.
Process Configuration Group	Select your process configuration group.

6. On the Enter Parameters page, click **Next**.
7. On the Enter Flow Interaction page, click **Next**.
8. On the Schedule page, click **Next**.
9. On the Review page, click **Submit**.
10. In the confirmation dialog box, click **OK and View Checklist**.
11. On the Payroll Flow page, Task Details tab you should see a green check mark in the **Generate Data Loader File** and **Initiate Data Loader** rows, Task Type column. If not, on the toolbar, click the **Refresh** icon intermittently until you do.
12. Close the Payroll Flow page.
13. On the Overview page, search for and click your payroll flow.
14. View the process results.
15. Check for any errors or warnings.

Related Topics

- Transformation Formula Input Variables
- Payroll Transformation Formula Operations
- Return Values for Payroll Transformation Formula for HCM Data Loader
- Sample Payroll Transformation Formula for HCM Data Loader
- Sample Payroll Transformation Formula for Multiple Business Objects

Transformation Formula Input Variables

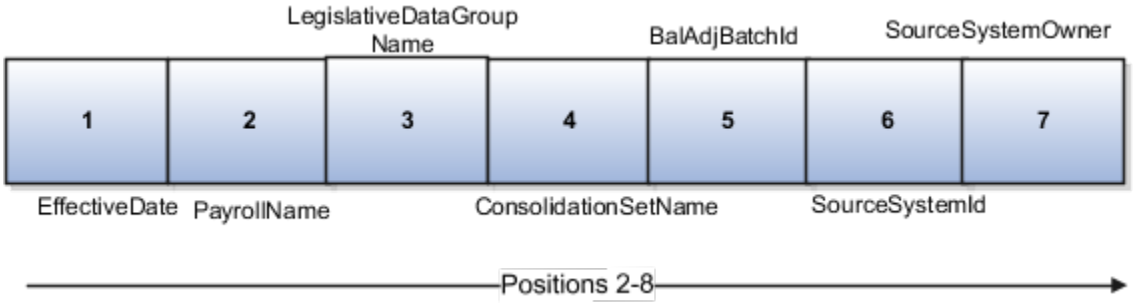
Variables, such as **FileName**, **FileDiscriminator** and **LINEREPEATNO**, are available for all formulas of HCM Data Loader Transformation formula type. Additional variables may be available depending on the selected business object.

Positions

Using the transformation formula, you can assign attributes to the required position. Positions can range from 1 to N. Depending upon the business object, the positions can be either optional or mandatory.

Example:

This figure shows the different attributes for positions 2 through 8 for Balance Adjustments.



In this example, you assign attributes to positions 2 through 8.

- **POSITION2**: **EffectiveDate**
- **POSITION3**: **PayrollName**
- **POSITION4**: **LegislativeDataGroupName**
- **POSITION5**: **ConsolidationSetName**
- **POSITION6**: **BalAdjBatchId**
- **POSITION7**: **SourceSystemId**
- **POSITION8**: **SourceSystemOwner**

FileName, FileDiscriminator, and BusinessOperation

FileName, **FileDiscriminator**, and **BusinessOperation** variables are required for all transformations.

Here are the details of these variables.

- **FileName** is the name of the file for the business object.
- **FileDiscriminator** is the file discriminator for the business object.
- **BusinessOperation** refers to the operation, such as Merge or Delete that are performed by the HCM Data Loader process on the transformed file.

Here's an example of values that you can supply for the input variables: **FileName**, **FileDiscriminator**, and **BusinessOperation**.

```
FileName = 'BalanceAdjustmentHeader'
BusinessOperation = 'MERGE'
```

```
FileDiscriminator = POSITION1
```

LINEREPEAT And LINEREPEATNO

`LINEREPEAT` allows a single line of input to be processed multiple times. And `LINEREPEATNO` indicates the number of repetitions.

For example, for time entry, there might be a regular time entry wage followed by a premium time entry wage.

Example: The Element Entry file contains these details.

```
Update|ElementEntryValue|Vision Corporation US LDG|WLM_Salary|2019/04/15|4712/12/31|E955160008191355-2|
Amount|1002|2|E
Update|ElementEntryValue|Vision Corporation US LDG|WLM_Salary|2019/04/15|4712/12/31|E955160008191355-2|
Amount|1003|3|E
```

The input line can be processed twice. The output file contains the element entry and element entry value as shown in this sample code snippet.

```
ELSE IF OPERATION='MAP' THEN
(
 LegislativeDataGroupName=POSITION3
 ElementName=POSITION4
 EffectiveStartDate=POSITION5
 EffectiveEndDate=POSITION6
 AssignmentNumber=POSITION7
 InputValueName=POSITION8
 ScreenEntryValue=POSITION9
 MultipleEntryCount=POSITION10
 EntryType=POSITION11
IF LINEREPEATNO=1 THEN
 (
 BusinessOperation='MERGE'
 BusinessObject='Element Entry'
 FileName = 'ElementEntry'
 FileDiscriminator ='ElementEntry'
 LINEREPEAT = 'Y'
 RETURN BusinessOperation,FileDiscriminator,FileName
 )
ELSE
(
 BusinessOperation='MERGE'
 BusinessObject='Element Entry Value'
 FileName = 'ElementEntry'
 FileDiscriminator = 'ElementEntry'
 LINEREPEAT = 'N'
 RETURN BusinessOperation,FileDiscriminator,FileName
 )
```

Note:

- The length of a line in the incoming raw file can't be more than 1000 characters
- The length of an attribute between two delimiters can't be more than 255 characters

Related Topics

- Payroll Transformation Formula Operations
- Return Values for Payroll Transformation Formula for HCM Data Loader
- Sample Payroll Transformation Formula for HCM Data Loader
- Sample Payroll Transformation Formula for Multiple Business Objects

Payroll Transformation Formula Operations

The transformation formula is invoked several times to derive different components that are required for processing the incoming data.

This table explains the various operations that you can do with the formula.

Operation Type	Return Value	Example
FILETYPE	OUTPUTVALUE	DELIMITED
DELIMITER	OUTPUTVALUE	|
READ	OUTPUTVALUE	NONE
MAP	Business Object Attributes	NA
NUMBEROFBUSINESSOBJECTS	OUTPUTVALUE	2
METADATALINEINFORMATION	METADATAn	METADATA1

Note: Remember that only 'Delimited' file type is supported.

Delimiter

The default delimiter that separates values is a pipe character. If your file uses a different delimiter, you must set the delimiter you want your formula.

This example specifies a comma character as the delimiter.

```
/* Calculations */
IF OPERATION='FILETYPE' THEN
 OUTPUTVALUE='DELIMITED'
ELSE IF OPERATION='DELIMITER' THEN
 OUTPUTVALUE=','
```

Note: Ensure that the delimiter you enter in the formula is a single non-ASCII character and not part of any of the values to upload.

MAP

The MAP operation defines the return values related to a particular object. The return values must have the same names as the attributes specified in the application for that object.

For example, these RETURN values can be used to generate an Element Entry dat file.

```
RETURN
 BusinessOperation,FileDiscriminator,FileName,AssignmentId,AssignmentNumber,CreatorType,DateEarned,EffectiveEndDate,
```

Here, the `BusinessOperation` is set to MERGE and the `BusinessObject` is set to Element Entry.

METADATALINEINFORMATION

The application generates the file either with all defined attributes or with only specified attributes, depending on whether you specify a value for `METADATALINEINFORMATION` or not.

1. If you don't specify a value for `METADATALINEINFORMATION`, then the application generates `METADATLINE` in the transformed file with all defined attributes for the business object.
2. If you specify a value, then the transformed file will contain only the attributes that you specified.

For the `METADATALINEINFORMATION` operation, you specify an array per business object being processed in the formula. The number of arrays should match the number specified in the `NUMBEROFBUSINESSOBJECTS` operation. The name of the array should be `METADATA` with the number as suffix . For example, `RETURN METADATA1, METADATA2` when the `NUMBEROFBUSINESSOBJECTS` is 2.

Note: The first two entries in the array are reserved to specify the `FileName` and `FileDiscriminator` of the business object.

Additionally, for `METADATALINEINFORMATION`, you can specify attributes with special characters for that business objects.

Notice that in this example `BalAdjBatchId(SourceSystemId)` has parenthesis.

If the file contains either Flexfield or SourceSystem references, then the application can't resolve the default mapping of output parameter names and attributes.

Let's consider this syntax: `jobEffSegment1(PER_JOBS_EIT_EFF=context)`. To allow this construct to be generated in the HCM Data Loader file, you define the `METADATA` line in the transformation formula. For each business object that appears in the output, you must define the `METADATA` content in an array.

Example:

```
METADATA2[1] = 'Job' /*FileName*/
METADATA2[2] = 'JobExtraInfo' /*FileDiscriminator*/
METADATA2[3] = 'EffectiveStartDate'
METADATA2[4] = 'EffectiveEndDate'
METADATA2[5] = 'JobCode'
METADATA2[6] = 'SetCode'
METADATA2[7] = 'FLEX:PER_JOBS_EIT_EFF'
METADATA2[8] = 'EFF_CATEGORY_CODE'
METADATA2[9] = 'InformationType'
METADATA2[10] = 'JeiInformationCategory'
METADATA2[11] = 'LegislationCode'
METADATA2[12]= 'SequenceNumber'
METADATA2[13]= 'jobEffSegment1(PER_JOBS_EIT_EFF=job-eff-context)'
```

Here's how the generated HCM Data Loader file looks like.

```
METADATA|JobExtraInfo|EffectiveStartDate|EffectiveEndDate|JobCode|SetCode|FLEX:PER_JOBS_EIT_EFF|
EFF_CATEGORY_CODE|InformationType|JeiInformationCategory|LegislationCode|SequenceNumber|
jobEffSegment1(PER_JOBS_EIT_EFF=job-eff-context)
```

NUMBEROFBUSINESSOBJECTS

This operation indicates the number of business objects being processed in the formula.

Related Topics

- Return Values for Payroll Transformation Formula for HCM Data Loader
- Sample Payroll Transformation Formula for HCM Data Loader
- Sample Payroll Transformation Formula for Multiple Business Objects

Return Values for Payroll Transformation Formula for HCM Data Loader

The return values for HCM Data loader formulas vary based on the business object and task action.

They are the same as the attribute names and must include `BusinessOperation`, `FileName`, and `FileDiscriminator`.

Here's an example of return values.

```
/*Return Values*/
RETURN BusinessOperation,FileName,FileDiscriminator,Attribute1,Attribute2,...,Attributen
/*Attributes for a particular Business Object can be found from the View Business Objects UI under the HCM
 Data Loader task in the Data Exchange Work Area */
```

For the `NUMBEROFBUSINESSOBJECTS` and `METADATALINEINFORMATION` operations, the `RETURN` statement is as follows.

```
/*Return Values for NUMBEROFBUSINESSOBJECTS and METADATALINEINFORMATION Operation*/
IF OPERATION='FILETYPE' THEN
 OUTPUTVALUE='DELIMITED'
ELSE IF OPERATION='DELIMITER' THEN
 OUTPUTVALUE='|'
ELSE IF OPERATION='READ' THEN
 OUTPUTVALUE='NONE'
ELSE IF OPERATION = 'NUMBEROFBUSINESSOBJECTS' THEN(
 OUTPUTVALUE = '2'
 RETURN OUTPUTVALUE
 )
ELSE IF OPERATION = 'METADATALINEINFORMATION' THEN
 (
 METADATA1[1] = 'BalanceAdjustmentHeader' /*FileName*/ /*Reserved*/
 METADATA1[2] = 'BalanceAdjustmentHeader' /*FileDiscriminator*/ /*Reserved*/
METADATA1[3] = 'LegislativeDataGroupName'
 METADATA1[4] = 'BatchName'
 METADATA1[5] = 'SourceSystemId'
 METADATA1[6] = 'SourceSystemOwner'

 METADATA2[1] = 'BalanceAdjustmentHeader' /*FileName*/ /*Reserved*/
 METADATA2[2] = 'BalanceAdjustmentGroup' /*FileDiscriminator*/ /*Reserved*/
 METADATA2[3] = 'EffectiveDate'
 METADATA2[4] = 'PayrollName'
 METADATA2[5] = 'LegislativeDataGroupName'
 METADATA2[6] = 'ConsolidationSetName'
 METADATA2[7] = 'BalAdjBatchId(SourceSystemId)'
 METADATA2[8] = 'SourceSystemId'
 METADATA2[9] = 'SourceSystemOwner'
 RETURN METADATA1, METADATA2 /*Only two as Return value for NUMBEROFBUSINESSOBJECTS is 2*/
 )
```

You can define variables with special characters. For example, use this structure to return the `BalAdjBatchId(SourceSystemId)` Source ID.

```
/*Return Values for the MAP Operation*/
 FileName = 'BalanceAdjustmentHeader'
 BusinessOperation = 'MERGE'
 FileDiscriminator = POSITION1
 EffectiveDate = POSITION2
 PayrollName = POSITION3
 LegislativeDataGroupName = POSITION4
 ConsolidationSetName = POSITION5
 "BalAdjBatchId(SourceSystemId)"= POSITION6
 SourceSystemId = POSITION7
 SourceSystemOwner = POSITION8

 RETURN BusinessOperation, FileDiscriminator, FileName, EffectiveDate, PayrollName,
 LegislativeDataGroupName, ConsolidationSetName, "BalAdjBatchId(SourceSystemId)", SourceSystemId,
 SourceSystemOwner

/*Note BalAdjBatchId(SourceSystemId) is enclosed by double quotes while assigning value as well as while
 putting it in the return values list */
```

Related Topics

- Overview of Payroll Transformation Formula For HCM Data Loader
- How You Transform Data Using Payroll Transformation Formula for HCM Data Loader
- Sample Payroll Transformation Formula for HCM Data Loader
- Sample Payroll Transformation Formula for Multiple Business Objects

Sample Payroll Transformation Formula for HCM Data Loader

In this example, the transformation formula specifies the transformation mechanism for an incoming comma separated delimited file. The formula's return values are the same as the list of attributes for the personal payment method object.

Here's the sample raw file for personal payment method, with comma as the delimiter.

```
2018/04/04,1,ZHRX_VS_US_TPPI_LDG_ONE,E955160008191423,ZHRX_VS_US_TPPI_Check,PPM1,M,10
```

And this code snippet has the formula for this example.

```
/*****************************************************************
FORMULA NAME: Load Personal Payment Method
FORMULA TYPE: HCM Data Loader
*****************************************************************/
/* Inputs */
INPUTS ARE OPERATION (text), LINENO (number), LINEREPEATNO (number),POSITION1 (text), POSITION2 (text),
 POSITION3 (text), POSITION4 (text), POSITION5 (text), POSITION6 (text), POSITION7 (text), POSITION8 (text)

DEFAULT FOR POSITION1 IS 'NO DATA'
DEFAULT FOR POSITION2 IS 'NO DATA'
DEFAULT FOR POSITION3 IS 'NO DATA'
DEFAULT FOR POSITION4 IS '2'
DEFAULT FOR POSITION5 IS '100'
DEFAULT FOR POSITION6 IS 'NO DATA'
DEFAULT FOR POSITION7 IS 'NO DATA'
DEFAULT FOR POSITION8 IS 'NO DATA'
DEFAULT FOR LINEREPEATNO IS 1

IF OPERATION='FILETYPE' THEN
```

```
 OUTPUTVALUE='DELIMITED'
ELSE IF OPERATION='DELIMITER' THEN

(
 OUTPUTVALUE=','
 RETURN OUTPUTVALUE
)
ELSE IF OPERATION='READ' THEN
 OUTPUTVALUE='NONE'
ELSE IF OPERATION='MAP' THEN
 /*HDL Related Outputs*/
 (
 FileName = 'PersonalPaymentMethod'
 BusinessOperation = 'MERGE'
 FileDiscriminator = 'PersonalPaymentMethod'
 EffectiveStartDate=POSITION1
 ProcessingOrder=POSITION2
 LegislativeDataGroupName=POSITION3
 AssignmentNumber=POSITION4
 OrganizationPaymentMethodCode=POSITION5
 PersonalPaymentMethodCode=POSITION6
 PaymentAmountType=POSITION7
 Amount=POSITION8
 RETURN
 BusinessOperation,FileName,FileDiscriminator,EffectiveStartDate,PersonalPaymentMethodCode,AssignmentNumber,Amount,P
 )
ELSE
 OUTPUTVALUE='NONE'
RETURN OUTPUTVALUE
/* End Formula Text */
```

Related Topics

- Overview of Payroll Transformation Formula For HCM Data Loader
- How You Transform Data Using Payroll Transformation Formula for HCM Data Loader
- Sample Payroll Transformation Formula for Multiple Business Objects

Sample Payroll Transformation Formula for Multiple Business Objects

In this example, the formula uses the user defined tables and personal payment method business objects. It converts the Person Number in the flat file into Assignment Number and uses the `METADATALINEINFORMATION` and `NUMBEROFBUSINESSOBJECTS` operations.

Here's the sample of the raw input file.

```
PPM|2018/04/04|1|ZHRX_VS_US_TPPI_LDG_ONE|955160008191423|ZHRX_VS_US_TPPI_Check|PPM1|M|10
UDT|SM_UDT_4|Range|Number|Test UDT|USA LDG
```

And this code snippet has the formula for this example.

```
/*************************************************************
FORMULA NAME: Load User Defined Table and Personal Payment Method
FORMULA TYPE: HCM Data Loader
*************************************************************/
/* Inputs */
INPUTS ARE OPERATION (text), LINENO (number), LINEREPEATNO (number),POSITION1 (text), POSITION2 (text),
 POSITION3 (text), POSITION4 (text), POSITION5 (text), POSITION6 (text), POSITION7 (text), POSITION8
 (text),POSITION9 (text)
```

```
DEFAULT FOR POSITION1 IS 'NO DATA'
DEFAULT FOR POSITION2 IS 'NO DATA'
DEFAULT FOR POSITION3 IS 'NO DATA'
DEFAULT FOR POSITION4 IS '2'
DEFAULT FOR POSITION5 IS '100'
DEFAULT FOR POSITION6 IS 'NO DATA'
DEFAULT FOR POSITION7 IS 'NO DATA'
DEFAULT FOR POSITION8 IS 'NO DATA'
DEFAULT FOR POSITION9 IS 'NO DATA'
DEFAULT FOR LINEREPEATNO IS 1
IF OPERATION='FILETYPE' THEN
 OUTPUTVALUE='DELIMITED'
ELSE IF OPERATION='DELIMITER' THEN
 OUTPUTVALUE='|'
ELSE IF OPERATION='READ' THEN
 OUTPUTVALUE='NONE'
ELSE IF OPERATION = 'NUMBEROFBUSINESSOBJECTS' THEN
 (
 OUTPUTVALUE = '2'
 RETURN OUTPUTVALUE
 )
ELSE IF OPERATION = 'METADATALINEINFORMATION' THEN
 (
 METADATA1[1] = 'UserDefinedTable' /*FileName*/
 METADATA1[2] = 'UserDefinedTable' /*FileDiscriminator*/
 METADATA1[3] = 'UserTableCode'
 METADATA1[4] = 'RangeOrMatch'
 METADATA1[5] = 'UserKeyUnits'
 METADATA1[6] = 'UserRowTitle'
 METADATA1[7] = 'UserTableName'
 METADATA1[8] = 'LegislativeDataGroupName'
 METADATA2[1] = 'PersonalPaymentMethod' /*FileName*/
 METADATA2[2] = 'PersonalPaymentMethod' /*FileDiscriminator*/
 METADATA2[3] = 'EffectiveStartDate'
 METADATA2[4] = 'PersonalPaymentMethodCode'
 METADATA2[5] = 'AssignmentNumber'
 METADATA2[6] = 'Amount'
 METADATA2[7] = 'ProcessingOrder'
 METADATA2[8] = 'OrganizationPaymentMethodCode'
 METADATA2[9] = 'PaymentAmountType'
 METADATA2[10] = 'LegislativeDataGroupName'
 RETURN METADATA1, METADATA2
 )
ELSE IF OPERATION='MAP' THEN

 IF POSITION1='UDT' THEN
 (
 FileName = 'UserDefinedTable'
 BusinessOperation = 'MERGE'
 FileDiscriminator = 'UserDefinedTable'
 UserTableCode = POSITION2
 IF POSITION3='Range' THEN
 (
 RangeOrMatch = 'R'
 )
 IF POSITION4='Number' THEN
 (
 UserKeyUnits = 'N'
 )
 UserRowTitle = POSITION5
 UserTableName = POSITION2
 LegislativeDataGroupName = POSITION6
 RETURN
 BusinessOperation,FileDiscriminator,FileName,UserTableCode,RangeOrMatch,UserKeyUnits,UserRowTitle,UserTableName,Leg
 )
 IF POSITION1='PPM' THEN
```

```
 (
 FileName = 'PersonalPaymentMethod'
 BusinessOperation = 'MERGE'
 FileDiscriminator = 'PersonalPaymentMethod'
 EffectiveStartDate=POSITION2
 ProcessingOrder=POSITION3
 LegislativeDataGroupName=POSITION4
 AssignmentNumber=GET_VALUE_SET('SAMPLE_GET_ASG_NUM','|=PERSON_NUMBER='''||POSITION5||'''')
 OrganizationPaymentMethodCode=POSITION6
 PersonalPaymentMethodCode=POSITION7
 PaymentAmountType=POSITION8
 Amount=POSITION9
 RETURN
 BusinessOperation,FileName,FileDiscriminator,EffectiveStartDate,PersonalPaymentMethodCode,AssignmentNumber,Amount,P
 )
ELSE
 OUTPUTVALUE='NONE'
RETURN OUTPUTVALUE
/* End Formula Text */
```

Note: To debug value sets, create a BI report with this query to return the required data.

```
SELECT pay_ff_functions.gvs ('SAMPLE_GET_ASG_NUM','|=PERSON_ID=100000012092216') value FROM dual;
```

Related Topics

- Overview of Payroll Transformation Formula For HCM Data Loader
- How You Transform Data Using Payroll Transformation Formula for HCM Data Loader
- How To Create A Program for Automation

4 National Identifiers, Geographies, Address Styles, and Country Extensions

Overview of Implementing Global Payroll Features

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

Payroll Feature Choices

As part of feature choices for payroll processing you:

- Select the correct country extension setting for each of your countries and territories on the Features by Country or Territory page. The country extension setting ensures that certain payroll-related features, such as element templates, work correctly in your implementation.
- Select the Payroll Costing Options to cost your payroll and the appropriate subledger accounting rules.
- Select the appropriate precision for the currency of each country or territory where you're processing payroll.
- Set the currency of each country or territory where you're 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 Features by Country or Territory page.

Geographies

Manage Geography Lookups

To manage geography lookups, do these steps:

1. In the Setup and Maintenance work area, click the Tasks pane and select **Search**.
2. On the Search page, search for and select the **Define Geographies for Human Capital Management** task.
3. In the Define Geographies for Human Capital Management task list, click the **Manage Geography Lookups** task.
4. On the Manage Geography Lookups page, click **HZ_GEO_IDENTIFIER_SUBTYPE**.
5. In the Lookup Codes section, add the CFDI_CODE as shown in this table:

Lookup Code	Enabled	Start Date	Meaning	Description	Tag
CFDI_CODE	Checked	01-01-1951	Mexico CFDI Geography Code	Mexico CFDI Geography Code	C

6. Click **Save and Close**.

Verify Geographies for Mexico

Geography information in Oracle Cloud applications is used for address entry and geography-based business processes, such as territory management and shipping.

You must import geography reference data and set up that data for the countries where you do business.

The following options for geography reference data for Mexico are available:

- If you've imported and you're currently using Nokia geography data, you may continue to use this as your geography reference data. You are required to make updates if any changes occur.
- Optionally import the Oracle-licensed geography reference data (by Loqate).
- Optionally import geography data from a third party, such as SEPOMEX. You need to import third-party geography data using the file-based import option in Fusion and it must have the same geography structure as the Oracle-licensed geography reference data.

Nokia Data

If you have imported and are currently using Nokia geography data, you may continue to use this as your geography reference data. Be aware that if there are changes to geography data or new additions, you will be required to make these updates from the Manage Geographies task.

If you're continuing to use Nokia geography data, you must have completed the Load Geographies for Mexico task on or before the 18D update. This would have created the FIPS_CODE, Tax geography code, and jurisdiction data automatically.

If you want to replace your existing Nokia geography data with the revised Oracle-licensed geography data, review the Oracle Help Center topic Replace Existing Master Geography Data with Revised Oracle-Licensed Geography Data.

Import Oracle-Licensed Geography Reference Data

You can use the Manage Geographies task to import the geography reference data and manage geography structures, such as country, state, municipality, locality, and postal code.

To import the Oracle-licensed geography reference data, complete these steps:

1. In the implementation project checklist, to access the Manage Geographies task, select **Go To Task**.
2. On the Manage Geographies page, in the Search section, enter **MX** and click **Search**.
3. In the Search Results section, from the Actions menu, select **Import Geography Data**.
4. In the Warning dialog box, click **OK**.
5. In the Confirmation dialog box, click **OK**.
6. To verify that the process completed successfully, go to the Schedule Processes task.
   This completes the importing geography data process.
7. After the import is complete, optionally search for the country again in the Manage Geographies page.

   > **Note:** Check marks now appear in the Structure Defined and Hierarchy Defined columns indicating the import completed successfully.

8. From 19A update, after importing the Oracle-licensed Loqate geography data, complete the **Load Geographies for Mexico** task.

This creates the FIPS_CODE, Tax geography code, and jurisdiction data automatically.

Import Third-Party Geography Data

You may import geography data from a third party, such as SEPOMEX. Make sure that you import data using the same geography structure used for the Oracle-licensed geography reference data.

For more information about how to prepare and import geography data from an external data source, refer to the Oracle Help Center topic Import Your Geography Data.

After importing geography data from a third party, you must complete the **Load Geographies for Mexico** task. This creates the FIPS_CODE, Tax geography code and jurisdiction data automatically.

Review Imported Geography Data

From the Manage Geographies page:

1. To view the general information, select the country name: **Mexico**.
2. Select the check mark for each type of geography data you want to verify:
    - Structure defined
    - Hierarchy defined
3. Verify the information on each page and make any necessary changes.
4. Click **Save and Close**.

Define Address Style Format Mapping for Mexico

HR-only, Payroll Interface and Payroll implementations must update the Geography Mapping fields for the Mexican Postal Address Format and the Mexico Address Format.

HR-only implementations with no address validation must select the Mexican Postal Address Format.

All other implementations must use the Mexico Address Format. To set your geography validation for the Mexico Address Format:

1. From the Manage Geographies page, under Validation Defined, click **Go to Task**.
2. In the Address Style Format table, select and highlight the **Mexico Address Format** row.
3. In the Geography Mapping and Validation section, select or deselect the **Enable List of Values** check box as appropriate for each geography type.

    > **Note:** Oracle Fusion HCM doesn't use Tax and Geography, so you don't need to select the check boxes. Likewise, you can ignore the fields in the Geography Validation Control section.

4. Verify the information on each page and make any necessary changes.
5. Click **Save and Close**.

> **Note:** For more information, see HR Implementation and Use (Doc ID 2175160.1) on My Oracle Support (MOS).

Load Geographies for Mexico

The Load Geographies for Mexico process creates geography codes for the state level that are used in Mexican statutory reporting. This process requires the state abbreviation to be the primary name for the Mexican states.

To know if the abbreviation is set as the primary name:

1. Navigate to the **Geographies** task and search for Mexico.
2. From the **Actions** menu, select **Geography Hierarchy**.
3. In the **Geography Hierarchy** table, select the state.
4. Ensure that the state abbreviation is selected as the primary name for each of the Mexican states.

To load geographies, complete these steps:

1. On the **Setup and Maintenance** page, click the **Tasks** pane and select **Search**.
2. On the **Search** page, search for and select the **Load Geographies for Mexico** task.
3. Click **Submit** and check that the process has completed successfully.

Note: From the Geographies task, verify that the FIPS_CODE, CFDI_CODE and Tax geography code are included for each state level.

Primary and Alternative Names

On the **Geography Hierarchy** page, you can change the name to be used as primary or alternative. The primary name is referenced in the corresponding field of **Addresses** section entered in the application.

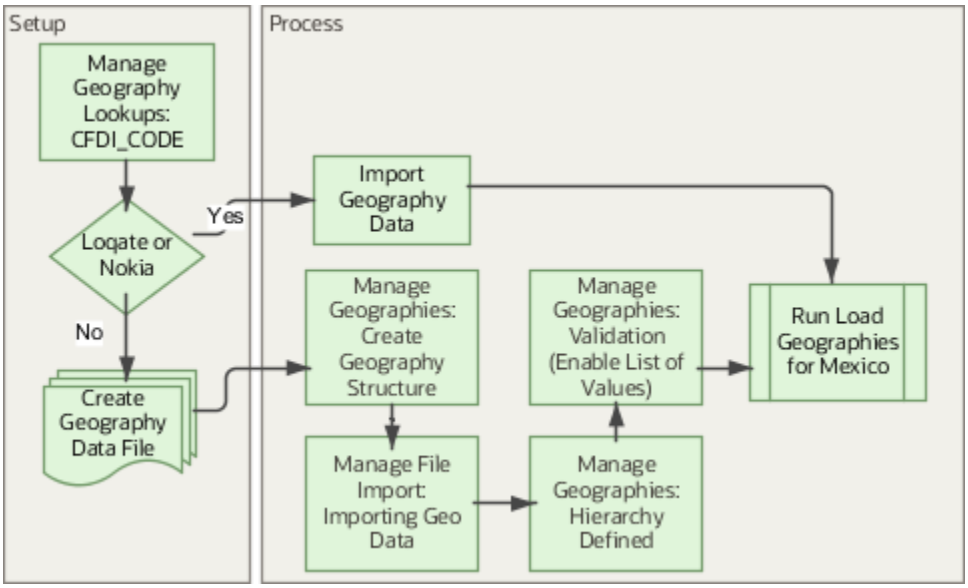
Note: You must complete the Load Geographies for Mexico process successfully prior to changing the primary name for a geography.

If the state abbreviation is the primary name and you would like to change this to the state name:

1. Navigate to the **Geographies** task and search for Mexico.
2. Select **Hierarchy Defined** or Geography Hierarchy from the **Actions** menu.
3. In the **Geography Hierarchy** table, select the row to edit and choose the Edit icon or Edit from the **Actions** menu.
4. Highlight the state name row in the **Primary and Alternate Names** table and select the Set Primary icon or Set Primary from the **Actions** menu.

   By changing the primary geography, you can see the full state name as the parent geography instead of the state abbreviation in the Search and Select dialog box.

Refer to this image to understand the flow of the Geography setup of Mexico:



Related Topics

- Geography Hierarchy
- How do I update existing setup data?

Geography Structures for Mexico

You use geography information for address entry and geography-based business processes. Jurisdiction codes help identify your state, city, postal 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. You can use the geography structure to relate geography types and define geography types.

Relate Geography Types

You can determine how a country's geographies are related by creating the hierarchy of the geography types in the geography structure. When you define the country's structure, the geography type Country is implicitly at the highest level of the geography structure with the level as 1. The subsequent geography types that you add after country are numbered in sequence.

You must add a geography type as a level in the country structure before you can define a geography for that geography type. Such as, before defining the state of Mexico, the State geography type must be added to the Mexico country structure. To quickly create country structure, you can copy a structure from another country and modify the geography types for the country.

To create the geography structure, you use the master reference geography types. Each geography type is added at a lower level to the current lowest level.

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

You can use a geography type that you create within the country structure for other country structures as well.

Define Geography Types

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

Oracle recommends that you use these geography types to create your geography structure:

Level	Geography Type	Example
1.	State	MEX
2.	Municipality	Villa Victoria
3.	Locality	Villa Victoria
4.	Postal Code	50960

Geography Validation for Mexico

Geography validation determines the geography mapping and validation for a country's address styles, as well as the overall geography validation control for a country. The No Styles Format address style format is the default address style format.

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 these aspects:

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

Map to Attribute

For every address style format, you can map each geography type to an address attribute. For example, you can map the State geography type to the State address attribute. The geography types that appear are based on how the

country structure is defined. The list of address attributes that appear are based on address formats delivered with the application.

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

Enable List of Values

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

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

Tax Validation

Don't change the default Tax Validation settings. Oracle Cloud HCM applications don't use this functionality.

Geography Validation

You must set up geography validation for those geography elements that you plan to use in your territories. Setting up validation also helps users fill in missing address information, and validate addresses during entry. For example, you can have users select states or other address elements from lists to ensure accuracy during entry, and you can have the application fill in missing values. Let's say, when you enter a postal code, the application can retrieve the city and state.

If an address element is mapped to a geography type, but not selected for geography validation usage, then during address entry suggested values are provided for the address element, but the address element isn't validated.

You need to verify that the default mapping between Geography Type and Map to Attribute is valid in the Geography Mapping and Validation region and update it if required when you define geography validation. Oracle recommends that you use these valid mappings, which is supported by Loqate:

Country Name	Country Code	Geography Type	Map to Attribute (Address Element)
Mexico	MX	• Country • State • Municipality • Locality • Postal code	• Country • State • County • Additional Address attribute 2 • Postal code

Geography Validation Control

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

These are the geography validation levels you can choose:

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

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

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

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

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

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

Addresses

Legal Addresses for Mexico

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

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

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

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

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

The table lists the fields in the Mexican address style.

Field Name	Mandatory and Optional Fields
Country	Mandatory
Address Line 1	Mandatory
Address Line 2	Optional
Neighborhood/Colony	Optional
Borough/Village	Optional
Postal Code	Mandatory
City	Mandatory
State	Mandatory
Time Zone	Optional

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

Change Address Style and Address Validation Settings

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

For example, you can change the address style from its default value only when you set the country extension to Human Resources or None. You can't change the address style from its default value when you set the country extension to Payroll or Payroll Interface.

Address Styles

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

Address Style	What the Address Style Does
Postal Address	This address style provides the fundamental set of address attributes for a country or territory. In some cases, this style adds supplemental attributes. For instance, this address style might include general address attributes that aren't relevant, such as State or Postal Code.

Address Style	What the Address Style Does
Supplemental Taxation and Reporting Address	Enforces validation to attribute changes. For example, this style may add specific validation of postal codes, such as requiring a specific number of characters in a specific sequence.

Use the **Features by Country or Territory** task to see what's delivered for your country. Each country has a default address style and the choice of the country extension determines whether you can change the default address style. However, for Mexico, the predefined address style isn't modified. It's recommended that you use the Supplemental Taxation and Reporting Address for Mexico payroll:

Address Prompt	Address Element
Postal Code	Postal Code
Street Name and Number	Address Line 1
Neighborhood	Additional Address Attribute 2
Municipality	County
City	City
State	State
Country	Country

The postal code is validated and it must be a five-digit number.

Address Validation Based on Country Extension

Address validation is the validation of state, municipality, neighborhood and postal code combinations.

This table describes the style and validations available for addresses:

Extension	Style Enforced	Validation Enforced
Human Resources	No	No
Payroll Interface	Yes	No
Payroll	Yes	Yes

If you have chosen to install Human Resources, the value for the Address Style can be modified to either format. If you have chosen to install either Payroll Interface or Payroll, the value for the Address Style can't be modified. It must be set to Supplemental Taxation and Reporting Address.

Change Address Styles

For most of the predefined countries and territories, the application enforces the address style, preventing you from making changes. However, when the address style isn't 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, in Mexico, if you initially implement Human Resources using the Postal Address style and then later change the country extension to Payroll, you must also change the address style to Supplemental Taxation and Reporting Address. As a result, you must update your existing address data to resolve validation errors.

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

> **Tip:** Use the Address Formats task to review and configure how addresses appear in the application.

Disable Address Validation

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

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

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

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

Enable Address Validation

To manually enable or disable address validation:

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

CAUTION: If you don't 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 state and municipality. There's also the possibility of invalid address combinations, such as mismatched neighborhood and postal code combinations.

Country Extensions

How Country Extensions are Selected

Use the Features by Country or Territory task under Payroll in My Client Groups, to select the correct product for your legislations. The country extension setting ensures that certain payroll-related features, such as element templates, work correctly in your implementation.

By default, each country's extension is set to Human Resources or None, which means no payroll product is selected. If you plan to use payroll or any predefined payroll interface extracts for a country or territory, you must set its country extension to the appropriate payroll setting.

The options available for selection is given here.

- Payroll
- Payroll Interface
- Human Resources or None

For some countries or territories, the options available for selection may be restricted.

Setting the country extension to Payroll ensures that all payroll features function correctly. The other product settings you select control the functions of payroll-related features when you aren't using Global Payroll.

Payroll

The implications of setting the country extension to Payroll are as given here.

- When creating elements, the element templates generate formulas and other associated items that are required for costing or payment processing in Global Payroll.
- The new-hire process includes country-specific features, such as automatic generation of calculation cards for statutory deductions and validation of address formats.
- Payroll definitions require associated organization payment methods. You must select payment methods that include a payment source.
- Defining payment sources requires source banks in Oracle Fusion Financials.

Payroll Interface

The implications of setting the country extension to Payroll Interface is as given here.

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

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

- The new hire process includes country-specific validations.
- Validations on payroll objects are less restrictive to support sending employee bank information as follows:
  - No requirement for payment sources in organization payment methods
  - No dependency on source banks in Financials

Human Resources or None

The implications of setting the country extension to Human Resources or None is as given here.

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

  You can configure these elements to meet your specific business requirements, such as adding input values and formulas to a compensation element.
- Certain countries or territories have additional country-specific validation.
- Validations on payroll objects are less restrictive, as with the Payroll Interface setting.

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

Decisions to Consider	In This Example

How to Set the Extension

1. Select the **Features by Country or Territory** task from **My Client Groups > Show More > Payroll**.
2. 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.

Country	Extension
United States	Payroll
United Kingdom	Payroll
France	Payroll Interface
China	Human Resources or None

3. Click **Save**, and then click **Done**.

Related Topics

- Change Address Style and Address Validation Settings

Person National Identifiers for Mexico

Oracle HCM Cloud for Mexico has several national identifiers, predefined in the application. Each of the national identifiers has a unique format and validations are provided in the application to validate the format.

National Identifiers:

- Clave Unica de Registro de Población (CURP)
- Registro Federal de Contribuyentes (RFC)
- Instituto Mexicano del Seguro Social (IMSS)
- Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado (ISSSTE)
- Federal Government Affiliation
- Military Service

Oracle Fusion Human Capital Management for Mexico provides three levels of validation for CURP and RFC national identifiers. These levels depend upon the country extensions settings, as given below:

NID Validation

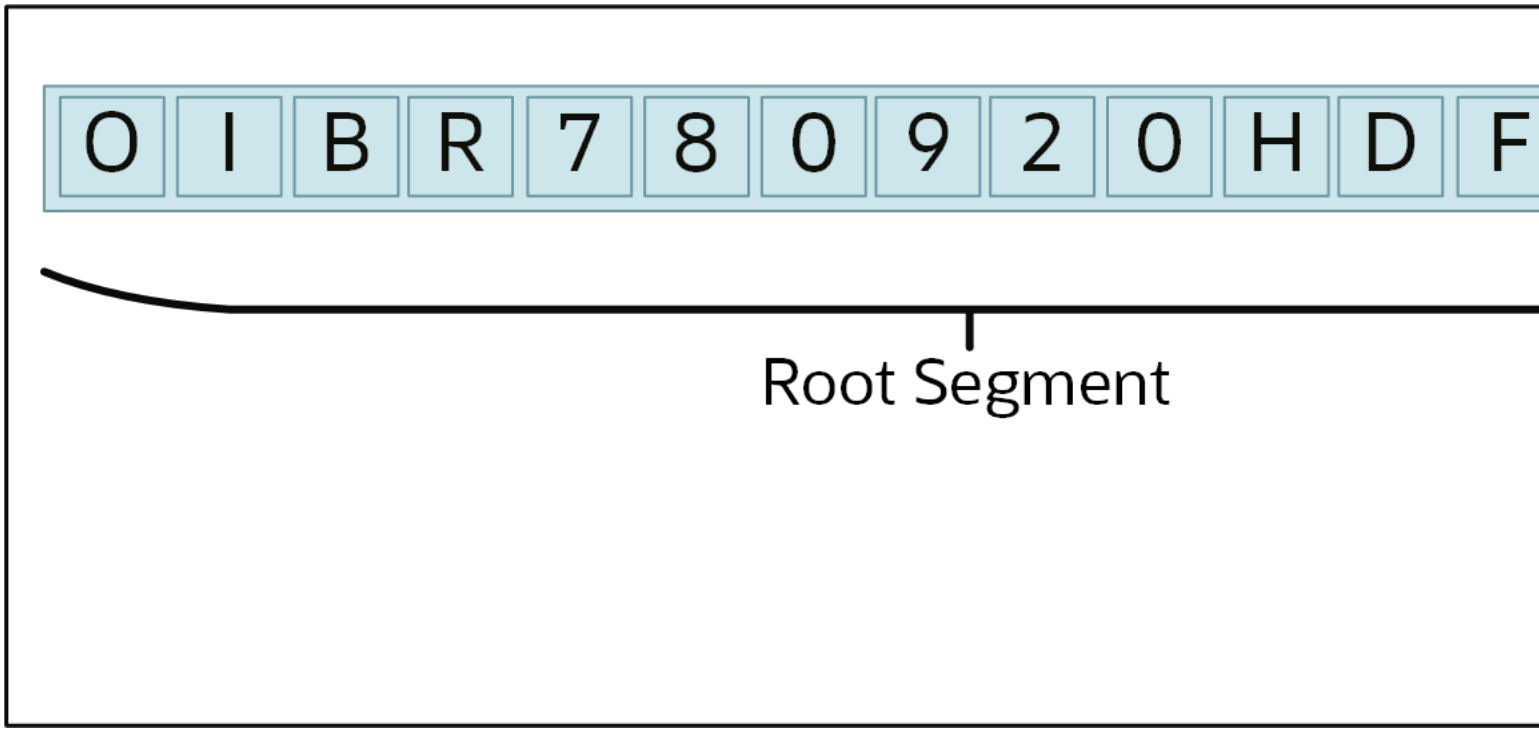
Country Extension	Level of Validation
Human Resources or None	Basic
Payroll Interface	Intermediate
Payroll	Full

Note: To select the country extension, refer to the How Country Extensions are Selected help topic.

Clave Unica de Registro de Población (CURP)

Curp is the Unique Population Registry Code. It is a unique 18-digit alphanumeric identifier assigned by the federal government agency, Registro Nacional de Población (RENAPO), to both citizens and residents of Mexico. The first sixteen digits of the identifier, also known as the root element, are made up of characters from the personal information of the person. The last two digits are assigned by RENAPO. The second last digit is a letter assigned to avoid duplication of the CURP number and the last is a check digit number to validate the authenticity of the number.

For example, Ortiz Bonilla René, was born in the Distrito Federal on September 20, 1978. His CURP number is given below:



The CURP number comprises of digits obtained from the personal information of the person. The first 16 characters are known as the root segment. The root is complemented and it's unrepeatable with the Homoclave and Check Digit.

CURP Structure

CURP Structure	Personal Information	Example
Root Segment	First letter and first vowel of the Paternal Last Name	OI
	First letter of the Maternal Last Name	B
	First letter of the First Name	R
	Year, month and day of Date of Birth	780920
	Person's gender: (H) for man and (M) for woman	H
	Two letter state code	DF (for Distrito Federal)
	First internal consonants of Paternal Last Name, Maternal Last Name and First Name	RNN
Homoclave	Letter assigned by RENAPO to avoid duplicate registrations	O
Check Digit	Number assigned by RENAPO	9

Foreign workers that are not issued with a CURP must use the CURP shown below:

CURP for Foreign Workers

Gender	CURP	Validation
Male	XEXX010101HNEXXXA4	Checks that the person's gender is male.
Female	XEXX010101MNEXXXA8	Checks that the person's gender is female.

Note: This implies that the CURP may be duplicated if your organization has many foreign employees.

CURP Validation

Country Extension	CURP Validation Level	Validation
Human Resources or None	Basic	Format (alphabetic, alphanumeric and numeric characters)
Payroll Interface	Intermediate	• Basic Validation • Structure rules (name letters, date of birth, gender, state code, and so on)

Country Extension	CURP Validation Level	Validation
		• Exception rules (names and words to ignore, inappropriate words, and so on) • If an exception occurs, the application sends a warning message, however, you can continue entering the information
Payroll	Full	• Basic Validation • Structure rules (name letters, date of birth, gender, state code, and so on) • Exception rules (names and words to ignore, inappropriate words, and so on) • If an exception occurs, the application errors out and you cannot continue until you fix the data

Some exception rules defined by the Mexico government are managed with Lookup Types. For CURP these lookup types are:

Lookup Types

Lookup Type	Description	Purpose
ORA_HRX_MX_SKIP_FNAME_CURP	Skip certain names for CURP first name validation	The names included in this list are in the first name validation and are to be considered exceptions
ORA_HRX_MX_EXCEPT_WORDS_CURP	Exception words for CURP validation	Corresponds to the Catalog of inconvenient words. This is a list of four-letter words that are considered invalid and will cause an exception error

A person may have a CURP that does not meet the validation rules and the application errors and you cannot proceed. However, the person's official documents confirm that the CURP is correct. In this case, you may disable the exception word so that the validation check is avoided and the CURP may be entered without error.

For example, the person's CURP is BACA760801MDFRNN08. According to the catalog of inconvenient words, BACA isn't valid and is to be substitued with BXCA. However, the person's official documents show that the CURP is correct.

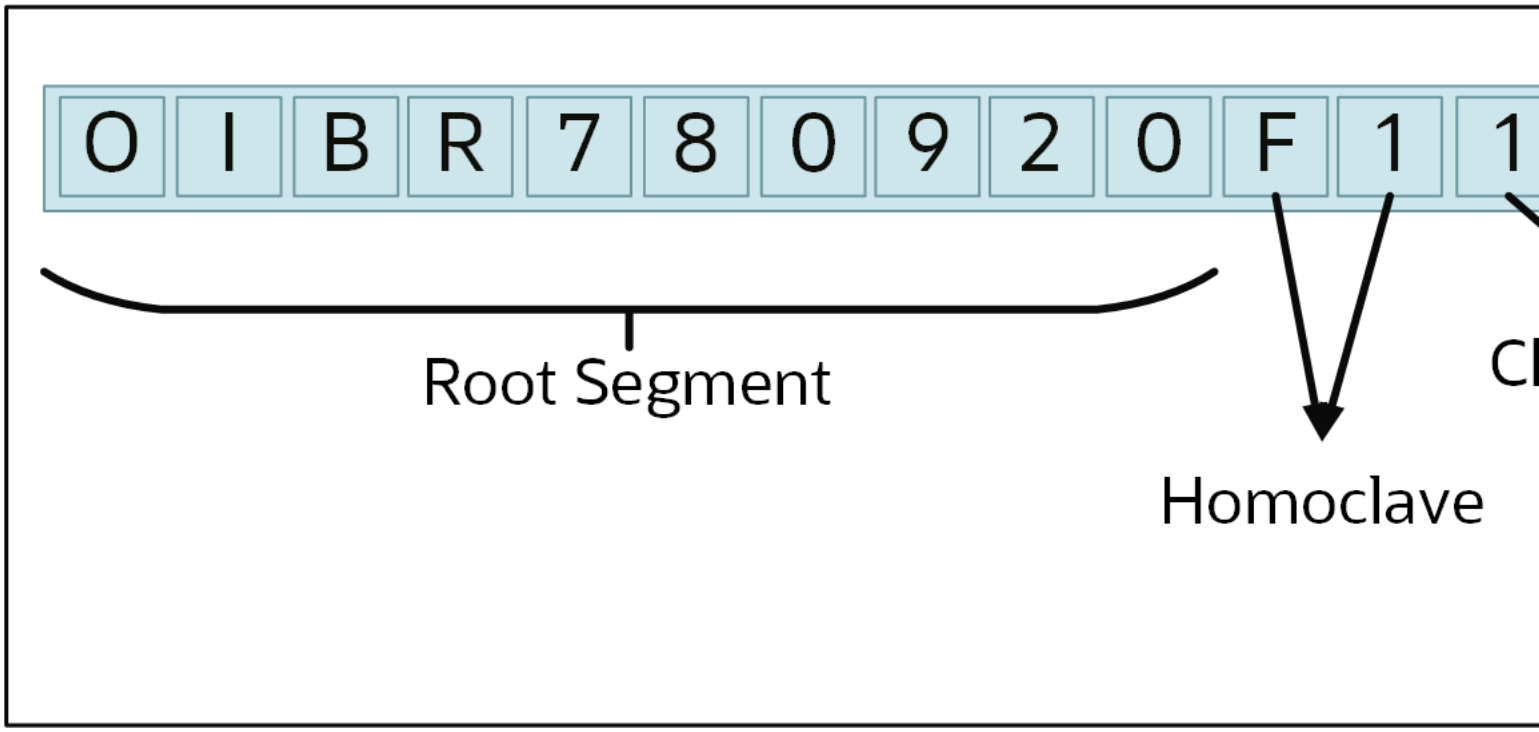
To disable the exception check for BACA so that you are able to enter the person's CURP:

1. In the Setup and Maintenance work area, search for the Manage Common Lookups task.
2. In the Lookup Type search field, enter ORA_HRX_MX_EXCEPT_WORDS_CURP.
3. Click **Search**.
4. In the Lookup Codes region, select the ORA_BACA row.
5. To disable the ORA_BACA Lookup Code, uncheck the **Enabled** check box.
6. To save your work, click **Save and Close**.

Registro Federal de Contribuyentes (RFC)

RFC is the Federal Taxpayers Registry; the tax registration number that is assigned to taxpayers by the Mexican tax authority, Servicio de Administración Tributaria (SAT). The RFC is a unique 13-digit alphanumeric identifier. The first ten characters of the identifier, also known as the root element, are constituted by characters obtained from the personal information of the person. The last three characters are assigned by SAT. The third and second last characters are assigned to avoid duplication of the RFC identifier and the last is a check digit number to validate the authenticity of the identifier.

For example, Ortiz Bonilla Rene, was born on September 20, 1978. His RFC number is given below:



RFC Structure

RFC Structure	Personal Information	Example
Root Segment	First letter and first vowel of the Paternal Last Name	OI
	First letter of the Maternal Last Name	B
	First letter of the First Name	R
	Year, month and day of Date of Birth	780920
Homoclave	Letter assigned by SAT to avoid duplicate registrations	F1
Check Digit	Number assigned by SAT	1

When an employee has passed away, the RFC identifier is entered as XAXX010101000. The date of death must be entered for a person when assigning this RFC. This implies that the RFC may be duplicated.

RFC Validation

Oracle HCM Cloud for Mexico provides three levels of validation for the RFC identifier:

RFC Identifier Validation

Country Extension	RFC Validation Level	Validation
Human Resources or None	Basic	• Length • Format (alphabetic, alphanumeric and numeric characters)
Payroll Interface	Intermediate	• Basic Validation • Structure rules (name letters and date of birth) • Exception rules (names and words to ignore, inappropriate words, and so on) • If an exception occurs, the application sends a warning message. However, you can continue entering the information.
Payroll	Full	• Basic Validation • Structure rules (name letters and date of birth) • Exception rules (names and words to ignore, inappropriate words, and so on) • If an exception occurs, the application errors out and you can't continue until you fix the data

Some exception rules defined by the Mexico government are managed with Lookup Types. For RFC these lookup types are:

RFC Lookup Types

Lookup Type	Description	Purpose
ORA_HRX_MX_SKIP_FNAME_RFC	Skip certain names for RFC first name validation	The names included in this list are in the first name validation and are to be considered exceptions
ORA_HRX_MX_EXCEPTION_WORDS_RFC	Exception words for RFC validation	This is a list of four letter words that are considered invalid and will cause an exception error

A person may have a RFC that does not meet the validation rules and the application errors and you cannot proceed. However, the person's official documents confirm that the RFC is correct. In this case, you may disable the exception word so that the validation check is avoided and the RFC may be entered without error.

For example, the person's RFC is CUCM881008F11. Because the person's first name is MA, it falls in the into the category of skip name therefore the RFC should not contain an M. But, the person's official documents show that the RFC is correct. To disable the exception check for MA so that you are able to enter the person's RFC:

1. In the Setup and Maintenance work area, search for the **Manage Common Lookups** task.
2. In the Lookup Type search field, enter **ORA_HRX_MX_SKIP_FNAME_RFC** .
3. Click **Search**.
4. In the Lookup Codes region, select the ORA_MA Lookup Code row.
5. To disable the ORA_MA Lookup Code, uncheck the **Enabled** check box
6. To save your work, click **Save and Close**.

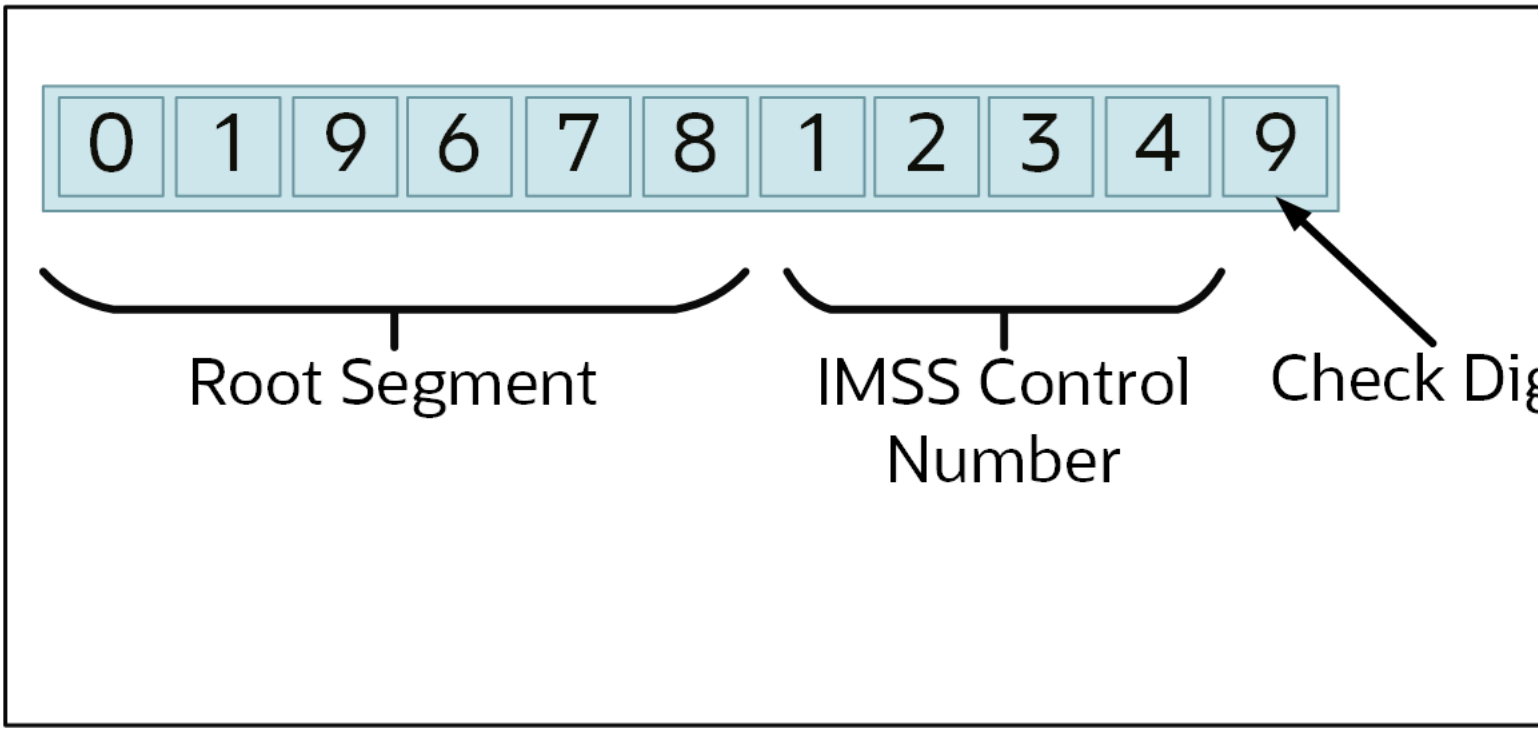
Instituto Mexicano del Seguro Social (IMSS)

The IMSS is a unique 11-digit identifier for social security, assigned to all employees who work for a non-public sector employer. The characters of the Social Insurance Number IMSS refer to:

- IMSS delegation
- Year of IMSS subscription
- Year of birth

The last four digits of the IMSS identifier is issued by the Instituto Mexicano del Seguro Social (IMSS) to avoid duplication in the identifier.

For example, Ortiz Bonilla René, was born on September 20 (09) 1978, was subscribed to IMSS in 1996 and his IMSS Delegation is Delegación 1 Noroeste, D.F., Nodo de Telecomunicaciones. His IMSS number is:



The IMSS identifier comprises:

- First two digits that are derived from the IMSS delegation (01)
- The next two digits corresponds to the year of IMSS subscription (96)
- The next two digits are the person's year of birth (78)

These 10 digits are known as the root segment. The root is complemented and becomes unrepeatable with a four-digit Control Number and a Check Digit Number, both issued by the IMSS.

There are cases when the worker documentation filed with IMSS doesn't have the date and/or place of birth. In such cases, the IMSS NSS internal procedure assigns the IMSS Entity Code for the fourth and fifth digits.

Note: IMSS identifier validation isn't related to the Country Extension feature.

Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado (ISSSTE)

The ISSSTE identifier is a unique 11-digit identifier assigned to all employees who work for the federal government. ISSTE is similar to IMSS.

Note: ISSSTE ID validation isn't related to Country Extension feature.

Federal Government Affiliation

The Federal Government Affiliation ID is a unique 13-character free format identifier assigned to all employees who work for federal government agencies. It's used in several reports for public sector institutions.

Note: Federal Government Affiliation ID validation isn't related to Country Extension feature.

Military Service

The Military Service ID is a unique 13-character free format identifier assigned to all men who are enrolled in the Army or the Navy. All young men in the age group of 16 to 18 years old are required to do Military Service for one year.

The validations for the Military Service ID include:

- Must be 13 characters in length
- Is valid only for male workers

Note: Military Service ID validation isn't related to Country Extension feature.

For more information, see the Document 2116899.1 - National Identifier Validation on My Oracle Support (MOS).

5 Prerequisite Payroll Setup Tasks

Prerequisite Tasks for Payroll Setup for Mexico

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

You might have already done some of these tasks because other HCM applications require them. Revisit tasks to address payroll specific tasks, such as creating tax reporting units.

If these prerequisite tasks haven't been completed, you can find them within Define Common Applications Configuration for Human Capital Management:

- Define Features by Country or Territory
- Define Geographies for HCM
- Define Enterprise Structures for HCM

Define Features by Country or Territory

Review and update the selected features for your countries and territories of operation. These settings control the availability of payroll-related features, such as element templates, and address style and address validation rules used in processes and reports.

Define Geographies for HCM

Verify predefined geographies, and define any additionally required local geographies.

For further information, see these topics in the Help Center:

- Geography Structures
- Geography Validation

Define Enterprise Structures for HCM

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

Task List	Action
Define Legal Jurisdictions and Authorities for HCM	• Create a legal jurisdiction if not already created or predefined for your country or territory. • Create a legal authority for each government body you interact with. • Create addresses for legal entities and legal authorities.
Define Legal Entities for HCM	• Create a legislative data group for each country or territory you operate in, to partition your payroll data. • Create at least one legal entity designated as a payroll statutory unit (PSU) for each legislative data group. • Associate each PSU with a legislative data group.

Task List	Action
	• Create calculation cards for statutory deductions for each PSU, if supported for your country or territory.
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). • Define the TRUs as reporting establishments as needed. • Optionally, create calculation cards for statutory deductions for each TRU, if supported for your country or territory.
Define Business Units for HCM	Create business units that you can use to perform one or more business functions.
Define Chart of Accounts for Enterprise Structures	Create 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

- How Legal Employers Work with Payroll Statutory Units and Tax Reporting Units
- Legislative Data Groups
- How Country Extensions are Selected

Overview of Payroll Flows

Use payroll flows to streamline and optimize your payroll operations. They help you ensure smooth and seamless end-to-end execution of the processes that address all of your payroll business requirements.

Use payroll flows to manage, effectively and efficiently, all your payroll tasks, such as calculating payrolls, running reconciliation reports, and making payroll payments.

For example, to ensure your payroll cycles are accurate, you can design a flow that includes manual tasks that request validation at each step in the process. In this way, your Financial Director can verify the payroll costing results before the flow transfers the payroll costs to the general ledger.

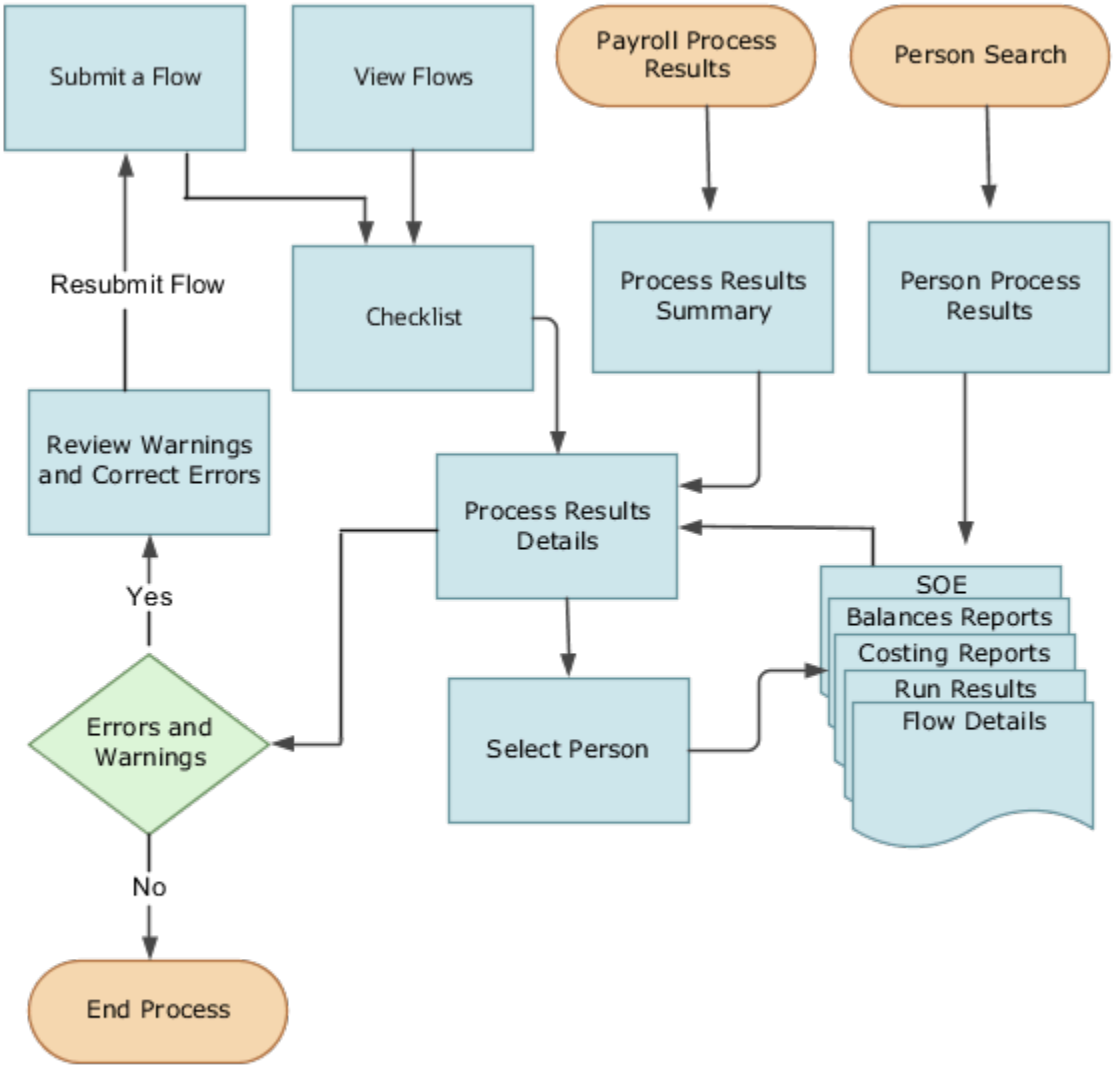
Predefined flow patterns are automatically available for you to submit all types of payroll processes and reports. A flow pattern can consist of a single task such as the Calculate Payroll flow, or multiple tasks, such as the Payroll Cycle flow. The Payroll Cycle flow includes all tasks for a payroll period in a best practice flow.

You can run the predefined flows directly, or you can use them as templates to create your own. You can even copy a predefined flow pattern and edit it to meet your business requirements, such as adding, deleting, or moving a task in the schedule.

There are also features to help you to design flows that address other complex business requirements, such as the task iterator, that automates repetitive tasks with a single flow submission. For example, use the task iterator option to generate a report for multiple payroll statutory units within your organization.

Similarly, use the flow connectors feature to isolate and review off-cycle and on-cycle payroll runs and subsequently combine the run results for downstream processing.

This workflow diagram gives you an understanding of how payroll flows work. It shows the navigation path from the pages that provide high-level flows information, such as the View Flows page, to the pages that provide detailed employee-level information, such as the Checklist and Process Results Details pages.



This table gives you a list of the payroll flow pages and a high-level description of the ongoing tasks you can perform to submit and monitor your flows.

Page Name	Tasks You Can Do On the Page
Submit a Flow	After you have created the flow pattern, use the Submit a Flow page to submit the flow. Navigate to Submit a Flow task from Quick Actions or under **Payroll** in **My Client Groups**. Use the filter options and search for the flow you want to submit. Enter a unique name for the flow and use the appropriate sections on the page to enter flow parameters, schedule your flow, and link flows if required.
Checklist	A Checklist is generated for each submitted flow. The Checklist page provides a central point to monitor and manage all tasks within the flow. Use the Checklist to easily identify areas that require your attention, such as any tasks within your flow that have error messages. Perform actions on the Checklist page, such as roll back a task or mark a manual task as complete. To view further information for a specific task, select the task and navigate to the Process Results Details page.
Process Results Details	Use the Process Results Details page to view more detailed information for a flow task, such as errors and warning messages, report output, and log files.
Errors and Warnings	Use the Errors and Warnings page to view messages pertaining to persons or processes. You can also access this page from the Process Results Summary. Once you resolve all issues, navigate back to the Checklist page to continue processing any remaining tasks within your flow.
View Flows	Use the View Flows page to get an overall status of all submitted flows. Use the filter options on the page to identify flows that require your attention, such as a flow that includes tasks with error messages. Drill down on a flow to go to the Checklist page, to get more detailed information for the tasks within the flow. Navigate to View Flows task from Quick Actions or under **Payroll** in **My Client Groups**.

For more information on payroll flows, refer to the Administering Payroll Flows guide on the Oracle Help Center.

Related Topics

- Flow Pattern Components
- Payroll Flow Patterns

Payroll Setup Tasks for Financials

Because payroll and payroll costing rely on and integrate with components of other applications, you must set up the components in Financials, such as charts of accounts and ledgers.

Set up the financial components before you set up components in Payroll, such as banks to process payments, associate a ledger to a payroll definition, and run processes to distribute costing results.

Complete these setup tasks to create the chart of accounts and ledgers. You can perform these tasks with the application implementation consultant job role can perform these tasks.

Chart of Account Setup

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

Task	Action
Value Sets	Create new or review existing value sets, which you will associate with a key flexfield segment.
Structures	Create account structures that specify the segments to include, their order, and the value sets that will validate the data entered in the segments. General Ledger predefines the Accounting key flexfield.
Structure Instances	Create account structure instances, which you will use to record transactions and maintain account balances.
Value Set Values	Create groups of values, which you will assign to a key flexfield segment.
Account Hierarchies	Search, create, and edit hierarchical groupings of accounts.
Accounting Calendars	Set up accounting calendar period details. Determine the total number, frequency, and duration of the accounting periods.
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 Cash Management, create an account combination for reconciliation differences.

Ledger Setup

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

Task	Action
Primary Ledgers	Create a ledger with a chart of accounts, accounting calendar, currency and subledger accounting method. **Note:** If you're creating bank information, you must create a primary ledger.
Legal Entities	Add the legal entities that use the ledger. The Legal Entity HCM Information task associates the payroll statutory units for legal entities to the legislative data group.

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

Related Topics

- How Payroll Costing Components Integrate with Other Applications
- Primary Ledgers, Secondary Ledgers, and Reporting Currencies
- Payroll Setup Tasks for Subledger Accounting
- Assign Legal Entities and Balancing Segments
- Chart of Accounts Structures and Instances

Payroll Cost Allocation Key Flexfield Structure

The cost allocation key flexfield creates a structure for the financial accounting of your payroll costs.

The flexfield captures the account codes that you use to create accounting entries, and to report and track your labor costs. Consider all aspects of the flexfield and its uses during your planning.

You can configure one flexfield for each of your legislative data groups (LDG) with these steps.

- Create an account key flexfield structure based on the Cost Allocation key flexfield code.
- Create a structure instance that you associate to appropriate value sets.
- Map the structure instance to a legislative data group.

- Specify rules in Subledger Accounting to use the cost allocation key flexfield instance as the segment source in the Accounting key flexfield for the chart of accounts.

Structure of the Cost Allocation Key Flexfield

Decide what structure to use for the cost allocation key flexfield and use the Cost Allocation Key Flexfield to set it up.

The structure of the flexfield defines the segments such as their order and the value sets used to validate the data entered in the segments. Configure each segment of the cost account. For example:

- Segment 1 = Company
- Segment 2 = Cost Center
- Segment 3 = Account Number
- Segment 4 = Project Code

For example, the salary cost account number is 01.200.60001.987654 for a company with the following cost allocation key flexfield setup:

- Company = 01
- Cost Center = 200
- Account Number = 60001
- Project Code =987654

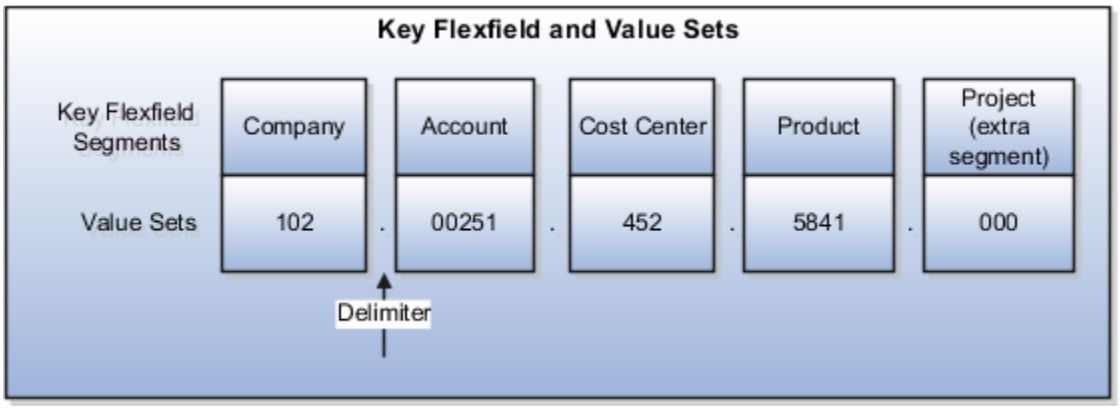
This table provides decision points to consider before you create the cost allocation key flexfield structure.

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

Value Sets for the Segments

You associate a value to each segment using the Payroll Costing Value Sets. Use either existing value sets or create value sets. 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 to be future use segments.



Segment Labels

You can use segment labels to define the costing levels in order to enter segment information. For example, if the Company segment can be entered at the Department level, choose the segment label Department for the Company segment.

Costing Hierarchy

Costing hierarchy defines the sequence costing entries are applied. You can define costing at different levels within the hierarchy where the lowest payroll structure level has the highest costing priority. If lower levels of the hierarchy aren't defined, they inherit the higher-level values, which simplify entry and prevents you from having to enter duplicate segment values into lower levels of the hierarchy. Enter lower levels of the hierarchy when you want to override in that instance. For example, if the company code segment is set at the payroll level, it's rarely entered for element entries.

Hierarchy structures vary with the Costing Type but all of the levels can be used with the "Costed" indicator setting.

Note: The costing hierarchy is different for regular element to retro element.

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 the cost account segments displayed on the costing setup pages.

This table includes examples of the segment labels that you might specify for costing.

Context Segments	Example
Element Entry	Select Element Entry to override all other levels, with one exception. Segments defined for the Priority account for that element override costing at the element entry level. You might select the segment for cost center at the element entry level to cover situations where a person works at another cost center for a payroll period.
Person	Select Person to cost at the payroll relationship and assignment level, and for elements at each of these levels. You might select Person to enable allocation of wages when costs are shared among several cost centers. You might need to override the activity or natural account segment that's usually enabled at the element level.

Context Segments	Example
Position Assignment	Select the position with respect to a legislative data group to define the costing at position level. This is for all the persons who's associated to this position at assignment level.
Job Assignment	Select the job with respect to a legislative data group to define the costing at position level. This is used for all the persons who's associated to this position at assignment level.
Location	Select the location with respect to a legislative data group to define the costing at location level. This is used for all the persons who's associated to this location at assignment level.
Department Assignment	Select the department with respect to a legislative data group to define the costing at position level. This is for all the persons who's associated to this position at assignment level.
Element Eligibility	Select Element Eligibility for natural accounts. You also use this level for cost center segments needed for balance sheet accounts, such as deduction elements that are usually created at the payroll relationship level.
Payroll	Select Payroll for segments that seldom change for the people assigned to the payroll, such as company, line of business, and future use segments. **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.

Required and Optional Segments

Determine required and optional segments and whether or not you want to define a suspense account. When you set up costing and you don't specify a value for a cost account segment on any level of the costing hierarchy, the following determines the calculation:

- 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 isn't defined, the calculation displays an error and the person's results aren't costed

Segments Required for the Offset Account

Decide which segments of the offset account require costing.

The offset account balances the cost account. The offset uses the segments of the cost account unless you specify a different value for the corresponding segment. For instance, 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 for Costing Accounts
- Element Costing Options
- How Payroll Costing Components Integrate with Other Applications
- Cost Hierarchy
- Overview of Generating Flexfield Database Items

Payment Reconciliation Setup

Global Payroll integrates with Cash Management and 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 this table:

Application	Setup Steps	Task
General Ledger	Create an account combination for the reconciliation differences account.	• Account Combinations
Cash Management	Set up transaction codes that map to the payment method transaction codes used in payroll.	• Cash Transaction Type Mapping • Bank Statement Transaction Codes
Cash Management	Create reconciliation rules.	• Bank Statement Reconciliation Tolerance Rules • Bank Statement Reconciliation Matching Rules • Bank Statement Reconciliation Rule Sets
Payroll	Create liability, cash clearing, and cash accounts for your payment sources. Specify the option Transfer to General Ledger.	• Costing of Payment Sources

Reconciliation Differences Account Setup

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

Payroll Transactions Codes Setup

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

Task	Action
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
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.

Reconciliation Rules Setup

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 this table.

Task	Action
Bank Statement Reconciliation Tolerance Rules	Create tolerance rules based on date, amount, or percentage that prevent or warn you when reconciliation exceeds a defined tolerance.
Bank Statement Reconciliation Matching Rules	Define bank statement automatic reconciliation matching rules.
Bank Statement Reconciliation Rule Sets	Assign a group of matching rules and tolerance rules to a bank account for reconciling bank statement lines with transactions.
Bank Accounts	Specify the Reconciliation Differences account you set up in General Ledger..

Payroll Accounts Setup

Create a liability and cash account. Use **Costing of Payments** to create a cash clearing account to track payments such as checks/cheques, where a delay exists between the date the payment is issued and the date it clears.

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

- Payroll Setup Tasks for Financials
- Considerations When You Create Accounts
- Payroll Setup Tasks for Subledger Accounting
- Reconcile Payroll Payments

6 Set Up Enterprises and Workforce Structures

Introduction - Enterprise Structures for Mexico

Before you can hire a worker in Mexico or run any country-specific process, your implementation team must set up the organization structures required for the management of HR processes.

Under theWorkforce Deployment offering in the Setup and Maintenance work area, you can perform all setup tasks.

A typical enterprise setup in Mexico includes several different structures.

For these structures	Check here for more information
Legal entities, including registrations, payroll statutory units, and HCM configuration	See Legal Entities for Mexico in the Help Center.
Legislative data groups	See Legislative Data Groups in the Help Center.
Legal reporting units, including registrations, tax reporting units, and HCM configuration	See these topics in the Help Center. • Legal Reporting Units • How Payroll Statutory Units, Legal Employers, and Tax Reporting Units Work Together • How Transmitters and Tax Reporting Units Work Together
HCM organization models	See HCM Organizations in the Help Center.
Legal jurisdictions	See Jurisdictions for Mexico in the Help Center.
Legal authorities	See Legal Authorities for Mexico in the Help Center.

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

For these structures	Check here for more information
Workforce structures, including locations, departments, and jobs	See Workforce Structures in the Help Center.
Payroll relationship records	See Payroll Relationships in the Help Center.

For these structures	Check here for more information
Define elements and configure the predefined elements	See How Elements Hold Payroll Information for Multiple Features in the Help Center.

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

Enterprise Structures

Define Enterprise Structures for Mexico

Before you can hire a worker or run any country-specific process, you must ensure that the organization structures required for the management of HR processes are set up.

A typical enterprise structure setup includes these tasks:

- Define a legislative data group
- Define legal jurisdictions
- Define legal authorities
- Define legal addresses
- Define legal entities, legal employers, and payroll statutory units
- Define legal entity registrations

You can perform all setup tasks under Workforce Deployment offering in the Setup and Maintenance work area. Mexico supports all the organization models. Consider these key points when you create and set up Mexican enterprise structures.

Legislative Data Groups

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

Use the Legislative Data Groups task to create a Mexican LDG. Set the Country to Mexico and the Currency to Mexican Peso. Select a Cost Allocation Structure appropriate for your implementation.

Legal Jurisdictions

Set up jurisdictions before you create registrations. Mexico has federal and state levels of jurisdictions. Set up the jurisdictions, and define the registrations and legal categories.

Oracle Fusion HCM for Mexico provides three predefined jurisdictions: Mexico Federal Tax, Mexico Social Insurance, and State Income Tax for each of the 32 Mexican states. The Mexico Federal Tax is defined as the identifying jurisdiction. You can use the Legal Jurisdictions task to create legal jurisdictions, but it's not required for you to create additional jurisdictions.

The legislative categories required for the Mexican jurisdictions are Federal Tax, Income Tax and Social Insurance. These categories are predefined in the application.

Legal Authorities

A legal authority is a government or legal body. They're charged with powers to make laws, levy and collect fees and taxes, and remit financial appropriations for a given jurisdiction. You must create these legal authorities for Mexico:

- Tributary Administration System (SAT), the Mexico Federal Tax Office, at the Payroll Statutory Unit (PSU) level.
- The Mexico Social Insurance Office at the Tax Reporting Unit (TRU) level.
- IMSS, the Mexican social security agency that oversees social security, pensions, and public health in Mexico for nongovernmental workers.
- ISSTE, the Mexican social security agency that oversees social security, pensions, and public health in Mexico for government workers.

Use the Legal Authorities task to create legal authorities.

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 for Mexico. You must create legal addresses for all organizational units of the enterprise. You must create legal addresses before creating legal entities.

Use the Legal Addresses task to create legal addresses. For each address you create, select Mexico as the country so that the Mexican address style is used.

Legal Entities, Legal Employers, and Payroll Statutory Units

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

- Define a legal entity that's both a legal employer and a payroll statutory unit (PSU). This ensures that it shares the legal responsibilities of employment and payroll calculations and reporting.
- In Mexico, there's a one to one relationship between a Legal Employer and a PSU. So, a legal entity that's designated as a legal employer should also be a PSU.
- Taxation and profit sharing is calculated and reported at the PSU level. Social insurance is calculated and reported at the tax reporting unit (TRU) level.
- If multiple legal employers must be grouped together for tax reporting purposes, you can associate all of them with a single PSU. If legal employers don't report together, they must not share a PSU.
- Every legal employer under a single PSU must be configured similarly. All of them should be configured to either a two-tier employment model or a three-tier employment model.

No legal entities are predefined for Mexico. You must create all legal entities that apply to the enterprise you're setting up. Use the Legal Entity task to create legal entities.

Legal Entity Registrations

A registration is automatically created with the identifying jurisdiction you select when you create a legal entity. If the legal entity has to interact with other legal authorities, you must create additional registrations as appropriate.

You must create legal entity registrations for Mexico Federal Tax. The registration number is the RFC code issued by the Mexico government and it's also used to remit state income tax.

Set up Social Insurance registration information for a legal reporting unit (LRU) or a TRU in the territory where it operates. The registration number is the Social Insurance Number given by the Social Insurance office.

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

Related Topics

Legal Entities

Define Legal Entities for Mexico

This topic shows how you can define and set up a legal entity.

Setting up a legal entity includes:

- A legal entity
- Legal entity registrations
- Legal entity HCM information

Before You Start

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

- A legislative data group (LDG) using the Legislative Data Groups task. The Legal Entities task automatically creates the LDG for you and associates it with the PSU. If you've already defined an LDG, you can manually associate it with the PSU.
- A legal address for the legal entity you're about to define
- The required jurisdictions for the legal entity you're about to define

Create a Legal Entity

To create a legal entity:

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

    Expand the task to display a list of related tasks.
2. Select the *Select Scope* link for the Legal Entities task.
3. On the Select Scope window select Create New in the Legal Entity field.
4. Click Apply and Go to Task.
5. On the Legal Entities page, click Create.
    - Enter the *RFC* in the Legal Entity Identifier field. An example of the format is OME910101TA3.

      Note: RFC is the Federal Taxpayers Registry. It's the tax registration number that's assigned to taxpayers by the Mexican tax authority.

- Select the *Legal Employer* checkbox.
- If this entity is also a payroll statutory unit (PSU), select the *Payroll Statutory Unit* option. If this entity belongs to an existing PSU, select a PSU from the Payroll Statutory Unit field.
- The type of registration information required is based on the Registration Code Assignment information you defined when you created the selected jurisdiction. For example, for the jurisdiction of Mexico Federal Tax, enter the RFC assigned by the Mexico Government Agency in the Legal Entity Registration Number field.

6. Click *Save and Close*.

Define Legal Entity Registrations

The application automatically creates the registration with the identifying jurisdiction you select when you create a legal entity. The registrations defined at the legal entity-level represent the accounts for remitting and reporting federal tax and income tax deductions. If the legal entity interacts with other legal authorities, you need to create more registrations as appropriate.

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

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

To set the scope and define the legal entity registration:

1. Set the scope for this task as follows:
    a. In the Setup and Maintenance work area, go here:
        - Offering: Workforce Deployment
        - Functional Area: Legal Structures
        - Task: Define Legal Entities for Human Capital Management

        Expand the task to display a list of related tasks.
    b. Click the *Select Scope* link for the Legal Entities for Human Capital Management task.
    c. On the Select Scope window, select *Legal Entity* and then *Select and Add* in the Legal Entity field.
    d. Click *Apply and Go to Task*.
    e. On the Select and Add: Legal Entity page, select the legal entity and click *Save and Close*.
2. Select *Go to Task* for the Legal Entity Registrations task.
3. Click *Create*.
4. Enter the required information on the Create Registration page, noting these aspects:
    - When you select a jurisdiction, the Territory field is populated automatically.
    - The Issuing Legal Authority field displays a list of all legal authorities associated with the selected jurisdiction.
    - The Registered Address field displays a list of all predefined legal addresses.
    - Enter the Legal Entity Registration Number. For example, for the jurisdiction of Mexico Federal Tax, enter the RFC assigned by Mexico Government, in the Legal Entity Registration Number field. An example of the format is OME910101TA3.
5. Click *Save and Close*.

Define Legal Entity HCM Information

To define HCM information for the legal entities you've created:

1. In the Setup and Maintenance work area, go here:
   - Offering: Workforce Deployment
   - Functional Area: Legal Structures
   - Task: Define Legal Entities for Human Capital Management
     Expand the task to display a list of related tasks.
2. Click the *Select Scope* link for the Legal Entity HCM Information task. Set the scope for this task as given in the previous task.
3. Click *Go to Task* for the Legal Entity HCM Information task.
4. Click *Edit*, and select *Correct*.
5. If the legal entity is an employer, complete the fields on the Legal Employer tab, noting these aspects:
   - Select the wanted Employment Model. Mexico supports all delivered employment models.
   - Ensure that every Legal Employer under a single PSU is configured similarly.
     Note: The two-tier model meets the standard Mexico business practices.
6. If this entity is a PSU, select the *Payroll Statutory Unit* tab.
7. Enter the *Fiscal Year Start date*, and select the *Associated Legislative Data Group*.
   Note: You must associate the legislative data group at the PSU level.
8. Click *Submit*.

Related Topics

Legal Reporting Units

Define Legal Reporting Units for Mexico

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

To define an LRU for HCM, you must:

1. Create an LRU
2. Define the LRU registrations
3. Define the LRU HCM information

Before you begin

Before you create the LRU, you must:

- Define a Mexican legal entity to which this LRU belongs.
- Use the Legal Addresses task to define a legal address for the LRU you're about to create.

- Define the required jurisdictions for the LRU you're about to create.

Create a Legal Reporting Unit

To create an LRU:

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

    Expand the task to display a list of related tasks.
2. Click the *Select Scope* link for the Define Legal Reporting Units for Human Capital Management task.
3. On the Select Scope window, select *Legal Reporting Unit* and select *Create New* in the Legal Reporting Unit field.
4. Click *Apply and Go to Task*.

    An LRU with the same name as the previously created legal entity is created by default. This LRU is designated as the main legal reporting unit for the legal entity.
5. To create another LRU for this legal entity, click *Create* on the Legal Reporting Units page.
6. Complete the fields on the Legal Reporting Unit page, noting these aspects:
    - When you select a territory, the Jurisdiction field displays the identifying jurisdiction, such as Mexico Social Insurance. If you have defined additional jurisdictions, you can select one from the list.
    - Indicate if this is the main LRU for this legal entity.
7. Click *Save and Close*.

Define the Legal Reporting Unit Registrations

Set up registration information for a legal reporting unit (LRU) or a tax reporting unit (TRU) in the territory where it operates. The registrations defined at the LRU-level represent the accounts for remitting and reporting statutory deductions for social insurance. If the LRU interacts with other legal authorities, you must create additional registrations as appropriate.

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

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

To set the scope and define the LRU registration:

1. Set the scope for this task as shown here:
    a. Click the *Select Scope* link for the Legal Reporting Unit Registrations task.
    b. On the *Select Scope* window, choose the Legal Reporting Unit and select *Select and Add* in the Legal Reporting Unit field.
    c. Click *Apply and Go to Task.*
    d. On the Select and Add: Legal Reporting Unit page, search and select the legal reporting unit you have just created and click *Save and Close*.
2. Select *Go to Task* for the Legal Reporting Unit Registrations task.
3. Click *Create*.

4. Enter the required information on the Create Registration page, noting these aspects:
    - Select the Jurisdiction, for example *Mexico Social Insurance*.
    - Select the issuing Legal Authority. For the jurisdiction selected above, you must select *Mexico Social Insurance Office*.
    - The Registered Address field displays a list of all the predefined legal addresses. Select the appropriate address for the Mexico Social Insurance Office suitable for this LRU.
5. Enter the *Legal Reporting Unit Registration Code*. You must enter the social insurance number for the jurisdiction selected above.
6. Click *Save and Close*.

Define the Legal Reporting Unit HCM Information

To define HCM information for the legal reporting unit you have created:

1. Click the *Select Scope* link for the Legal Reporting Unit HCM Information task. Set the scope for this task as given in the previous task.
2. Select *Go to Task* for the Legal Reporting Unit HCM Information task.
3. On the Legal Reporting Unit HCM Information: Legal Reporting Unit Classification page, select the Tax Reporting Unit check box.
4. Select the *Tax Reporting Unit (TRU)* Details tab and complete the information for the TRU.
5. Select Mexico Tax Reporting Unit Details to enter the social security reporting waybill information.
6. Select Employer Location to enter the location information for the TRU.

Jurisdictions and Legal Authorities

Define Jurisdictions for Mexico

A jurisdiction represents a physical territory, such as a country or state where a particular piece of legislation applies. All legal entities are registered against a jurisdiction that's governed by a legal authority.

A legal jurisdiction is a combination of the legislative category (such as labor law or income tax law) and the physical territory (such as a country or a state) to which legal rules are grounded.

You need to set up jurisdictions before you create registrations, because a jurisdiction is required in the registration process. The jurisdiction has a start date and end date to show when the jurisdiction is effective and when you can register against the jurisdiction.

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

Identifying Jurisdiction

The identifying jurisdiction is usually the first jurisdiction that the legal entity must register to be recognized in its territory. The registration to the identifying jurisdiction of the legal entity territory is called the identifying registration. This table specifies the jurisdictions that have been identified for Mexico.

Jurisdiction	Territory	Legislative Category	Registration Code	Purpose
Mexico Federal Tax	Mexico	Federal Tax	Federal Taxpayers Registry (RFC)	Federal Tax
State Income Tax	State	Income Tax	RFC	Income Tax
Mexico Social Insurance	Mexico	Social Insurance	Social Insurance Number	Social Insurance

Note: State Income Tax uses the same registration number as Federal Tax. The Mexico Federal Tax jurisdiction is the only predefined jurisdiction.

Related Topics

- Tax Jurisdictions
- Jurisdictions

Define Legal Authorities for Mexico

Legal authorities are the government or legal entities with which an enterprise interacts, for example to send legislative reports or levy and collect fees and taxes. No legal authorities are predefined for Mexico.

You must create a legal authority for each government entity, such as a local tax office, that has a relationship with the enterprise. Later, you will register each legal entity you create with a legal authority.

Examples of legal authorities that you can set up for Mexico include State Tax Office or the Social Insurance Office.

To define legal authorities:

1. In the Setup and Maintenance work area, go here:
    - Offering: Workforce Deployment
    - Functional Area: Legal Structures
    - Task: Legal Authorities

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

Workforce Structures

Create a Job for Mexico

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

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

To create a job:

1. In the Setup and Maintenance work area, do the following:
    - Offering: Workforce Deployment
    - Functional Area: Legal Structures
    - Task: Job

    Expand the entry to display a list of related tasks.
2. Select **Go to Task** for the Job task.
3. Click **Create**.
4. On the Create Job: Basic Details page, enter the required information and click **Next**.
5. On the Create Job: Job details page, enter job details.
6. Click Next until you see the Create Job: Review page.
7. Click **Submit**.

Create a Location for Mexico

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

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

To create locations:

1. In the Setup and Maintenance work area, do the following:
    - Offering: Workforce Deployment
    - Functional Area: Legal Structures
    - Task: Locations

    Expand the entry to display a list of related tasks.
2. Select **Go to Task** for the Locations task.
3. Click **Create**.
4. On the Create Location page, enter the required information.

5. Click **Submit**.

Related Topics

- Locations

Create a Department for Mexico

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

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

To create departments:

1. In the Setup and Maintenance work area, do the following:
    - Offering: Workforce Deployment
    - Functional Area: Legal Structures
    - Task: Departments

    Expand the entry to display a list of related tasks.
2. Select **Go to Task** for the Departments task.
3. On the Departments page, click **Create**.
4. On the Create Department: Description page, enter the required information.

    Every time you associate this department to another entity, such as a worker, the location you select here connects to that entity by default.
5. Click **Next.**
6. On the Create Department: Department Details page, enter the required information and click **Next**.
7. On the Create Department: Review page, review the information and click **Submit**.

7 Set 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 the application that provide validations or provide a list of values for a user input field in the 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.

Let's look at an example of a lookup type for marital status (MAR_STATUS) that has lookup codes for users to specify the marital status as given below in this table.

Lookup Code	Meaning	Tag
M	Married	Not applicable
S	Single	Not applicable
R	Registered Partner	+NL
DP	Domestic Partner	-FR, AU

As you manage lookups, consider these.

- 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 flexfield 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 area, and use the Extensible Flexfields for Payroll task.

Here are a few aspects that 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

Create and Edit Profile Options for Mexico

Use profile options to maintain 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.

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 Administrator Profile Values page when you select the profile option.

How to Create a Profile Option

To create a profile option:

1. In the Setup and Maintenance work area, go here:
    - Functional Area: Workforce Deployment
    - Tasks: Profile Options
2. On the **Profile Options** page, click **Actions** > **> New**.
3. On the **Create Profile Option** page, enter 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. Use an SQL statement to 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:

      ```
      select MEANING, LOOKUP_CODE from FND_LOOKUPS where LOOKUP_TYPE='YES_NO'
      ```

      As a result, on the **Administrator Profile Values** page, the profile values Yes and No are available for selection for that profile option.
    - 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, delete it manually from the **Profile Options** page.
4. Click **Save and Close**.
5. On the **Profile Options** page, search for the newly created profile option and from the results, select it.
6. In the **Profile Option Levels** section, enter these details:

Field	What you can do
Enabled	Select the levels at which you want to enable the profile option.

Field	What you can do
	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.
Updatable	Select the profile level to update the privileges of the implementors. Deselect the check box if you don't want the implementors to modify the profile values (they appear in read-only mode).

7. Click **Save and Close**.

To edit a profile option that you created, search for it and edit the necessary details.

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

Related Topics

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

Pay Frequency

How Pay Frequency Components Work Together

Pay frequency components provide the flexibility to implement complex time-related objects used in payroll definitions, payroll processes, and payroll tasks that use start and end dates.

Pay frequency components work together to provide payroll functionality for your organization. Each component requires its own setup and implementation.

Consolidation Groups

Consolidation groups are used 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, 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. Specify dynamic variables for a time span, a retrieval date, or a more complex definition type for you 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 you 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.

Related Topics

- Examples of Using Consolidation Groups
- Payroll Definitions

FAQs for Pay Frequency

Why can't I find my organization payment method when creating other payroll objects?

When you update an object's organization payment method, you must make the effective start date of the organization payment method 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're creating or updating the object.

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 isn't necessary.

Consolidation Groups

Consolidation Groups

Use consolidation groups to segregate or combine the results of multiple payroll runs for further downstream processing. You can process the results of more than one payroll run in a single action, or you can process the results of one payroll in separate actions.

For example, suppose you submit a regular payroll run and a supplementary payroll run for the same payroll period. If you use the same consolidation group for the regular run and the supplementary run, you can use the combined results of the regular and supplementary runs for 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.

Use consolidation groups to segregate and produce one set of results per payment method for several payrolls, one set of reports, and one set of costing groups. These are runs you make in addition to your regular payroll runs.

A consolidation group is used as an input parameter for a payroll run. There are no predefined consolidation groups. Before you can use a consolidation group in a payroll run, you must create the consolidation group and assign it to a payroll definition.

To create a consolidation group:

1. Select the **Consolidation Groups** quick action under Payroll in **My Client Groups** on your Home page.

2. On the Consolidation Groups page, click **Add Row**.
3. Enter a **Name** for the consolidation group. The application assigns the same value for the consolidation group **Code**.
4. Select a **Legislative Data Group**. Adding the Description is optional, but it's useful to provide
5. Click **Save**.

Use this consolidation set code to identify the consolidation group used for a payroll run or when you load the consolidation group using services or the HCM Data Loader.

Once created, you can't change the consolidation set code. However, the consolidation group name is editable. Any changes made to the consolidation group name, doesn't have any impact on the payroll process, because the process is stamped with the consolidation set code, and hence can be identified by the code for future references.

Related Topics

- Examples of Using Consolidation Groups
- Overview of Combining Payroll Flows

Examples of Using Consolidation Groups

Here are some examples of how you can use consolidation groups.

Post-Run Processing

Consolidation groups facilitate separating or segregating 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 separate from those of an already submitted regular payroll run. To use a consolidation group to keep supplemental run results separate from the regular payroll runs:

1. Create a consolidation group to process 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 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.
2. Create a consolidation group for each payroll relationship group you have created in the previous step.
3. Run the Calculate Payroll process for each payroll relationship group separately. Specify the new consolidation group for each run separately.
4. Use the original consolidation group to run the Calculate Payroll process in one single action and return a consolidated run result for all the employees.

Purposes of Reporting

You can use consolidation groups for reporting purposes. For example, you may want to run the Periodic 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 Periodic Payroll Activity Report, specifying the new consolidation group.

Related Topics

- Consolidation Groups for the US

Salary Basis for Mexico

Create Salary Basis for Mexico

Before you hire employees, you have to configure the payroll definitions and create a salary basis.

Create Salary Basis

To set up the salary basis:

1. Sign in to the application with a role that has compensation administrator privileges, such as CMP_ADMIN_ALL.
2. From the home page, go to **My Client Groups** > **Compensation** and select the **Salary Basis** task.
3. Click **Create**.
4. On the **Create Salary Basis** page, select the payroll element to use for the salary basis and provide the required information.
5. Click **Save and Close**.

Once you have created a salary basis, you can:

- Set the period of time for which an employee's salary is quoted.
- Link a payroll element to it.

Assign Salary Basis

Once you have completed the setup for the salary basis, you can assign salary information to an employee.

1. In the **Compensation** work area, select **Salary Basis** and then search for and select the employee.
2. On the **Salary** page, enter a salary basis and salary amount in the **Salary Details** section.
3. Click **Continue**.
4. Review your changes, and click **Submit**.

When you save this record, an element entry with the specified start and end dates is automatically generated. You can view the entry through the Elements task.

Related Topics

- Overview of Loading Salary Bases

Payroll Definitions

Overview of Payroll Definitions

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

Effective Start Date

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

The effective start date doesn't affect the generated calendar of payroll periods. The start date for the first payroll period is based on the first period end date.

First Period End Date

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

Ledger

You can select a primary ledger that will be used for payroll costing. The ledger determines the accounting information, such as, the chart of accounts and the accounting calendar.

Suspense and Default Accounts

You can associate accounts to the payroll definition that will be used by the payroll costing process for suspense and default accounting purposes.

Number of Years

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

Effective Start Date	First Period End Date	Number of Years	Generated Time Periods
01-JAN-2014	15-JUN-2014	5	01-JUN-2014 to 31-MAY-2018

Once you save a payroll definition, you can later only increase but not reduce its number of years because a calendar of time periods for the payroll was already generated.

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

Offsets

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

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

Date	Meaning
Cutoff Date	Final date that payroll information is entered for the payroll period. This date is for information purposes only. Your departments, such as HR, may need this payroll deadline to submit information that affects the payroll run
Payslip Availability Date	Date on which payees can view payslips.
Payroll Run Date	Date used by payroll calculation processes to retrieve effective values such as employee details. The process date, if provided when submitting a payroll process, overrides this value. This date is predefined for your country or territory and is typically based on either date earned or date paid that payroll calculation uses as the process date.
Date Earned	Date on which the application processes element entries for the payroll run. The date earned must be within the effective dates of the payroll period.
Date Paid	Date the employee is marked as paid. For check/cheque payments, this is the date that the check/cheque is valid for cash or deposit. For electronic funds transfer (EFT) payments, it's the transfer date.
Planned Submission Date	Date to inform the payroll administrator or payroll manager on the planned date to submit the payroll run for each payroll period.

Dynamic Offsets

When you create 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. Use dynamic offsets to offset each payroll cycle event by a specified number of days before or after the start or end date.

Fixed-Date Offsets

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

Specific Date Adjustments

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

Related Topics

- Create Payroll Definitions
- Periodicity Conversion
- Statutory and Earning Periods

Payroll Definitions for Mexico

Payroll definitions contain calendar and offset information used to determine when you calculate and cost payments. Payroll period types, such as weekly or monthly, determine the interval at which you pay employees.

Use the Payroll Definitions task to specify payment frequency, processing schedule, and other parameters for a particular payroll.

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

Create Payroll Definitions

When you create a payroll definition, the application generates the complete payroll schedule based on the payroll period type, the offsets or calendar adjustments, and the number of years that you specify.

When you create a payroll definition for a Mexico payroll, the supported period types are:

- Biweekly
- Monthly Calendar
- Semimonthly
- Ten Days
- Weekly

Each payroll in the schedule is assigned a unique name. Assign employees to payroll definition on the Manage Payroll Relationships page. You can configure the payroll calendar by increments of ten or fewer years. Create a payroll definition to replace one that expired or end-dated.

Each payroll must belong to a consolidation group, which the application requires for processing purposes and a legislative data group. Make sure these exist before creating your payroll definition.

Modify Payroll Definitions

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

> **Note:** Payroll names in the payroll schedule are unique. You can edit the generated payroll names, but you must ensure they're unique within the payroll definition.

Related Topics

- Payroll Definitions

Create Payroll Definitions

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

Watch video

The InFusion Company requires payroll definitions for two sets of employees. A set of permanent salaried employees paid on a semimonthly basis and a set of temporary employees paid on a monthly basis using time card data. Costing is managed monthly and uses results from all payroll runs by using the consolidation group name as an input parameter in the costing run. You can see in this example how to create 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/cheque and InFusion Employee EFT.
3. Create a consolidation group named InFusion Employee Group assigned to the InFusion LDG.

Create Payroll Definitions

Create two payroll definitions:

- One to pay permanent employees on a semimonthly basis. This payroll definition includes dynamically generated offset dates.
- One to pay temporary employees 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. **Payroll Definitions task**.
2. In the Search Results section of the 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, the company hires all employees after the effective start date of this payroll definition, so there's 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**.

Field	Semimonthly Value	Monthly Value
Name	InFusion Employee Semimonthly	InFusion Employee Monthly
Reporting Name	InFusion Semimonthly	InFusion Monthly
Consolidation Group	InFusion Employee Group	InFusion Employee Group
Period Type	Semimonthly	Monthly (Calendar)
First Period End Date	6/15/12	6/30/12
Default Payment Method	InFusion Employee Check/cheque	InFusion Employee Check/cheque
Valid Payment Method	InFusion Employee EFT	InFusion Employee EFT

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**.

Field	Falls Value	Day Type Value	Base Date Value
Cutoff Date	5	Before	Period End Date
Planned Submission Date	4	Before	Period End Date
Payroll Run Date	0	Before	Period End Date
Payslip Availability Date	0	Before	Period End Date
Date Earned	0	Before	Period End Date

Field	Falls Value	Day Type Value	Base Date Value
Date Paid	0	Before	Period End Date

8. For the monthly payroll, use fixed dates to define offsets as shown in this table, and then click **Next**.

Field	Value
Fixed Date	Yes
Cutoff Date	6/25/12
Date Earned	6/28/12
Payroll Run Date	6/28/12
Date Paid	6/28/12
Payslip Availability Date	6/28/12
Planned Submission Date	6/26/12

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

Column	Semimonthly Value	Monthly Value
Payroll Run Date	Old Value: 11/28/13 New Value: 11/27/13	Old Value: 5/27/13 New Value: 5/28/13

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

Related Topics

- Overview of Payroll Definitions
- How Payment Methods and Payroll Definitions Work Together
- Payroll Definitions
- Payroll Setup for Costing Accounts
- Overview of Ledger and Subledgers

Time Card Required Option

If a worker's pay calculations depend on the worker submitting time cards, you must indicate that a time card is required at the appropriate employment level. Select the Time Card Required checkbox for each assignment level that the requirement applies.

For example, don't select the Time Card Required checkbox 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.

Select the Time Card Required Option

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

- HR specialists can select the checkbox on the **Employment Information** page of the new hire flow.
- Payroll Managers and Payroll Administrators can select the **Payroll Relationship** quick action in the **My Client Groups** tab. The Payment Details section of the Person Details page includes the Time Card Required checkbox on the Assignment sections.

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

Time Card Required	Hours Used in Calculations
Yes	Time card entries
No	Work schedule, unless you enter hours as element entries

Related Topics

- Payroll Elements for Time Card Attributes
- Create Time Card Elements for Time Entries

FAQs for Payroll Definitions

Why doesn't my payroll definition appear in search results?

Because you don't have sufficient security access to the payroll definition. Either the payroll security profile associated with your duty role privileges doesn't include the appropriate payroll definition, or you don't have the View All security profile.

You must have a privilege that enables you to manage payroll definition data, and your security profile must include the payroll you want to query. Contact your help desk for assistance.

Time Definitions

Use Time Definitions for Severance Pay

This example illustrates how you can set up a user-defined time definition and as a payroll administrator, how you can associate it with elements so that you 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, you 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's beyond the termination date.

To support severance payments, create a user-defined time definition based on last standard earnings date and select 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, your implementor must complete the following setup during implementation:

1. Use the **Time Definitions** task under **Payroll** in **My Client Groups** on your Home page, to create a time definition.
   This table lists field names and their respective values for creating a user-defined time definition.

Field	Value
Type	User-defined date
Name	Last Earnings or Severance Date
Short Name	LastEarnSevDate

Field	Value
User-Defined Date	Last Standard Earnings Date
User-Defined Date Usages	Assigned payroll end date Element entry end date Payroll assignment end date Payroll relationship end date Payroll term end date

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

2. Use the Elements task to 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, complete these steps.

1. Use the Payroll Relationships task, and search 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

Run Types

Run Types

Run types control elements and payment types you process in a payroll run. You may specify default payment methods to 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 these 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.

Related Topics
- How Pay Frequency Components Work Together

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 User-Defined Tables task in the My Clients Group tab.

Scenario

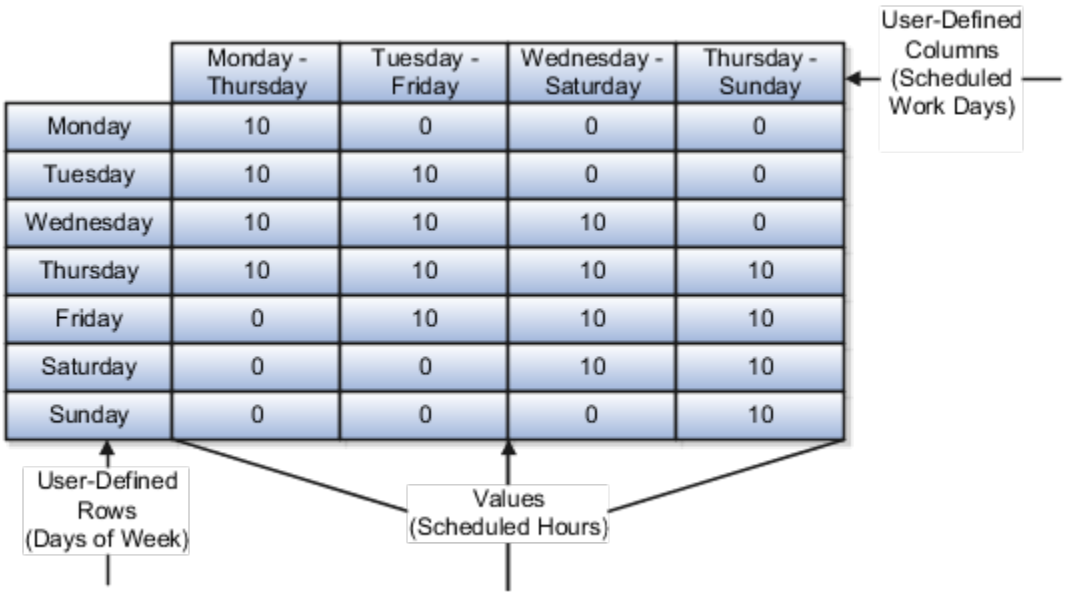
Your organization works on a 10 hour a day, four day a week rotating schedule. The employees work for four consecutive days, 10 hours a day.

User-Defined Table Components

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

- Basic details
- Columns
- Rows
- Values

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.

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

Related Topics

- User Table Validation Formula Type

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

Click the User-Defined Tables quick action under the My Clients Groups table to create a user-defined table to store values for stock option allocations.

Scenario

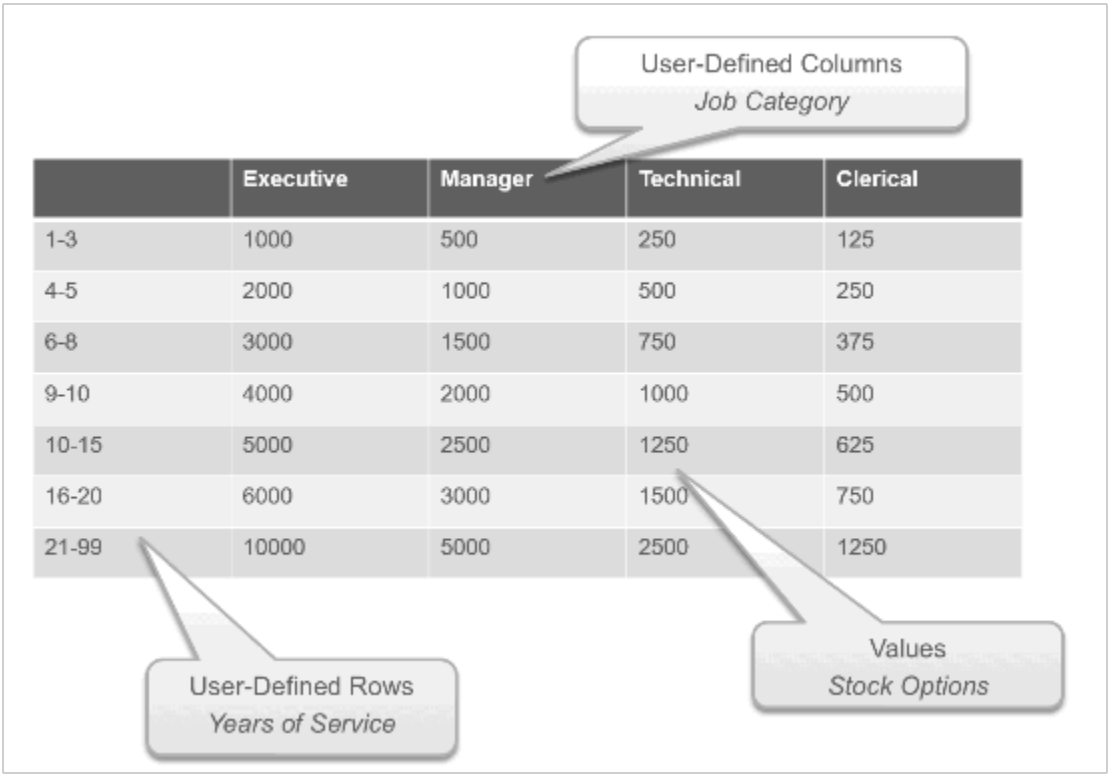
Each year, your organization offers stock options to its employees. The amount of options depends on years of service and job category of the employee receiving them.

User-Defined Table Components

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

- Basic details
- Columns
- Rows
- Values

As this image shows, the user-defined table contains stock option allocations by job category and years of service.



	Executive	Manager	Technical	Clerical
1-3	1000	500	250	125
4-5	2000	1000	500	250
6-8	3000	1500	750	375
9-10	4000	2000	1000	500
10-15	5000	2500	1250	625
16-20	6000	3000	1500	750
21-99	10000	5000	2500	1250

Resulting User-Defined Table Components

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

Component	In This Example
Basic Details	The unit of measure is a number since the row values are years. The row title is **Years of Service**.
Rows	Represent a range of years of service during which employees receive the same number of stock options.

Component	In This Example
Columns	Represent job categories and the data type of each column is number because they hold a number of stock options.
Values	Represent the number of stock options awarded to the specified job category during the specified years of service.

Related Topics

- User Table Validation Formula Type

Create a User-Defined Table

In this example, you create a user-defined table to hold the bonus percentages based on a person's years of service and department.

This table shows the various user-defined table components and values for those components:

- Rows represent the years of service.
- Columns represent the department.

Years of Service	Accounting	Payroll
1-5	.10	.08
6-10	.20	.16
11-99	.30	.24

Step 1: Create a User-Defined Table

1. On the Home page, click the **User-Defined Tables** quick action under the **My Clients** tab.
2. On the User-Defined Tables page in the Search Results area, click Create.
3. On the Create User-Defined Table dialog box, in the Legislative Data Group field, select US Legislative Data Group.
4. In the **Effective As-of Date** field, enter 1/1/2016.
5. Click **Continue**.
6. On the Create: User-Defined Table page in the Basic Details section in the **Name** field, enter **Bonus_Percent**.
7. In the **Range or Match** field, select Range.
8. In the **Row Title** field, enter **Years of Service**.

Step 2: Define the Accounting and Payroll Columns

1. In the User-Defined Columns section, click Create.
    - In the **Column Name** field, enter **Accounting**.
    - In the **Data Type** field, select **Number**.
2. In the User-Defined Columns section, click **Create**.
    - In the **Column Name** field, enter **Payroll**.
    - In the **Data Type** field, select **Number**.

Specify the Bonus Percent Range

1. In the User-Defined Rows section, click **Create**.
    - In the **Sequence** field, enter **10**.
    - In the **Low Range** field, enter **1** as the low range.
    - In the **High Range** field, enter **5** as the high range.
2. In the User-Defined Rows section, click **Create**.
    - In the **Sequence** field, enter **20**.
    - In the **Low Range** field, enter **6** as the low range.
    - In the High Range field, enter 10 as the high range.
3. In the User-Defined Rows section, click Create.
    - In the **Sequence** field, enter **30**.
    - In the **Low Range** field, enter **11** as the low range.
    - In the **High Range** field, enter **99** as the high range.

Step 4: Add Table Values for the Accounting Column

1. In the User-Defined Columns section, click Accounting.
2. Click **Next**.
3. On the Create User-Defined Table: User-Defined Table Values page in the User-Defined Table Values section, click **Create**.
    - On the Add User-Defined Table Values dialog box, select the first row, and then click **OK**.
    - In the **Value** field, enter **.10**.
4. Click **Create**.
    - On the Add User-Defined Table Values dialog box, select the second row, and then click **OK**.
    - In the **Value** field, enter **.20**.
5. Click Create.
    - On the Add User-Defined Table Values dialog box, select the third row and click **OK**.

- In the **Value** field, enter **.30**.

Step 5: Add Table Values for the Payroll column.

1. Click **Back**.
2. In the User-Defined Columns section, click **Payroll**.
3. Click **Next**.
4. On the Create User-Defined Table: User-Defined Table Values page in the User-Defined Table Values area, click **Create**.
   - On the Add User-Defined Table Values dialog box, select the first row, and then click **OK**.
   - In the **Value** field, enter **.08**.
5. Click **Create**.
   - On the Add User-Defined Table Values dialog box, select the second row, and then click **OK**.
   - In the **Value** field, enter **.16**.
6. Click **Create**.
   - On the Add User-Defined Table Values window, select the last row, and then click **OK**.
   - In the **Value** field, enter **.24**.
7. Click **Submit**.
8. On the User-Defined Tables page, click **Done**.

User Table Validation Formula Type

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

You can use this formula type to ensure that entries are:

- Between a specified range
- Don't contain a negative value

You can use the EFFECTIVE_DATE (text) context for formulas of this type.

You must use one input variable called ENTRY_VALUE of data type `text`.

These return values are available to formulas of this type:

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

Return Value	Data Type	Required	Description

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

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

8 Set Up Fast Formulas

Using Formulas

Overview of Using Fast Formulas

Fast Formula is a simple way to write formulas using English words and basic mathematical functions. You can use information from your database in formulas without learning the database structure or a programming language.

The **Elements** task generates standard element skip and calculation formulas, and you can modify these formulas based on your requirements. Use the **Fast Formulas** task to use formulas corresponding to one or more formula types, requiring specific formula inputs and outputs.

Uses of formula in payroll include:

- **Control Processing**
  - Payroll flow patterns: Control the repetition of a payroll flow.
  - Element skip: Control when elements are processed in a payroll run.
  - Work or payroll relationship groups: Define a set of people for payroll processing, data entry, or reporting.
- **Configuration**
  - Configure payment method preferences. For example, you can limit the number and types of payment methods.
- **Validation**
  - Element entry validation: Validate one or more element entry values. Provide a default value for an element entry value, or calculate entry values based on the user's entries in other entry values.
  - User table validation: Validate entries in user-defined tables.
- **Calculation**
  - Proration formulas control how payroll runs prorate element entries when they encounter an event such as a mid-period change in an element entry value.
  - Associate more than one payroll formula with each element to perform different processing for employee assignments with different statuses.
- **Data Loading**
  - Transformation formulas convert inbound data into a format that HCM Data Loader understands.

Note: Refer Using Fast Formula guide for more information about the general formula concepts.

Example of Writing a Fast Formula Using Formula Text

In this example, you use the text editor to create a fast formula.

Here are the key decisions when deciding on which formula to create:

Key Decisions	In This Example
Is the formula for a specific legislative data group?	No, this is a global formula that can be used by any legislative data group.
Are there any contexts used in this formula?	No
Are there any database item defaults?	Yes, PER_ASG_JOB_NAME
Are there any input value defaults?	No
What are the return values?	MIN_HOURS, MAX_HOURS, FREQUENCY

Creating a Fast Formula Using the Text Editor to Determine a Manager's Scheduled Hours

1. Search for and select **Fast Formulas** in **My Client Groups**.
2. Click **Create**.
3. Complete these fields:

Fields for the Fast Formula	Values for the Fast Formula
Formula Name	Manager Range of Scheduled Hours
Formula Type	Range of Scheduled Hours
Description	Manager's Range of Hours
Effective Start Date	1-Jan-2010

4. Click **Continue**.
5. Enter these formula details in the Formula Text section:

```
/* DATABASE ITEM DEFAULTS BEGIN */
DEFAULT FOR per_asg_job_name IS ' '
```

```
/* DATABASE ITEM DEFAULTS END */
JOB_1 = PER_ASG_JOB_NAME
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
```

6. Click **Compile**.
7. Click **Save**.

Example of Writing a Fast Formula Using Expression Editor

In this example, you create a fast formula that groups executive workers for reporting and processing. All executive workers are in department EXECT_10000.

After you create the formula, you need to add it to the object group parameters, so that only the workers that belong to the EXECT_10000 department are used in processing.

Here are the key decisions when deciding on which formula to create.

Key Decisions	In This Example
Is the formula for a specific legislative data group?	Yes, InVision
What's the formula type for this formula?	Payroll Relationship Group

Creating a Fast Formula Using the Expression Editor

1. On the Home page, click the **Fast Formulas** quick action under the **My Client Groups** tab.
2. Click **Create**.
3. Complete these fields:

Fields for Fast Formula	Values for Fast Formula
Formula Name	Executive Payroll Relationship Group
Type	Payroll Relationship Group
Description	Executive Workers
Legislative Data Group	Vision LDG

Fields for Fast Formula	Values for Fast Formula
Effective As-of Date	1-Jan-2010
Type of Editor	Expression Builder **Note:** For more complex conditions to create a group, you can select Text. However, after 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 and complete these fields:

Conjunction	Database Item Name	Data Type	Operand	Literal Value
None applicable	DEPARTMENT	Character	=	'EXECT_10000'
And	SELECT_EMP	Character	=	'YES'

6. Click **Compile**.
7. Click **Save**.

Formula Errors

Formula Compilation Errors

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

Common Compilation Errors

Here's some of the common formula compilation errors.

Formula Compilation Error	Description
Syntax Error	The formula text violates the grammatical rules for the formula language. For example, if you use `IF1` instead of `IF` in an `IF` statement.
Incorrect Statement Order	`ALIAS`, `DEFAULT`, or `INPUT` statements come after other statements.

Formula Compilation Error	Description
Misuse of **ASSIGNMENT** Statement	Occurs when any of these conditions exist: • An **ASSIGNMENT** assigns a value to a database item. • A context is assigned a value externally to a **CHANGE_CONTEXTS** statement. • The formula assigns a value to a non-context variable within a **CHANGE_CONTEXTS** statement. You can use CHANGE_CONTEXTS statements in a formula.
Misuse of **ALIAS** Statement	You can use an **ALIAS** statement only for a database item.
Missing **DEFAULT** Statement	A database item that specifies a default value must have a DEFAULT statement.
Misuse of **DEFAULT** Statement	You specify a DEFAULT statement for a variable other than as an input or a database item.
Uninitialized Variable	The compiler detects that a variable is uninitialized when used. The compiler can't do this in all cases. This error often occurs when the formula includes a database item that requires contexts that the formula type doesn't support. The formula treats the database item as a local variable. For example, balance database items require the PAYROLL_REL_ACTION_ID, PAYROLL_ASSIGNMENT_ID and CALC_BREAKDOWN_ID contexts. Typically, you use these statements in formulas of type Oracle Payroll.
Missing Function Call	The compiler doesn't recognize a function call. The combination of return type, function name, and parameter types doesn't match any available function.
Incorrect Operator Usage	An instance of a formula operator use doesn't match the permitted uses of that operator. For example, the + operator has two permitted uses. The operands are both of data type **NUMBER**, or both of data type **TEXT**.
Inconsistent Data Type Usage	The formula uses a formula variable of more than one data type. Or the formula uses a database item or context with the wrong data type. For example, Variable A is assigned a **NUMBER** value at the start of the formula, but is assigned a **TEXT** value later in the formula.
EXIT Statement Not Within **WHILE** Loop	A condition that eventually becomes false or an **EXIT** call for exiting the loop doesn't exist.
Misuse of Context	The formula uses a variable as a context, or a context as a variable. For example, a formula assigns a value to **AREA1** as an ordinary variable, but later uses **AREA1** as a context in a **GET_CONTEXT** call.

Formula Execution Errors

Fast formula execution errors occur when a problem arises while a formula is running. Typically, data-related issues cause these errors either in the formula or in the application database.

Formula Execution Errors

Here's some of the formula execution errors.

Formula Execution Error	Description
Uninitialized Variable	When the formula compiler can't fully determine if a variable or context is initialized, it generates a code to test if the variable is initialized. When the formula runs, the code displays an error if the variable or context isn't initialized.
Divide by Zero	Raised when a numeric value is divided by zero.
No Data Found	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 specify a default value using a **DEFAULT** statement. An error in formula function code can also cause this error message.
Too Many Rows	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.
NULL Data Found	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. **Note:** Some database items can't return a **NULL** value. If the database items can return a **NULL** value, then you can provide a default value for that database item.
Value Exceeded Allowable Range	Raised for a number of reasons, such as exceeding the maximum allowable length of a string.
Invalid Number	Raised when a formula attempts to convert a nonnumeric string to a number.
User Defined Function Error	Raised from within a formula function. The error message text is provided as part of the formula error message.
External Function Call Error	A formula function returns an error, but doesn't provide any additional information to the formula code. The function may have sent error information to the logging destination for the executing code.
Function Returned **NULL** Value	A formula function returns a **NULL** value.
Too Many Iterations	A single **WHILE** loop, or a combination of **WHILE** loops has exceeded the maximum number of permitted iterations. This error is raised to terminate loops that can never end, which indicates a programming error within the formula.
Array Data Value Not Set	The formula tries to access an array index that has no data value. This error occurs in the formula code.

Formula Execution Error	Description
Invalid Type Parameter for **WSA_EXISTS**	You specify an invalid data type in the **WSA_EXISTS** call.
Incorrect Data Type For Stored Item	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.
Called Formula Not Found	The called formula isn't found when attempting to call a formula from a formula. This error may occur due to an issue in the calling formula, or because of installation issues.
Recursive Formula Call	An attempt was made to call a formula from itself. The call could be made directly or indirectly from another called formula. Calling a formula in a recursive manner isn't permitted.
Input Data Has Different Types in Called and Calling Formulas	When calling a formula from a formula, the input data type within the called formula doesn't match the data type specified in the calling formula.
Output Has Different Types In Called and Calling Formulas	When calling a formula from a formula, the output data type within the called formula doesn't match the data type specified in the calling formula.
Too Many Formula Calls	When a formula calls another formula in its text, resulting in a hierarchy. The maximum depth of the hierarchy is 10.

FAQs for Fast Formulas

When do I run the Compile Formula process?

When you create or update multiple fast formulas simultaneously, run the Compile Formula process on the Submit a Process or Report page.

What's the difference between a formula compilation error and an execution error?

Compilation errors occur on the 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. Typically, data-related issues either in the formula or in the application database cause these errors.

9 Set up Balances

Balance Definitions

Payroll Balance Definitions

A balance is a positive or negative accumulation of payroll results for an element or group of elements, over a specified period of time.

The balance can be monetary values, time element, such as hours or days worked, or any other numeric value. Every time you run a payroll process, such as, Calculate Payroll or Calculate Gross Earnings, the application updates these values.

Each defined balance holds a value for an individual at one of the two levels of the employment model.

- Payroll relationship
- Assignment

Most of the balances you require are predefined. Depending on your country extension, additional balances are automatically created when you create elements. You can edit the definition of these generated balances, or create additional balances.

For example, the Employer Contributions amount on the Statement of Earnings is fed by elements with a classification of Employer Taxes or Employer Liabilities. Similarly, an employee's Taxable Benefits is fed by elements with a classification of Taxable Benefits.

Balance Name

It's the actual name of the balance, such as, Regular Earnings. You can't have the same name for more than one balance. However, more than one balance can have the same reporting name.

A reporting name is the balance name that reports and payslips display. When multiple balances are created due to differences in setup but need to be reported the same way, you can assign the same reporting name for all of the balances.

Balance Categories

Each balance definition has a predefined balance category for quicker processing. Balance categories are a way of grouping balances so that you can set group attributes. Balance categories are predefined, and you can't create your own balance categories or modify the balance categories. When you create a balance during the implementation phase, associate it to one of the predefined categories.

You can however, create your own localized version of the balance categories you want to use. In the Setup and Maintenance area, use the **Configure Payroll Legislations** task to view the predefined balance categories. Edit the balance category name to include a display name appropriate for your legislation.

Units of Measure

When you create a balance, the predefined units of measure available for selection are Day, Hour (with different combinations of minutes and seconds), Integer, Money, and Number. Match the unit of measure of the balance with the unit of measure of the element input values that feed it.

Balance Contexts

Contexts restrict the run results included in a balance value. Context values are specified as part of the balance dimensions. For example, the REGULAR_ASG_TU_YTD balance is a Regular Earnings balance type with these context values associated in the balance dimension:

- Assignment
- Tax Reporting Unit

All contexts are predefined.

Generated Balances and Database Items

The country extension you select on the Features by Country or Territory page, determines what payroll-related components the element template generates when you create an element. 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.

This table explains the components the element template creates, based on your selection of the country extension.

Country Extension	Components Generated by the Element Template
Payroll	When you create an element, the element template creates the element and associated objects, such as input values, formulas, and balances.
Payroll Interface	When you create regular and supplemental earnings elements, the element template creates the element and associated objects, such as input values, formulas, and balances. For all other elements, the template generates no other associated objects.
Human Resources or None	The element template doesn't generate associated objects like formulas, or balances.

Base Balances

You can specify a base balance when there is a dependent relationship between balances for processing and reporting. For example, Taxable Wages could be the base balance for Tax Withheld.

Remuneration

Only one balance in each legislation is predefined as the remuneration balance. This balance generates payments for employees and is predefined for the legislation. For example, a legislation might use Net Pay as the remuneration balance. This calculated balance is the sum of standard earnings and supplemental earnings minus all the deductions calculated for the run.

Related Topics

- Balance Dimensions

Balance Dimensions

Balance dimensions identify the specific value of a balance at a particular point in time. Balance dimensions are predefined and typically combine these components:

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

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

Optionally, they can also include other context values such as tax reporting unit, tax jurisdiction, and deduction reference number.

Each payroll balance can have multiple dimensions.

Balance Feeds for Mexico

The value assigned to a balance during processing is determined by the feeds defined for the balance. You can feed payroll balances by any of these options.

Balance Feeds by Element

Balance feeds by element indicates:

- When you create an element, the element template creates this balance and feed automatically.
- One or more element input values add to or subtract from a balance.
- For each balance, all the input values must have the same unit of measure.
- If a balance is fed by only one element, it's called a primary balance.

Balance Feeds by Classification

Balance feeds by classification indicates these aspects:

- The primary output value of every element belonging to a specific classification contributes to the balance value.
- The balance feeds can be from the primary element classifications, secondary element classifications, or the subclassifications.
- If you add a primary classification as a balance feed, you can't add its children from the secondary classification or subclassifications.

For example, if you use the Supplemental Earnings primary classification as a balance feed, you can't use both the secondary classifications and subclassifications of Supplemental Earnings as feeds to the same balance.

- The unit of measure of this input value must match the unit of measure of the balance.

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.

The feeds can add to (+) or subtract from (-) a balance. The sign of a feed is independent of the sign of the result that feeds the balance. For example, deductions feed Net Pay with a negative feed. However, if an excess deduction of $100 is returned, the deduction result itself is -$100 and will effectively increase Net Pay by $100.

> **Note:** For information about loading initial balances for Mexico, refer to the **Loading Initial Balances for Mexico using HCM Data Loader** document attachment in My Oracle Support, Loading Mexico Data Using HCM Data Loader (Doc ID 2598258.1).

Related Topics

- Example of Loading Initial Balances

Balances in Net-to-Gross Calculations

When you create an earnings element, you can indicate that it pays a person a guaranteed take-home net pay per payroll period, or a bonus of a specified net amount.

Use either or both of these options to control balance feeds.

Enable Inclusion in Net-to-Gross Calculations

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

To enable a dimension, or enable and include a dimension within a balance definition for net-to-gross processing, select the Enable or Include check boxes, as required, under the Gross-Up Calculation column in the Balance Dimensions section of the Balance Definition page.

Exclude Balances from a Specific Net-to-Gross Earnings Element

If a balance is enabled but not included, you can still use it in the processing of a specific net-to-gross earnings element. Use Balance Feeds on the Elements Overview page while creating the Gross-to-Net Earnings element and review the balances to which the net pay amount or bonus contributes. Use the Gross Balance Exclusions option to add the balance. You can also use this task to exclude balances that are included by default.

Related Topics

- How Net-to-Gross Earnings are Calculated
- Create a Net-to-Gross Earnings Element

Generate Run Balances

The payroll calculation process generates run results and values for all balances. Creating or updating balance definitions and balance feeds can impact balance calculations and stored balance values for run balance dimensions.

Creating or updating balance definitions and balance feeds can impact balance calculations and stored balance values for run balance dimensions. When stored balance values are no longer accurate, the Run Balance Status column on the 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.

This topic covers:

- Submit the Generate Run Balances process
- Use Generating Run Balances Examples

Submit the Generate Run Balances Process

Submit the Generate Run Balances process before you submit the payroll run or after you create or update these tasks:

- Balance definition using the Balance Definitions task, for example to add balance feeds or new balance dimensions
- Balance feeds to an element using the Elements task

When you submit the process, you specify parameters that control which balances to generate as shown in the following table.

Flow Submission Parameters	Purpose
Balances to Include	Identifies the set of balances to include when submitting the process: • All balances • All invalid balances • Single balance **Note:** If you select a single balance, you must specify both a balance and a dimension name.
Balance Name	Lists balance names marked as run balances when a single balance is selected.
Dimension Name	Lists run dimensions when a single balance is selected. The list is filtered again when the balance name is selected.

Use Generating Run Balances Examples

Here are two different ways you can use generate run balances to improve performance and accuracy in your payroll application.

- 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 a notification on 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.

Related Topics

- Payroll Balance Definitions

Balance Groups and Usages

Balance Groups

Balance groups represent a collection of balance definitions, including their dimensions that you can use to retrieve balance values for reports, archives, and balance views. Balance group usages determine which reports, pages, and processes use the group to display or process balance information.

Use the **Balance Groups** task to manage your balance groups.

Balance Group Level

You can define a balance group at the employee or organization level. The balance group level determines the group level at which you can include the balance dimensions.

Employee level applies to balances at a payroll relationship level or lower. Organization level or Group level applies to any dimensions higher than the payroll relationship level, including Group Person dimensions.

Balance Definitions

On the Balance Definitions page of a balance group, you can see the balances associated with the balance group. The information includes the balance name, balance dimension, balance category, unit of measurement, and legislative data group. A balance category groups together similar balances. It is similar to the element classifications, for each element classification there is a corresponding balance category. You can also use this page to search for and add balance definitions to your own balance groups and to certain predefined balance groups.

Use **Select and Add** to add multiple balance definitions at a time.

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.

Restrictions

Restrictions limit the balances that you can add to the balance group. You can add a list of balance categories, a list of balance dimensions, or a combination of balance categories and dimensions.

The **Included Balances Restricted by Category** and the **Included Balances Restricted by Dimension** check boxes are automatically updated on the Balance Group Details page as you add restrictions on the Restrictions page. For example, the standard earnings category means that the balance group is restricted to all balances based on the standard earnings category.

You can also define a balance group without any restrictions.

Note: In some situations you can update a restriction if it's not used by balance definitions and default inclusions. The **Edit** button on the Restriction page is enabled if the selected row can be updated. A balance group may be defined without restrictions.

Default Inclusions

Default inclusions are combinations of balance categories and dimensions that are automatically added to the balance group. This means that any balance definition you define (manually or through the element template), or existing already for the specified category and attached to the specified dimension, is included in the balance group by default. However, if you need to include any other balance definition outside of those in the Default Inclusions, you must manually add the defined balance to the balance group.

Balance Group Usages

Balance group usages represent an instance of how a particular balance group is used.

A balance group must have at least one usage. The usage can be a report, process, or page that uses the balance values from the group. The group can also many balance group usages.

Balance group usages store detailed info about how the balance data is formatted and sequenced. Payroll reports use balance groups to determine the balances to include in specific sections of the report.

Use the **Balance Group Usages** task to manage your balance group usages.

Matrix and Table Formats

A balance group usage can use a matrix or table format to display the balance dimensions. You choose the option when you create the balance group usage.

For a matrix format, you select balance dimensions as columns in the matrix and decide their position in the matrix using **Position**. The first position must be 1, and any additional positions must be sequential. It displays only the balance dimensions that you select as columns for the matrix. If you don't specify the balance dimensions as matrix items, they don't display, regardless of what dimensions the defined balances in the balance group contain.

Sorting

Sorting determines the order in which balance types and dimensions display for the balance group usage. If you select **Table**, it returns all balances in the balance group one line at a time in the table format. If you select **Matrix**, you can add balance dimensions and decide their positions in the matrix.

This table shows the options you can use to define your sorting order.

Field	Values
Sort Method	Select one of these options: • Name, to sort by balance name. • Value, to sort by balance value. • Static Order, to sort by the sequence you specify in the Sort Items table.

You can also create a static order by selecting the balance name and sequence in **Sort Items**. For example, you can sort the summary balances for the gross-to-net report type in the processing order rather than the alphabetic order. Here's an example of a static order of the Gross to Net summary balances for the Statement of Earnings. The balances shown here are sorted in the order of Gross to Net Calculation.

- Gross Pay
- Pretax Deductions
- Employee Tax Deductions
- Involuntary Deductions
- Voluntary Deductions
- Nonpayroll Payments
- Net Payment

Examples

Report type	What balance dimensions they use
Global Archive	Archive of current and year-to-date tax code balances for areas 1, 2, and 3
Global Balance Views	Earnings default balances for the Balance Views page
Global Deduction	Balances for involuntary, pre-statutory, social insurance, and tax deductions
Global Element Results	Nonpayroll payment tax balances at the assignment and relationship levels
Global End-of-Year Archive	Payroll Relationship level balances

Report type	What balance dimensions they use
Global Payroll Activity Report	Earnings balances at the payroll relationship level for the current payroll period and year-to-date
Global Payroll Run Result Report	Balances for all earnings at the assignment and relationship levels
Global Statutory Deductions Report	All city, county, state, and school tax deduction balances for the current period and year-to-date
Global Gross-to-Net	Direct payment balances for a group tax unit for the current period and year-to-date
Statement of Earnings	City, county, and state pretax deductions for the current payroll period and year-to-date

Related Topics

- Balance Groups
- Payroll Balance Definitions
- Create Balance Groups and Usages

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.

Before You Begin

If you're 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 **Manage Common Lookups** task.
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.

How to Create a Balance Group

To create a balance group:

1. On the Home page, click the **Balance Groups** quick action under the **My Client Groups** tab.
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 these values.

Field	Value
Dimension Name	Relationship Run
Category	Voluntary Deductions

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**.

How to Create a Balance Group Usage

To create a balance group usage:

1. On the Home page, click the **Balance Groups** quick action under the **My Client Groups** tab.
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're 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're 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. Enter these details.

Field	Value
Name	Any
Sort Method	Name
Sort By	Balance Type
Order	Ascending

10. Click **Save**.
11. Click **Done**.

Examples of Balance Group Usages

Add matrix items to predefined balance group usages 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 are used 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.

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

Report Type	Used in Which Reports	Balances Included
Global Archive	Payroll Register Report, Payslip, Payslip Reprinting Report, Payroll Register for the Latest Process	Archive of current and year-to-date balances
Global Balance Views		Earnings default balances for the Balance Results page
Global Deduction	Deduction Report	Balances for involuntary, prestatutory, social insurance, and tax deductions

Report Type	Used in Which Reports	Balances Included
Global End of Year Archive	Archive End-of-Year Payroll Results	Payroll Relationship level balances required for End-of-Year Statutory reporting
Global Payroll Activity Report	Payroll Activity Report, Employee Active Payroll Balance Report, Payroll Activity Report for the Latest Process	Balances at the payroll relationship level for the current payroll period and year-to-date
Global Payroll Run Result Report	Payroll Balance Report	Current balances at the assignment and relationship levels
Global Statutory Deductions Report	Statutory Deductions Register	All city, county, state, federal, and school tax deduction balances for both the employee and employer in the current period and year-to-date
Global Gross-to-Net	Gross-to-Net Report	Summary balances for a group tax unit for the current period and year-to-date in the order of gross-to-net calculation.
Statement of Earnings	Statement of Earnings	Summary and detailed balances for a specific employee and payroll run.

Scenario

Related Topics

- Rules for Editing Balance Groups and Their Usages
- Balance Groups
- Balance Group Usages
- Create Balance Groups and Usages

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

These are the actions you can take for both predefined and user-defined balance groups.

Action	Predefined Balance Group	User-Defined Balance Group
Create balance group	No	Yes
Edit balance group	No	Yes

Action	Predefined Balance Group	User-Defined Balance Group
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.

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.

Balance Dimension Type	Balance Dimension
Rolling 12 Month Balance Dimensions	• Relationship Tax Unit Rolling 12 Month • Assignment Tax Unit Rolling 12 Month
Resident City Balance Dimensions	• Term Tax Unit Resident City Month-to-Date • Term Tax Unit Resident City Quarter-to-Date • Term Tax Unit Resident City Year-to-Date • Assignment Tax Unit Resident City Month-to-Date • Assignment Tax Unit Resident City Quarter-to-Date • Assignment Tax Unit Resident City Year-to-Date
Statutory Report Code Balance Dimensions	• Relationship Tax Unit Statutory Report Code Run • Relationship Tax Unit Statutory Report Code Month-to-Date • Relationship Tax Unit Statutory Report Code Quarter-to-Date • Relationship Tax Unit Statutory Report Code Year-to-Date • Relationship Tax Unit Statutory Report Code Period-to-Date • Term Tax Unit Statutory Report Code Run

Balance Dimension Type	Balance Dimension
	• Term Tax Unit Statutory Report Code Month-to-Date • Term Tax Unit Statutory Report Code Quarter-to-Date • Term Tax Unit Statutory Report Code Year-to-Date • Term Tax Unit Statutory Report Code Period-to-Date • Assignment Tax Unit Statutory Report Code Run • Assignment Tax Unit Statutory Report Code Month- to-Date • Assignment Tax Unit Statutory Report Code Quarter-to-Date • Assignment Tax Unit Statutory Report Code Year-to-Date • Assignment Tax Unit Statutory Report Code Period-to-Date

10 Set Up Pay Calculation Components

Payroll Calculation Information

Payroll Calculation Information

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

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

- Absence
- Benefit
- Involuntary Deductions
- Time card

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

Note: Elements that use calculation information definitions don't capture the values required for the calculation on element input values.

Task Summary

The following table summarizes the purpose of each type of calculation information and the task you can use to view or edit it.

Calculation Information	Description	Task
Payroll calculation information	The payroll calculation information task groups rates and rules used by the payroll run to calculate values for user-defined earnings, and deductions. Predefined elements such as tax and social insurance rules also use the payroll calculation feature to provide a group of rates and rules which vary by country or territory.	Use the Payroll Calculation Information task.
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	Use the Payroll Calculation Information task to view payroll components and their associated rules.

Calculation Information	Description	Task
	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.	
Wage basis rules	Wage basis rules determine the earnings that contribute to a deductible amount or, for exemptions, the elements that reduce the amount subject to deduction. For example, wage basis rules might define which secondary classifications of standard and supplemental earnings are subject to a particular tax. Rules may vary based on reference criteria such as a worker's place of residence.	Use the Component Group Rules task to define the rules and references. Use the Calculation Cards task to enter reference values for workers.
Calculation value definitions	Calculation value definitions store calculation rates and rules, which may vary based on other criteria. For example you can use calculation value definitions to calculate regional income tax rates for employees, which vary based on their income levels. The calculation value definition controls which calculation values are enterable on a calculation card.	Use the Calculation Value Definitions task to view predefined definitions and the definitions that element templates create. **Note:** You can edit definitions that element templates create, such as adding default calculation values.
Calculation factors	Calculation factors indicate which calculation value definition to use when calculating the amount. For example, a calculation factor might identify which set of tax rates to use based on the tax code of the employee. If tax rates vary based on a factor such as a person's filing status, then filing status is defined as a calculation factor reference. Thus, an element may have multiple calculation factors, one for each unique set of rules and references values.	Use the Elements, Element Overview task to access calculation factors. Use the Payroll Calculation Information task to create new calculation factors. Normally, you don't need to create new factors, but if you do, you must also edit the element's payroll formula to use the new calculation factors.
Calculation components	When an element template creates a payroll component, it also creates calculation components that you can enter on personal calculation cards to enter specific details for the person.	Use the Calculation Cards task to enter calculation components for a person.

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

Related Topics

- Wage Basis Rules
- Calculation Factors
- How You Add Involuntary Deductions to a Calculation Card

Overview of Payroll Calculation Information Formulas

When you create an element, the application generates the rules and definitions required to calculate the earnings or deduction amount. This includes elements, formulas, and processing rules.

Use the predefined calculation formulas to calculate and access calculation information in a payroll run. Here are the formulas that contain specific rules for each calculation type:

- **CALL_CALC_VALUE** (Fast Formula)
- **CALC_DIR_EXISTS** (Fast Formula Function)
- **GET_CALC_DETAIL** (Fast Formula)
- **CALC_DIR_GET_OVERRIDE_LEVEL** (Fast Formula)
- **CALL_CALC_VALUE_DETAILS** (Fast Formula)

The element associated with these formulas calculates the value definitions. For example, the time element template creates multiple value definitions to capture time-related information, such as number of units, rate information, and accrual date. The formula that the time elements template generates includes multiple calls to the **CALL_CALC_VALUE** formula, one call for each value definition.

You can also use the predefined **CALL_CALC_VALUE** formula to calculate rates based on a rate definition or values defined by criteria in the payroll run. In a scenario where we calculate a bonus, we can do so using a rate definition or a car allowance value based on criteria of the worker's location.

- **CALL_CALC_VALUE** (Fast Formula)

  You can use this formula to access payroll calculation information. This formula evaluates the calculation factors required to identify the value definition to be calculated. After the formula identifies the value definition, the corresponding value is calculated.
- **CALC_DIR_EXISTS** (Fast Formula Function)

  You can use this function to identify if a value definition exists for the current contextual settings. If this function returns Y, a value definition does exist. If the function returns N, no value definition was found.
- **GET_CALC_DETAIL**

  This Formula returns the details of the prior call to CALL_CALC_VALUE. For example, the value definition was for these incremental rates:

From	To	Rate
0	1000	1%
1001	10000	10%
10001	999999999	20%

CALL_CALC_VALUE formula would return an amount of 2910 for a base of 20000. Then, GET_CALC_DETAIL would return these values:

Base	Rate	Amount
1000	1%	10
9000	10%	900
10000	20%	2000

The formula also returns these override types and the details that this call uses.

Override Type	Meaning
R	Rate
T	Total Amount/Value to be returned.
A	Value A
B	Value B
C	Value C
AA	Additional Amount
AR	Additional Rate
RT	Range Table (Override the complete Range Items)
RD	Rate Definition
F	Flat Amount
M	Multiplier
D	Date
1	String

CALC DIR GET OVERRIDE LEVEL

This formula calls the `CALC_DIR_GET_OVERRIDE_LEVEL` function which determines the level at which the override value is used for the qualifying Calculation Unit.

For example, if the function determines the Calculation Factor, the Value Definition is used for the calculation.

The formula takes an input Parameter of override type, and then determines the level where the override type is overridden. The available override types vary based on the calculation type.

Override Type	Meaning
R	Rate
T	Total Amount/Value to be returned.
A	Value A
B	Value B
C	Value C
AA	Additional Amount
AR	Additional Rate
RT	Range Table (Override the complete Range Items)
RD	Rate Definition
F	Flat Amount
M	Multiplier
D	Date
1	String

It would determine where the value for the override type is retrieved.

Return	Purpose
NO_VALUE	The Value Definition (no range items) calculates no value.
NONE	There are no overrides, but the Value Definition has range items that may perform the calculation.

Return	Purpose
PREL	There's an override on the Payroll Relationship Card.
TRU	There's an override on the TRU Card.
PSU	There's an override on the PSU Card.

You can get the Rate Override level by calling the formula with an override type of 'R'.

CALL_CALC_VALUE_DETAIL

This formula is a combination of `CALL_CALC_VALUE` and `GET_CALC_DETAIL` and returns the details of both calls.

Related Topics

- Time Element Value Definitions
- Calculate Time Element Rate Using Values Defined by Criteria
- Calculate Standard Earnings Rate Using Values Defined by Criteria

Calculation Cards

Overview of Mexican Calculation Cards

Oracle Cloud Payroll provides a set of predefined calculation cards for Mexico. It's helpful to understand these key concepts when working with calculation cards:

- Component groups
- Calculation card levels
- Calculation components
- Associations

Component Groups

The calculation cards for Mexico include these component groups:

- Taxes
- Social Security
- Loans

Taxes Component Group

The calculation components in the Taxes component group include:

Calculation Component	Card Level	When to add Component to Calculation Card
Employee Taxation	Personal	This component is created automatically when the Employee Taxation Card is created. This component has no component details and allows no overrides. It applies only to the Employee Taxation Card.
Employee ISR Tax	Personal	Add this component to the Employee Tax Card of each employee requiring the tax calculation. There are three overrides associated with this calculation component. The component is added to the card automatically during the new hire flow.
Employer ISR Tax	Organization	Add this component to the organization card so that you can define the fiscal year start and end dates.

Predefined rates and rules required for calculating individual income tax are at the legislative level in calculation ranges.

Social Security Component Group

The calculation components for the Social Security component group include Employee Social Security and SDI Calculation.

You can create overrides for these calculation components on the organization card and Employee Tax Card as needed. This table describes the calculation components in the Social Security component group.

Calculation Component	Card Level	When to add Component to Calculation Card
Employee Social Security	Personal	Add this component to the Employee Tax Card of each employee requiring the social security calculation. There are several overrides associated with this calculation component. When you create a new hire, the component is added to the card automatically.
SDI Calculation	Personal/Organization	Add this component to the Employee Tax Card when you need to specify exemptions in the way the social security SDI is calculated. There are several overrides associated with this calculation component.
Employer Social Security	Organization	Add this component to the organization card when you need to specify exemptions or define the way social security is calculated for the organization using the several overrides available.

Note: SDI is the daily wage that integrates the annual fixed compensation and the previous bimonthly variable compensation.

Loans Component Group

The Loans component group includes the INFONAVIT calculation component. INFONAVIT is a federal government housing assistance scheme designed to provide mortgage products to Mexican workers. Mexican employers maintain the deductions for employees.

INFONAVIT is the predefined calculation component included in the Loans component group:

Calculation Component	Card Level	When to add Component to Calculation Card
INFONAVIT	Personal/Organization	Add this component when an employee has an INFONAVIT loan and you have a copy of the document stating the payroll withholding amount required to pay the loan.

Calculation Card Levels

You can create calculation cards at any of these levels:

- Personal (payroll relationship)
- Tax reporting unit (TRU)
- Payroll statutory unit (PSU)

Calculation cards capture different information at different levels. The information defined at a lower level overrides values defined at higher levels. For example, an exemption amount defined on the Employee Tax Card override the exemption amount defined in calculation cards at the TRU and PSU levels.

Use these tasks to work with calculation cards at each level:

- For personal calculation cards, use the **Calculation Cards** task.
- For TRU-level cards, use the **Legal Reporting Unit Calculation Cards** task in the Setup and Maintenance work area.
- For PSU-level cards, use the **Legal Entity Calculation Cards** task in the Setup and Maintenance work area.

Calculation Components

Each component group supports a set of calculation components that you can add to a calculation card. Calculation components vary depending on the card level and correspond to a specific payroll deduction, such as employee ISR tax. Each calculation component has corresponding information needed to process the deduction. For example, the information for the Social Security component captures any exemptions that would need to be accounted for when the calculating the employee's social security.

Tax Reporting Unit Associations

For the person level calculation card, the Employee Tax Card, you create associations that link the card to a tax reporting unit (TRU). The TRU is associated to the card through the Employee Taxation calculation component. That component is then associated with a specific assignment. The association ensures that when a payroll is run for a particular TRU, it includes all associated calculation cards.

Rules about associations vary by country:

- Typically, all components on a calculation card are associated with the same tax reporting unit by default.
- If a person has multiple assignments, you may be able to associate specific assignments with calculation components.

Calculation Card Creation

In countries where all employees are subject to the same set of statutory deductions, the application automatically creates one or more statutory deduction calculation cards. For Mexico, the Employee Tax Card is automatically created when an employee is hired. The person calculation card is based on the payroll relationship, so the card and its calculation components are also created. The TRU association and association details for the employee are added to the card when the TRU is selected during the hire process. The Employee Taxation calculation component is also added to the card.

For other card types, you create calculation cards as needed for each employee. If you load absence or time card data from another application, the application automatically creates the calculation cards.

Examples of Creating Calculation Cards for Deductions at Different Levels

You can create and manage calculation cards at several different levels, from an individual person to a payroll statutory unit.

Use the cards to capture information specific to a person or organization, such as an employee's tax filing status or an employer's tax identification number. Calculation card entries override default values defined at other levels. The priority of information, from highest to lowest, is as follows:

1. Personal calculation card (payroll relationship level)
2. Tax reporting unit calculation card
3. Payroll statutory unit calculation card
4. Calculation value definitions (legislative data group level)

> **Note:** Not all countries or territories support creating calculation cards for payroll statutory units and tax reporting units. The enterable values at each level also vary by country or territory. The basic steps to create and manage calculation cards are the same at all levels.

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

Personal Calculation Card

Scenario: An employee qualifies for a special reduced tax rate.

Task: Calculation Cards task in the Payroll section under My Client Groups.

Tax Reporting Unit Card

Scenario: The income tax exemption amount is 2000 at the legislative data group level, but a tax reporting unit in a particular state or province uses an exemption amount of 2500. Enter this default value for the tax reporting unit, which can be overridden on personal calculation cards.

Task: Manage Legal Reporting Unit Calculation Cards task in the Setup and Maintenance section.

Payroll Statutory Unit Card

Scenario: During application setup, the implementation team defines default contribution rates for the payroll statutory unit.

Task: Manage Legal Entity Calculation Cards task in the Setup and Maintenance section.

Calculation Value Definition

Scenario: You can view the predefined income tax rates for your country, but you can't edit them.

Task: Calculation Value Definitions task in the Payroll section.

If an employer qualifies for a special tax rate, enter these values on a calculation card at the appropriate level.

Create a Legal Entity Calculation Card for Mexico

This topic demonstrates how you can create a calculation card at the legal entity level. The calculation card captures information for the organization at the legislative level, you can override this information at the tax reporting unit (TRU) level.

Use the Legal Entity Deduction records task to create the card at the payroll statutory unit (PSU) level. If you need overrides at the TRU level, the same steps apply but you use the Legal Reporting unit Calculation Cards task instead.

A legal entity organization card captures the ISR tax and social security specific to your organization. It also enables you to specify the relevant employer state tax information. On the legal entity organization card, on the Calculation Cards tab, in the Enterable Calculation Values, when you enter values, they replace the values defined at the legislative level.

Perform these tasks to create a legal entity calculation card:

- Create the Calculation Card
- Define the Tax Calculation Components
- Define the Social Security Calculation Components
- Define the Loans Calculation Components

Create the Calculation Card

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

    Expand the entry to display a list of related tasks.
2. Click the **Select** link for the Legal Entity Calculation Cards task.
3. On the Select Scope window, select **Select and Add** from the Legal Entity list.
4. Click **Apply and Go to Task**.
5. On the Select and Add: Legal Entity page, search for and select the legal entity and click **Save and Close**.
6. Click **Go to Task** for the Legal Entity Calculation Cards task.
7. Click **Create**.
8. On the Create Calculation Card dialog box, do these steps:

- In the **Effective As-of Date** field, enter a date.
- From the **Name** list, select **Organization Card**.

9. Click **Continue**.

Define the Tax Calculation Components

1. From the Components Groups in the Calculation Card Overview section, select **Taxes**.
2. In the Calculation Components section, click **Create** and from the components list, select **Employer ISR Tax**.
3. Click **OK**.
4. In the Employer **ISR Tax: Details** section, on the Enterable Calculation Values, on the Calculation Cards tab, click **Create**.
5. Select the name of the override you want to create and then enter the overriding value. This table lists the overrides allowed for federal income tax management at the payroll statutory unit (PSU) level.

OVERRIDE NAME	DESCRIPTION	VALUE TYPE	VALUE EXAMPLE
Average Days Per Month	The average number of days in a month.	Total Amount	20
Average Days Per Year	The average number of days in a year.	Total Amount	360
ISR Severance Rule	Determines which Severance ISR tax calculation method to use. The default is Subject Earnings Greater Than or Equal to Monthly Salary. This means that it uses the Severance tax calculation method if the Severance ISR Subject portion is greater than or equal to the Monthly Salary. If you select **None**, it uses the severance ISR calculation method with no comparison and regardless of the severance amount. If you choose **Total Earnings Greater Than or Equal to Monthly Salary**, it uses the severance tax calculation method if the total severance payment (subject plus exempt portions) is greater than or equal to the monthly salary.	String	Subject Earnings Greater Than or Equal to Monthly Salary

OVERRIDE NAME	DESCRIPTION	VALUE TYPE	VALUE EXAMPLE
ISR Subsidy Adjustment on Regular Run Type	For each payroll run, the standard ISR calculation adjusts the amount of subsidy for employment to prevent exceeding the monthly cap. This adjustment compares the month-to-date (MTD) subject earnings balance with the prorated monthly subsidy for employment rates. This override determines if it adjusts the ISR Subsidy for Employment during a Regular payroll run type. The application calculates subsidy for employment (adjusted or not) based on the rates determined by the existing ISR Subsidy Proration on Payroll Run Type override. The default is Yes, where the Subsidy for employment is adjusted based on the MTD ISR subject earnings balance. If you select **No**, it calculates the Subsidy for employment with no adjustment considering the current processing pay period ISR subject earnings (Run balance).	String	Yes
ISR Subsidy Proration on Payroll Run Type	This override determines if the application calculates ISR Subsidy for Employment based on the periods in the month and on proration of the monthly Subsidy for Employment rates. The Subsidy for Employment calculation basis is the MTD ISR subject earnings balance in all scenarios, except if you set the ISR Subsidy for employment Adjustment on Regular payroll run override to **No**. In this case, the basis is the Run balance. The payroll run types excluded by this value definition use a	String	Monthly Tax Adjustment

OVERRIDE NAME	DESCRIPTION	VALUE TYPE	VALUE EXAMPLE
	Subsidy for Employment rates factor of one (no proration). This means that the application uses full monthly rates to calculate the Subsidy for Employment. The default is Regular and Monthly Tax Adjustment (Default). This means that it applies Subsidy for Employment Proration to both payroll run types: Monthly Tax Adjustment and Regular. For None, it doesn't apply any Subsidy for Employment proration (factor 1) to both payroll run types, Monthly Tax Adjustment and Regular. If you select **Regular**, it applies proration only to the Regular run type. The Monthly Tax Adjustment run type uses a Subsidy for Employment proration factor of one. If you select the **Monthly Tax Adjustment**, it applies proration only to the Monthly Tax Adjustment run type. Regular run type uses a Subsidy for Employment proration factor of one.		
ISR Tax Calculation	This override determines if the application calculates ISR tax. The default value is **Yes**. **Note:** **Note:** If you set this override to **No**, it takes precedence over all other Employee ISR Tax component overrides.	String	Yes
ISR Tax Proration on Monthly Tax Adjustment Run Type	The standard Monthly Tax Adjustment ISR tax calculation procedure calculates the tax rates based on a factor derived from the periods the employee has worked in the month.	String	Yes

OVERRIDE NAME	DESCRIPTION	VALUE TYPE	VALUE EXAMPLE
	This override applies only to the Monthly Tax Adjustment payroll run type and determines to calculate the tax based on the periods in the month. The tax calculation basis is the month-to-date (MTD) ISR subject earnings balance. The default is **Yes**. This means that the ISR tax calculation determines the tax rates based on a factor derived from the periods the employee has worked in the month. If you select **No**, the ISR Tax rates are applied with a factor of one (no proration), regardless of the period when the Monthly Tax Adjustment run type is processed nor the employee hire date.		
Pay Subsidy for Employment on Payroll Run Type	When an employee has two or more employers, they must select which employer pays the subsidy for employment in the ISR tax calculation. The options to determine when the subsidy is calculated include: o Monthly Tax Adjustment The subsidy for employment is calculated only for the monthly tax adjustment run type. o None The subsidy for employment is never calculated. o Regular The subsidy for employment is calculated only for the regular run type.	String	Regular

OVERRIDE NAME	DESCRIPTION	VALUE TYPE	VALUE EXAMPLE
	○ Regular and Monthly Tax Adjustment (default) The subsidy for employment is calculated only for both regular and monthly tax adjustment run types.		
Social Security Exempt	Determines whether to calculate the Social Security Quota liabilities for the employees in this organization.	String	No
State Tax Exempt	Some companies or government agencies aren't required to pay the employer state tax. Select **Yes** to exclude this employee from the state tax calculation. The default value for this field is **No**.	String	No

6. Click **Save**.

Define the Social Security Calculation Components

1. Select **Social Security** from the Components Groups in the Calculation Card Overview section.
2. Click **Create** in the Calculation Components section and select **Employer Social Security** from the components list.
3. Click **OK**.
4. In the **Employer Social Security: Details** section, on the **Enterable Calculation Values** on the Calculation Cards tab, click **Create**.
5. Select the name of the override you want to create and then enter the overriding value. This table lists the overrides allowed for federal income tax management at the payroll statutory unit level.

OVERRIDE NAME	DESCRIPTION	VALUE TYPE	VALUE EXAMPLE
Additional Quota	The percentage of the Additional Quota.	Rate	N/A
Additional Quota Exempt	Employee's exemption to Additional Quota.	String	Yes
Benefits in Cash	The percentage of the Benefits in Cash.	Rate	N/A

OVERRIDE NAME	DESCRIPTION	VALUE TYPE	VALUE EXAMPLE
Benefits in Cash Exception	Employee's exemption to Benefits In Cash.	String	N/A
Day Care Centers	The percentage of the Day Care Centers.	Rate	N/A
Day Care Centers Exemption	Employee's exemption to Day Care Centers.	String	N/A
Disability and Death	The percentage of the Disability and Death.	Rate	N/A
Disability and Death Exemption	Employee's exemption to Disability and Death.	String	N/A
Economic Zone	Mexico is divided into two economic zones (A and B) and each of them has a minimum wage rate. The Social Security calculation uses the organization's economic zone to derive the minimum wage rate to determine if the employer Social Security liability is paid by the employer.	String	N/A
Employer Paying Employee Liability in case earning is less than Minimum Wage	Used to determine whether the employer pays the social security liability. If the employer SDI is equal or less than the minimum wage assigned to the TRU where the employer is associated, the employer should pay the employer's social security liability.	String	N/A
Fixed Quota	The percentage of the Fixed Quota.	Rate	N/A
Fixed Quota Exempt	Employee's exemption to Fixed Quota.	String	N/A

OVERRIDE NAME	DESCRIPTION	VALUE TYPE	VALUE EXAMPLE
INFONAVIT Exempt	Employer's exemption to INFONAVIT.	String	N/A
Pensions and Beneficiaries	The percentage of the Pensions And Beneficiaries.	Rate	N/A
Pensions And Beneficiaries Exempt	Employee's exemption to Pensions And Beneficiaries.	String	N/A
Retirement	The percentage of the retirement.	Rate	N/A
Retirement Exemption	Employee's exemption to retirement.	String	N/A
Social Security Leaving Reason	Records the social security leaving reason when an employee transfers from one tax reporting unit to another.	String	N/A
Social Security System	This value definition is reserved.		N/A
Suspension in Age Outpost	The percentage of the Suspension in Age Outpost.	Rate	N/A
Suspension in Age Outpost Exemption	Employee's exemption to Suspension in Age Outpost.	String	N/A
Work Risk Incident Exempt	Indicates if the organization's employees are exempt from the calculation of the Work Risk Incident.	String	N/A
Work Risk Incident Premium	The percentage to use in the calculation of the Work Risk Incident Premium.	Rate	N/A

6. Click **Save**.
7. Click **Create** in the Calculation Components section and select **SDI Calculation** from the components list.
8. Click **Ok**.

9. In the **SDI Calculation: Details** section, on the **Enterable Calculation Values** on **Calculation Cards** tab, click **Create**. Select the name of the override you want to create and then enter the overriding value. This table lists the overrides allowed for federal income tax management at the payroll statutory unit level.

OVERRIDE NAME	DESCRIPTION	VALUE TYPE	VALUE EXAMPLE
Annual pay period unit	Employee's unit of the annual pay period.	Total amount	N/A
Number of biweekly periods in the year	Number of biweekly periods in the year, which triggers the employee's SDI calculation.	Total amount	N/A
Number of days in the year	Employee's number of days in the year.	Total amount	N/A
Number of hours in the year	Employee's number of hours in the year.	Total amount	N/A
Number of months in the year	Employee's number of months in the year.	Total amount	N/A
Number of semimonthly periods in the year	Employee's number of semi-monthly periods in the year.	Total amount	N/A
Number of ten-days periods in the year	Employee's number of ten-day periods in the year.	Total amount	N/A
Number of weeks in the year	Employees number of weeks in the year.	Total amount	N/A

10. Click **Save**.

Define the Loans Calculation Components

1. Select **Loans** from the Components Groups in the Calculation Card Overview section.
2. Click **Create** in the Calculation Components section and select Employer INFONAVIT from the components list.
3. Click **Ok**.
4. In the Employer **INFONAVIT: Details** section, on the **Enterable Calculation Values** on Calculation Cards tab, click **Create**.

5. Select the name of the override you want to create and then enter the overriding value. This table lists the overrides allowed for federal income tax management at the payroll statutory unit level.

OVERRIDE NAME	DESCRIPTION	VALUE TYPE	VALUE EXAMPLE
Use SDI Cap	Indicates if the 25 Times UMA Cap is used or not to compute the INFONAVIT loan. It's applicable depending on the Credit Type.	String	No

6. Click **Save**.

Create an Employee Tax Card for Mexico

This topic demonstrates how you can create an Employee Tax Card at the person level. The Employee Tax Card calculation card captures information for a person.

An Employee Tax Card captures the ISR tax and social security attributes specific to an employee. It also enables you to specify the person's INFONAVIT loan information (if needed) as well as information related to the calculation of SDI. The values entered in the Employee Tax Card replace the values defined at the legislative payroll statutory unit (PSU) and tax reporting unit (TRU) levels.

For the Employee Social Security and SDI Calculation components, the rates or values displayed in the Employee Tax Card are the default values defined at the legislative level. They're provided on the Employee Tax Card for reference purposes.

> **Note:** SDI is the Integrated Daily Wage - A daily wage that integrates the annual fixed compensation and the previous bimonthly variable compensation.

Example of Setting Up a Person Calculation Card

Let's look at an example that shows how to create calculation components, component details, and association information for a new employee using the Calculation Cards task. This example assumes that you created an Employee Tax Card calculation card automatically (or manually) during the new hire process.

The employee in this example works in the private sector. They have federal ISR tax withheld from their earnings as well as social security through the main tax reporting unit (TRU) in Mexico City. The employee is excluded from the annual tax adjustment process and has **Pensions and Beneficiaries** and **Retirement** exemptions for social security. The employee also has an INFONAVIT loan.

> **Note:** INFONAVIT is the National Housing Fund Institute for workers. It's a Mexican government agency that provides housing loans to eligible workers.

Before You Start

1. Define all legal entities and related information, including payroll statutory units (PSUs), legal employers, TRUs, and registration information.
2. Define element eligibility for the Employee Taxation element.

3. Complete the new hire process for the employee. Make sure that the employee has a valid payroll relationship with a Mexico payroll statutory unit under the payroll relationship. The new hire process should have created the Employee Tax Card calculation card for the new hire automatically.

This table summarizes the key decisions you need to consider.

Key Decisions	In This Example
What deductions will this employee take?	Federal ISR income tax, Social Security, and INFONAVIT
Does this employee qualify for a special exemption?	Yes, the employee has notified to the employer that they will file the annual tax declaration directly to the tax government agency therefore the application should not compute the annual tax adjustment. In addition, the employee is a pensioner. Therefore, the application should not compute some social security insurance types.
Is the employee's social security contribution area the same for all assignments?	Yes, individual income tax contribution is made through one TRU, as is the social security.

How to Define the Taxes Component

1. Expand the Taxes region on the Employee Tax Card.
2. Select the pencil icon to edit the Employee ISR Tax component.
3. Enter the start date of the changes for **When does this change start?**

Override Name	Description	Value Type	Value Example
ISR Subsidy for Employment Calculation Method	Select the method of how the subsidy for employment will be calculated. The default is 2024 Subsidy Calculation which means that the subsidy will be calculated as per the statutory changes effective on 01 May, 2024.	String	2024 Subsidy Cal
Exclude From Annual Adjustments	Provides the option to exclude an employee from the annual tax adjustment process. The default value for this field is No. If you want to exclude the employee from the annual tax adjustment, select Yes.	String	No
ISR Severance Rule	Determines which Severance ISR tax calculation method to use.	String	Subject Earnings Greater Than or Equal to Monthly Salary

Override Name	Description	Value Type	Value Example
	The default is Subject Earnings Greater Than or Equal to Monthly Salary. This means that the Severance tax calculation method is used if the Severance ISR Subject portion is greater than or equal to the Monthly Salary. If you select None, the severance ISR calculation method is used with no comparison and regardless of the severance amount. If you choose Total Earnings Greater Than or Equal to Monthly Salary, the severance tax calculation method is used if the total severance payment (subject plus exempt portions) is greater than or equal to the Monthly Salary.		
ISR Subsidy Adjustment on Regular Run Type	For each payroll run, the standard ISR calculation adjusts the amount of subsidy for employment to prevent exceeding the monthly cap. This adjustment compares the month-to-date (MTD) subject earnings balance with the prorated monthly subsidy for employment rates. This override determines if the ISR Subsidy for Employment is adjusted during a Regular payroll run type. Subsidy for employment is calculated (adjusted or not) based on the rates determined by the existing ISR Subsidy Proration on Payroll Run Type override. The default is yes, whereby the Subsidy for employment is adjusted based on the MTD ISR subject earnings balance.	String	Yes

Override Name	Description	Value Type	Value Example
	If no is selected, the Subsidy for employment is calculated with no adjustment considering the current processing pay period ISR subject earnings (Run balance).		
ISR Subsidy Proration on Payroll Run Type	This override determines if the ISR Subsidy for Employment is calculated based on the periods in the month and on the proration of the monthly Subsidy for Employment rates. The Subsidy for Employment calculation basis will be the MTD ISR subject earnings balance in all scenarios except if the ISR Subsidy for employment Adjustment on Regular payroll run override is set to No. In this case, the basis will be the Run balance. The payroll run type(s) excluded by this value definition will use a Subsidy for Employment rates factor of one (no proration). This means that the full monthly rates are used to calculate the Subsidy for Employment. The default is Regular and Monthly Tax Adjustment (Default). This means that the Subsidy for Employment Proration is applied to both payroll run types: Monthly Tax Adjustment and Regular. For None, no Subsidy for Employment proration (factor 1) is applied to both payroll run types, Monthly Tax Adjustment and Regular. If you select Regular, proration is applied only to the Regular run type. The Monthly Tax	String	Monthly Tax Adjustment

Override Name	Description	Value Type	Value Example
	Adjustment run type will use a Subsidy for Employment proration factor of one. If you select the Monthly Tax Adjustment, proration is applied only to the Monthly Tax Adjustment run type. Regular run type will use a Subsidy for Employment proration factor of one.		
ISR Tax Calculation	This override determines if the ISR tax is calculated. The default value is Yes. Note that if this override is set to No, it takes precedence over all other Employee ISR Tax component overrides.	String	Yes
ISR Tax Proration on Annual Tax Adjustment Run Type	The Annual Tax Adjustment run type calculates the tax rates based on a factor derived from the number of days the employee has worked in the year. This override applies only to the Annual Tax Adjustment payroll run type, and the tax calculation basis is the year-to-date (YTD) ISR subject earnings balance. The default value is Yes. This means that the ISR tax calculation determines the tax rates based on a factor derived from the days the employee has worked in the year. If you select No, the ISR Tax rates are applied with a factor of one (no proration), regardless of when the Annual Tax Adjustment run type is processed nor the employee hire date	String	Yes
ISR Tax Proration on Monthly Tax Adjustment Run Type	The standard Monthly Tax Adjustment ISR tax calculation procedure calculates the tax	String	Yes

Override Name	Description	Value Type	Value Example
	rates based on a factor derived from the periods the employee has worked in the month. This override applies only to the Monthly Tax Adjustment payroll run type and determines to calculate the tax based on the periods in the month. The tax calculation basis will be the month-to-date (MTD) ISR subject earnings balance. The default is yes. This means that the ISR tax calculation determines the tax rates based on a factor derived from the periods the employee has worked in the month. If you select No, the ISR Tax rates are applied with a factor of one (no proration), regardless of the period when the Monthly Tax Adjustment run type is processed nor the employee hire date.		
Insufficient Pay for Adjustment	If an employee who doesn't have enough funds to pay the additional tax (when they've underpaid tax before), you can select how this scenario is handled. The default value is Process as Regular, which will produce a message indicating that the String Process as Regular which will produce a message indicating that the String Process as Regular employee has been processed as regular that's displayed in the payroll run messages. If you select Error, then a message indicating that the employee doesn't have enough earnings to cover the ISR adjustment amount.	String	Process as regular

Override Name	Description	Value Type	Value Example
Pay Subsidy for Employment on Payroll Run Type	When an employee has two or more employers, they must select which employer will pay the subsidy for employment in the ISRtax calculation. You can choose whether to exclude the employee from the subsidy for employment for a particular run type. The default is **Regular and Monthly Tax Adjustment**. This means that the Subsidy for Employment is calculated for both Regular and Monthly Tax Adjustment payroll run types. For **None**, no Subsidy for Employment is calculated. If you select **Regular**, the subsidy is calculated only for the Regular run type. If you select **Monthly Tax Adjustment**, subsidy is calculated for the Monthly Tax Adjustment run type only.	String	Yes
State Tax Exempt	Some companies or government agencies aren't required to pay the employer state tax. Select Yes to exclude this employee from the state tax calculation. The default value for this field is No.	String	No

4. Click Save.

How to Define the Social Security Calculation Components

1. Expand the **Social Security** region on the Employee Tax Card.
2. Select the pencil icon to edit the **Employee Social Security** component.
3. Enter the start date of the changes for **When does this change start?**

Override Name	Description	Value Type	Value Example
Additional Quota	The percentage of the additional quota.	Rate	N/A

Override Name	Description	Value Type	Value Example
Additional Quota Exempt	Employee's exemption to additional quota.	String	N/A
Benefits in Cash	The percentage of the benefits in cash.	Rate	N/A
Benefits In Cash Exemption	Employee's exemption to benefits in cash.	String	N/A
Day Care Centers	The percentage of the day care centers.	Rate	N/A
Day Care Centers Exemption	Employee's exemption to day care centers.	String	N/A
Disability and Death	The percentage of the disability and death.	Rate	N/A
Disability and Death Exemption	Employee's exemption to disability and death.	String	N/A
Fixed Quota	The percentage of the fixed quota.	Rate	N/A
Fixed Quota Exempt	Employee's exemption to Fixed Quota.	String	N/A
Pensions and Beneficiaries	The percentage of the Pensions And Beneficiaries.	Rate	N/A
Pensions And Beneficiaries Exempt	Employee's exemption to Pensions And Beneficiaries.	String	Yes
Retirement	The percentage of the retirement.	Rate	N/A
Retirement Exemption	Employee's exemption to retirement.	String	Yes

Override Name	Description	Value Type	Value Example
Social Security Leaving Reason	Records the social security leaving reason when an employee transfers from one tax reporting unit to another.	String	N/A
Suspension in Age Outpost	The percentage of the suspension in age outpost.	Rate	N/A
Suspension in Age Outpost Exemption	Employee's exemption to suspension in age outpost.	String	N/A
Social Security Exemption	Determines if the employee is exempt from having social security quota liabilities calculated.	String	N/A
Tax Reporting Unit for Social Security	Select the tax reporting unit to be used for reporting this employee's social security quotas if it's different to the Association's tax reporting unit.	String	N/A

4. Click **Save**.
5. Select the pencil icon to edit the **SDI Calculation** component.
6. Enter the start date of the changes for **When does this change start?**

Override Name	Description	Value Type	Value Example
Annual pay period unit	Employee's unit of the annual pay period.	Total amount	N/A
Number of biweekly periods in the year	Number of biweekly periods in the year, which triggers the employee's SDI calculation.	Total amount	N/A
Number of days in the year	Employee's number of days in the year.	Total amount	N/A
Number of hours in the year	Employee's number of hours in the year.	Total amount	N/A

Override Name	Description	Value Type	Value Example
Number of months in the year	Employee's number of months in the year.	Total amount	12
Number of semimonthly periods in the year	Employee's number of semimonthly periods in the year.	Total amount	N/A
Number of ten-days periods in the year	Employee's number of ten-day periods in the year.	Total amount	N/A
Number of weeks in the year	Employee's number of weeks in the year.	Total amount	N/A
SDI Variable Portion Override	Use the SDI Variable Portion Override to specify an employee's previous bi-monthly variable earnings. This override amount will be used for the calculation of SDI (integrated daily wage). This can also be used for any new hires/rehires where variable earnings form part of the employee's expected earnings.	Total Amount	N/A

7. Click **Save**.

How to Define the Loans Calculation Component

To add the details required to process an employee's INFONAVIT loan:

1. Select the Add icon in the Loans region on the Employee Tax Card.
2. Enter the start date of the changes for **When does this change start?**
3. Select **Employee INFONAVIT** for the question **What Component would you like to add?**

4. Enter the required information when adding an INFONAVIT credit loan, which includes:
    - Credit number
    - Credit start date
    - Discount type
    - Discount value

Override Name	Description	Value Type	Value Example
Credit Number	The employee's unique identifier for this INFONAVIT loan.	N/A	123456
Credit Start Date	The start date of the INFONAVIT loan.	Date	01-May-2018
Discount Type	Select the discount type for the loan: - Fix quota in currency - Fix quota in number of times minimum wage - Percentage	String	Fix quota in currency
Discount Value	The amount of the loan.	Total Amount	1000
Deduction Table	Applies the INFONAVIT reduced rates based upon the credit criteria.	String	No
Transaction Type	The type of transaction associated with the creation or edit of the INFONAVIT loan. Select one of these: - 15 - Beginning of housing credit - 16 - Suspension of discount - 17 - Discount resumption - 18 - Modification of discount type - 19 - Modification of discount value - 20 - Modification of credit number	Total amount	17
Use SDI Cap	Indicates if the 25 Times UMA Cap will be used or not to	String	No

Override Name	Description	Value Type	Value Example
	compute the INFONAVIT loan. It will be applicable depending on the Discount Type.		

> **Note:** UMA stands for Measure Unit and Upgrade. It's the reference value to calculate Mexican payroll taxation and regulate the amount of mandatory payments required by the federal, state, and city laws. This replaces the minimum wage after the reformulation of the Mexican constitution.

5. Click **Save.**

How to Define the Benefits Calculation Component

To add the details required to process employee's profit sharing:

1. On the Employee Tax Card, in the Benefits area, click **Add**.
2. To answer the question **When does this change start?**, enter the start date of the changes.
3. To answer the question **What do you want to add?**, select **Profit Sharing**.

Profit Sharing

Override Name	Description	Value Type	Value Example
Exclude from Profit Sharing	Use this override when you need to exclude an employee from the Profit Sharing process. The default is No.	String	Yes

4. Click **Save**.

Involuntary Deductions Calculation Card

Overview of Involuntary Deductions for Mexico

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 type of deduction and processing occurs at the payroll relationship level.

The secondary classifications defined for involuntary deductions for Mexico include **Child Support**:

Creating Involuntary Deductions for Mexico includes:

1. Creating involuntary deduction elements
2. Creating the element eligibility record
3. Creating the Involuntary Deductions calculation card
4. Processing the payroll and viewing the results

Before You Process Involuntary Deductions

Before you process the involuntary deductions, complete these steps:

- Create an Organization Payment Method that's unique for the involuntary deductions.
- Include this payment method as a valid payment method in the payroll.
- Create a third party 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.

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

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.

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

Involuntary Deductions Calculation Card Components for Mexico

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 Mexico:

- Base information
- Involuntary deduction data
- Involuntary deduction payment details
- Involuntary deduction rules
- Start and end dates

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 involuntary deduction 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. 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

Field	Required	Description
		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. 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 uniquely identifies the deduction. An employee can have more than one order of the same deduction element. For child support this is the **Child Support Order Reference** number.

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 Rules

In the Involuntary Deduction Rules section, enter the involuntary deduction number, received date of the order, the start date of the deductions, a description, the frequency of deductions, and the issuing authority such as Family Court.

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.

Involuntary Deduction Payment Details

The payment values provide details on how an involuntary deduction is 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.

Enterable Calculation Values on Calculation Cards

You can enter the order amount or percentage of net payment, fee, or other amounts used in the calculation on the Enterable Calculation Values tab.

Start and End Dates

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

- Effective As-of Date

  Set when the involuntary deductions card is created.

- Received Date

  Found under Involuntary Deduction Rules for the calculation component, this field indicates when the deduction order was received. Used to specify when the deduction begins in payroll if no start date is specified.

- Start Date

  Found under Involuntary Deduction Rules for the calculation component, this field determines when the deduction should begin deducting in payroll. If not specified, Oracle Fusion Payroll uses the received date.

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

- End Date

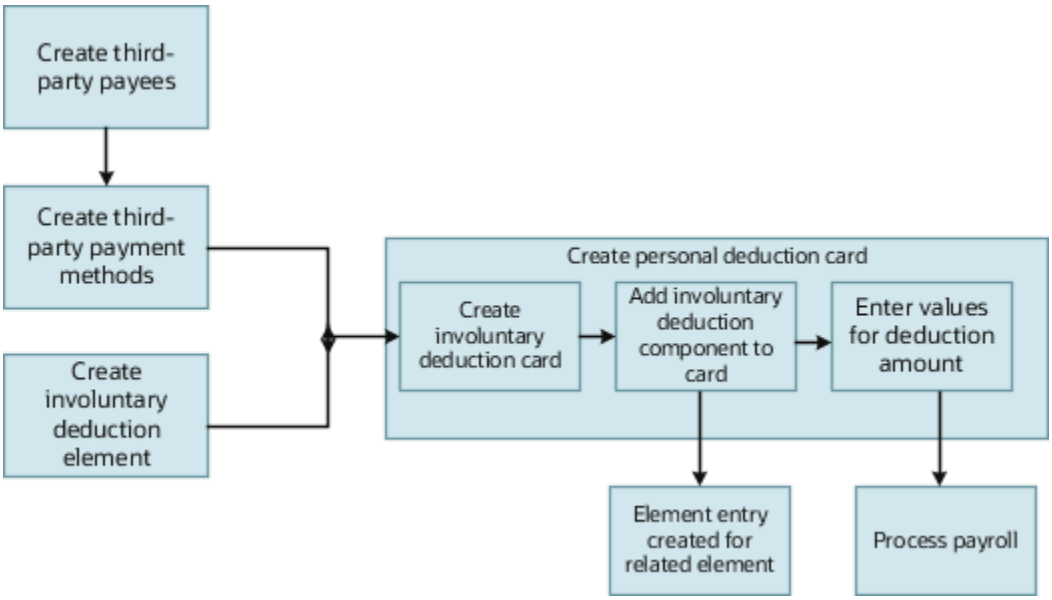
  When an involuntary deduction has been fully repaid, you must end date both the element and the calculation component. To end date a calculation component:

  a. End date all overrides associated with the calculation component and save.
  b. End date each of the calculation component details and save.
  c. End date the calculation component. Once the calculation component is end dated, the element entry is end dated.

Add Involuntary Deductions to a Calculation Card for Mexico

Use the Elements task to create involuntary deduction elements such as child support. When you create the element, the calculation component is created which you add to a person's Involuntary Deductions calculation card, so the deductions are processed during a payroll run.

This graphic flowchart shows how to create an involuntary deduction and add it to an Involuntary Deductions car. First it shows how to enter amounts and fees. These last three steps are described in detail in the rest of the topic.



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. 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 the **Create icon**.
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 Child Support Order Reference 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 child support involuntary deductions.

Under the Enterable Calculation Values on the Calculation Cards tab, the values you can enter are described in the table below.

Calculation Value	Description
Child Support Order Amount	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.
Child Support Order Percentage	Rate paid to the Order Amount Payee based on the frequency you specified. 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, enter a rate value of 0.20 in this field. Enter the percentage rate as a decimal value. For example, 25 percent is entered as 0.25.

Calculation Value	Description
	The same rules for frequency as defined for Child Support Order Amount apply to the Percentage.
Protected Pay Amount	Amount of the net pay an employee is left with after the involuntary deduction is taken.

Protected Pay for Mexico

For each 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 enter the protected pay amount.

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 child support orders are configured with different rules, one with a protected pay amount of 2000, and the other with an amount of 2500. The higher amount of 2500 is applied as the protected pay amount for both child support orders for the employee.

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 child support order deduction is processed first, that deduction impacts how much of the disposable income is available for subsequent deductions processed.

Protected Pay Rules

Configure protected pay rules for each individual deduction on the involuntary deduction card for the employee. Use the Enterable Calculation Values on Calculation Cards tab on the Calculation Cards page, to enter the protected pay amount.

Disposable Income Rule

For Mexico, the default value for disposable income is 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.

Calculation Value Definitions

Calculation Value Definitions

A calculation value definition specifies how a value is provided or calculated.

The value isn't 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 can't edit the predefined calculation value definitions.

In addition, when you create the following element types, the element template creates calculation value definitions based on your selections:

- Pensions
- Involuntary deductions
- Absences
- Time cards

Create or Edit Calculation Value Definitions

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

You can also create or edit calculation value definitions using the Calculation Value Definitions task in the Payroll section. 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 must 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 Payroll Calculation Information task to view and manage calculation factors.

Related Topics

- Calculation Factors
- Calculation Value Definitions Examples

Calculation Types in Calculation Value Definitions

The calculation type determines which values you must provide in the Calculation Values section of the Create or Edit Calculation Value Definition page.

For example, if you select Flat Amount as the calculation type, then you must provide a flat amount value. You specify a default calculation type for the definition, which you can override on individual rows in the Calculation Values section.

Predefined Calculation Types

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

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

Calculation Type	Description	UOM	Available in Create Flow
Flat Amount	Uses the specified flat amount as the total amount.	Money	Yes
Flat Amount Times Multiplier	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.	Money	Yes
Rate Definition	Retrieves a value by calling a rate definition.	Money	Yes
Number	Uses the number entered on the value definition as the calculated value.	Number	Yes

Calculation Type	Description	UOM	Available in Create Flow
Flat Rate	Applies the specified percentage rate to the balance. For example, to apply a rate of 10 percent, enter 10.	Number	Yes
Incremental Rate	Applies a different percentage rate to portions of the balance. For example, assuming that the balance is 80,000, you could apply a 1 percent rate for the first 20,000 of the balance. A 3 percent rate for the next 30,000, and a 5 percent rate to the next 30,000. This is also referred to as a blended rate.	Number	Yes
Flat Rate by Derived Base	Applies the percentage rate to a value. This value type derives the value from another value definition.	Number	Yes
Identifier	A new calculation type is required to support identifiers. For example, the value definition could capture a job ID and the value set feature would enable the user to display the name of the job on the page.	Number	Yes
Text	Uses the specified character string as the calculated value.	Text	Yes
Date	Uses the date entered as the calculated value.	Text (YY-MM-DATE, HOURS MINS SECS)	Yes
Conditional Flat Amount	Uses the specified flat amount if the condition defined in the Calculation section is met. For example, if a person's filing status is married or head of household, that person qualifies for an exemption. In such a scenario, you specify a flat amount value in the value definition and the condition database item returns the person's filing status. This calculation type supports predefined calculations, such as tax and social insurance.	Money	No
Flat Calculation Total	Supports retrieving value definitions for different range value criteria, including predefined	Money or Number	No

Calculation Type	Description	UOM	Available in Create Flow
	calculations, such as tax and social insurance.		
Incremental Calculation (Graded)	Supports retrieving value definitions for different range value criteria, including predefined calculations, such as tax and social insurance.	Money or Number	No
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.	Money or Number	No
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.	Money or Number	No

Specify View Objects

A view object is a query result set. You can specify a view object to define the valid values that are available to the selected calculation type.

Note:

- The view objects you can specify vary depending on the calculation type. For example, if the calculation type is **Conditional Flat Amount**, then specify view objects for the condition and flat amount values.
- When you specify a view object, include the fully qualified path name, such as:
  `oracle.apps.hcm.locUS.payrollSetup.details.publicView.UsStatePVO`

Related Topics

- Calculation Value Definitions
- How Entries of Personal Calculation Cards Fit Together
- Calculation Value Definitions Examples

11 Setting Up Elements

Element Classifications

Primary Element Classifications

Primary element classifications are defined by Oracle Fusion to meet legislative requirements, and are supplied to users with the product.

Primary Classifications

Elements are grouped into primary classifications, such as Earnings and Voluntary Deductions. In a human resources department, you can use the primary classifications to identify groups of elements for information and analysis purposes. In a payroll department, the classifications control processing, including the sequence in which elements are processed and the balances they feed. Oracle Fusion provides primary classifications and some balances, mainly to reflect tax legislation. They are designed to meet the legislative requirements of your country, so you can't change or delete them. You can create additional balances to be fed by any of the primary classifications.

For example, in a human resources department, you can use them to identify groups of elements for information and analysis purposes.

Secondary Element Classifications

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

Secondary classifications are subsets of the primary classifications. In some legislations, secondary classifications are predefined. As with primary classifications, you can't remove or change any predefined secondary classifications, and you can't disable any of the predefined balance feeds created for them.

How Element Classification Components Work Together

When you create an element, you select a primary classification, such as Involuntary Deductions, and optionally a secondary classification, such as Child Support.

The classifications, which vary by country or territory, control the element template questions you answer to define the element. An element may automatically inherit subclassifications from its primary classification. You can optionally select more subclassifications for an element to control the balances it feeds.

Primary Classifications

Primary classifications meet the legislative requirements of your country or territory, so you can't change them.

In a payroll department, the classifications control processing, including the sequence in which elements are processed and the balances they feed.

Secondary Classifications

Use secondary calculations to manage wage basis rules for deductions and taxes. You can't remove or change any predefined secondary classifications. In some countries or territories, you can create your own secondary classifications.

Subclassifications

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

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

Costing

Each primary classification includes these costing rules:

Rule	What It Does
Allow Costing	If set to Yes, you can select any costing option for element eligibility records.
Allow Distribution	If set to Yes, you can create distribution groups with elements in this classification. For example, you can create a distribution group with all the earnings elements. And prorate tax expenses proportionately over the cost centers in which the wages were earned.

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

- How Element Processing Sequence is Determined
- Payroll Balance Definitions

Element Classifications for Mexico

The Oracle Global Human Resources Cloud Payroll for Mexico provides a suite of predefined element classifications for use when defining earnings and deduction elements.

Primary classifications are defined to meet legislative requirements of your country or territory, and hence you can't change them. In a payroll department, the classifications control processing, including the sequence in which elements are processed and the balances they feed.

Secondary classifications are subsets of the primary classifications. You can't remove or change any predefined secondary classifications. In some countries or territories, you can create your own secondary classifications.

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

Use the Elements task from the Payroll Calculation work area to create elements.

Primary and Secondary Classifications, and Subclassifications

This table lists the primary classifications and the associated secondary classifications, including subclassifications, that are applicable for Mexico.

Primary Classifications	Secondary Classifications	Subclassifications
Absences	• Maternity • Other • Sickness • Vacation	Absences Subject to Social Insurance Calculation
Balance Initialization	N/A	N/A
Direct Payments	• Expense Reimbursement • Loans and Advance Payments • Miscellaneous	N/A
Employee Tax Credits	N/A	N/A
Employer Liabilities	Benefits Employer Paid	N/A
Employer Taxes	N/A	N/A
Information	• Basic • Provisions • Social Security	Social Security Deductions Subject to Minimum Wage Protection Calculation
Involuntary Deductions	Child Support	N/A
Pretax Deductions	• Child Assistance • Retirement Fund Employee Contribution Festival Special Payments	N/A

Primary Classifications	Secondary Classifications	Subclassifications
Severance Pay	• Indemnities • Seniority Premium	N/A
Social Insurance Deductions	N/A	N/A
Standard Earnings	Regular	• Eligible Compensation for Profit Sharing • Eligible Days for Fixed Earnings • Eligible Worked Days for Profit Sharing • Fixed Earnings • Integrated Daily Wage (IDW) Variable Basis Eligible Compensation • Severance Fixed Basis Eligible Compensation • Severance Variable Basis Eligible Compensation • Variable Earnings
Supplemental Earnings	• Attendance and Punctuality Incentives • Birth Assistance • Christmas Bonus • Deceased Employee Family Assistance • Dominic Premium • Educational Assistance • Glasses Assistance • Healthcare Reimbursement • Holiday Worked • Incentives, Awards, and Prizes • Labor Risk or Sick Indemnity • Marriage Assistance • Meals Assistance • Moving Assistance • Other Overtime • Overtime • Pantry Allowance in Cash • Profit Sharing • Rent Assistance • Savings Fund Employer Contribution • Savings Fund Interest and Settlement • Scholarship for Children of Workers • Scholarship for Workers • Social Foresight Earnings	N/A

Primary Classifications	Secondary Classifications	Subclassifications
	• Transportation Assistance • Union Quota Paid by Employer • Vacation Premium • Worker Social Security Quota Paid by Employer	
Tax Deductions	N/A	N/A
Taxable Benefits	• Fuel Coupons • Pantry Coupons • Pantry in Kind • Restaurant Coupons • Retirement Fund Employer Contribution • Uniform Coupons	• Eligible Compensation for Profit Sharing • Eligible Worked Days for Profit Sharing • Integrated Daily Wage (IDW) Variable Basis Eligible Compensation • Severance Fixed Basis Eligible Compensation • Severance Variable Basis Eligible Compensation • Social Foresight Earnings
Voluntary Deductions	• In favor of Employee • In favor of Employer • In Favor of Third Parties	N/A

How Element Processing Sequence is Determined

You can set a predefined sequence in which a payroll run processes elements. An element's primary classification defines a default processing priority for the element in payroll runs. Lower priority numbers process first.

Most classifications also have a priority range. You can override the default processing priority. To set the priority, edit the element on the Element Summary page. Setting a specific priority establishes the order in which the element processes with respect to other elements in the classification.

Sometimes you must prioritize the processing of certain element entries for an individual person. For example, you may need to determine the precise order in which deductions taken for wage attachments process for a person. In this case, enter a subpriority number for element entries.

Element Employment Level

Employment Level Options for Payroll Elements

Your enterprise uses an employment model. When you create elements, you select the employment level at which to attach the element. If you select a level below payroll relationship, each assignment record can have separate element entries.

Payroll Relationship Level

This level is the highest level for accumulating balances. Every payroll run processes payroll relationship elements.

Here are the typical elements to define at payroll relationship level:

- Tax deductions
- Pension
- Child support
- Medical care
- Union dues
- Benefits activity rate calculations, such as employee contributions and flex credits

Assignment Level

Use this lowest level for elements that require different entries for different assignments, or when the element applies only to specific assignments.

Here are the typical elements to define at assignment level:

- Assignment salary
- Regular hours
- Overtime
- Sales bonus
- Profit-sharing bonus

Element Input Values

Payroll Element Input Values

An element's input values define the entry values available on each entry of an 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 that's 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 more input values for any element, as needed.

> **Note:** You can't add an input value to the element if any payroll process were run after the element was created. This behavior holds good irrespective of whether the payroll run included this element or not. To add input values, rollback all processes that were ran after the element creation date.

Input Value Options

For each input value created, you can change these attributes:

Field Value	What You Do
Display Sequence	Enter a number to control the display order of the entry value on element entries.
Special Purpose	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 helps with processing the input value based on what type of information it holds.
Unit of Measure	Select the value that describes the type of value the entry value can hold, such as number or character.
Displayed	Select to display the input value on the element entry.
Allow User Entry	Select to enter values on element entries.
Required	Select to make the input value a required entry value on the element entry. If you select **Required**, you must also select **Displayed** and **Allow User Entry**.
Create a Database Item	Select to make the values available for formulas or HCM extract.
Rate Formula	Select a rate calculation formula, for example to return a value from a user-defined table. This option only applies to the Primary input value for elements associated with rate definitions that have the Element method and a contributor type of Amount. If you select a formula, you must not select **Allow User Entry**.
Default	Enter a value that appears as the default value for this entry value in element entries, if needed.
Apply default at runtime	Select to apply the default value when you run the payroll process, rather than when you create the element entry. This selection ensures you use the latest value on the date of the payroll run. You can manually override the default value on the element entry.
Minimum	Enter a minimum value, if needed.
Maximum	Enter a maximum value, if needed.

Field Value	What You Do
Validation Formula	Enter a formula that validates the entry value entered on element entries, if needed.
Validation Source	Use with the other input value options to select the valid validation method, such as lookups or formulas.
Lookup Type	Specify a lookup type to provide a list of values for an entry value. This option is available for input values of type Character only.
Warning or Error	Use when you're validating the input value or entering a minimum or maximum value. It specifies whether a warning or an error displays if the entry fails the validation condition or doesn't meet the minimum or maximum value indicated.
Reference	Use to associate a balance context with the run result. For example, you can associate a context, such as jurisdiction, with an element. Create an input value for jurisdiction and select the jurisdiction context in the **Reference** field. Then the run result value of the input value works as a context value when updating the balance. If you select a reference, then the lookup type and validation source values should be automatically set to the reference context. You must provide the **Reference** field first for the validation source value to be automatically populated.
Value Set	Specify a value set to provide a dynamic list of values for an entry value. This option is available for input values of type Character only.

CAUTION: Once an element is processed, you can't update certain input value attributes, such as unit of measure. This restriction ensures that you can't change attributes that would invalidate prior results.

This table provides examples of the allowable formats, depending on the unit of measure (UOM) specified for the entry value.

Unit of Measure	Sample Entry Value	Display in Application
Character	C	Complete
Integer	12345	12,345
Number	12345.6789 0.123456789	12,345.6789 0.123456789
Day	123 0.123	123 0.123
Money	12345	12345.00

Unit of Measure	Sample Entry Value	Display in Application
	-12345.67	<12345.67>
Hours in decimal format, 1 place	12345	12345.0
Hours in decimal format, 2 places	12345	12345.00
Hours in decimal format, 3 places	12345	12345.000
Hours expressed as a numeric value	12345	12345
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 displays as **Complete**. Conversion to display formats is based on the profile option value and locale.

Related Topics

- How Element Setup Affects Entries and Their Values
- Payroll Elements
- Use a Value Set for an Element Input Value
- Create and Edit Profile Options

Use a Value Set for an Element Input Value

You can use value sets to provide a dynamic list of values for an element input value. Use a value set for lists containing values that already exist in tables.

For example, 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.

Use the **Manage Value Sets** task in the Setup and Maintenance work area.

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.

This 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
Validation Type	Table
Value Data Type	Character

Note: To enable the Value Set field on the Manage Elements page you must select Character as the Unit of Measure for the input value.

To improve the performance of your value set queries, use these contexts to filter the value set records:

- PayrollRelationshipId
- PersonId
- PayrollTermId
- PayrollAssignmentId
- LegDataGroupId
- LegCode
- SysEffectiveDate

WHERE Clause example: `pay_pay_relationships_dn.payroll_relationship_id = :{PARAMETER.PayrollRelationshipId}`

Note: If you use these contexts in your value set SQL, make sure the WHERE clause parameter name matches the context name.

In this example, an element contains input values for legislative data group and element name. The list of values for element name depends 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, here are the steps:

- 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

Create 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.
2. Click **Create**.
3. Complete the fields, as shown in this table.

Field	Value
Value Set Code	LDG_VS
Description	Retrieve Legislative Data Groups
Module	Global Payroll
Validation Type	Table
Value Data Type	Character
FROM Clause	`PER_LEGISLATIVE_DATA_GROUPS_vl`
Value Column Name	`NAME`
ID Column Name	`LEGISLATIVE_DATA_GROUP_ID`
WHERE Clause	`business_group_id=202` **Tip:** To avoid failure of the value set, use IDs instead of names in case the display name changes in the future.
ORDER BY Clause	`NAME`

4. Click **Save**.

Create 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.

Field	Value
Value Set Code	ELE_VS
Description	Elements
Module	Global Payroll
Validation Type	Table
Value Data Type	Character
FROM Clause	`pay_element_types_f`
Value Column Name	`base_element_name`
ID Column Name	`element_type_id`
WHERE Clause	`LEGISLATIVE_DATA_GROUP_id=:{PARAMETER.LDG_IP}` **Note:** LDG_IP is the input value name.
ORDER BY Clause	`base_element_name`

3. Click **Save**.

Add the Value Set Codes to the Elements Page

1. On the Home page, click the **Elements** quick action under the **My Clients Groups** tab.
2. Create a new element to meet your requirements and then click **Submit**.
3. When the Element Summary page displays, click the **Input Values** folder.
4. Click **Actions** and then select **Create Input Values**.
5. Enter the name LDG_IP and the display sequence for the input value.
6. Select **Character** as the Unit of Measure.
7. Enter **LDG_VS** in the Value Set field.
8. Go to the Default field and select a legislative data group.
9. Click **Save**.
10. Click **Submit**.
11. Repeat these steps to create an element input value using the ELE_VS value set.

You can override the default values on the Element Eligibility - Input Values page for a specific eligibility record.

Element Entries

Enable Automatic, Multiple, or Additional Element Entries Options

You can select one of these options for an element to define how you can update its element entries:

- Automatic entry
- Allow multiple entries in same period

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 do these tasks:

- 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.
- Monitor the progress of the Generate Automatic Element Entries flow on the Processes and Reports tab.

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. Let's consider the scenario when you enter overtime hours on a weekly basis for a person that's paid monthly. In this case, you might need to enter five entries on an overtime element in each period.

If you're creating a net-to-gross element, you must select **Allow multiple entries in same period**.

Note: An element with the Automatic entry option selected can't allow multiple entries in the same period.

Related Topics

- Default Values for Element Entries
- Element Entry Methods
- Status of Flow Tasks

Options to Determine an Element's Latest Entry Date

An element's latest entry date determines how element entries process after a person is terminated or transferred to another payroll.

The options include: final close, last standard earning date, and last standard process date. These are the predefined options. You can create others that fit your business needs.

Final Close

Use this option to let the element 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

Use this option to stop all element entries on the date the person leaves. You can 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 application sets the value for the last standard process date to the last day of the pay period in which the person is terminated. However, you can set it to a later period when you terminate the person. The application stops all element entries on the last standard process date or on the date the assignment ends, if it's earlier.

Related Topics

- How Element Setup Affects Entries and Their Values
- Payroll Elements

Default Values for Element Entries

Specify default values for element entries using the Elements task. Your element setup controls when the default value affects element entries.

You can apply the default value in any of these scenarios

- When you create an element entry
- At run time
- When you use a formula to define default values on one or more entry values

You can do these actions:

- Set a default value for an input value, or select a defaulting formula for the element.
- Override the default value or formula for a specific group of employees that an element eligibility record identifies.

- Override the default value for specific employees on their element entries.

Define Default Values at Element Entry Creation

When you create or edit input values, you can specify a default value. If you don't select the **Apply default at runtime** option, subsequent updates to the default value have no effect on existing element entries. Users can override or change the default value at any time.

Define Default Values at Runtime

To use this method, enter the default value and select the **Apply default at runtime** option for the input value. If the element entry value is left blank, the payroll process uses the current default value from the element or element eligibility record. If you enter a value, the manual entry overrides the default value and updates to the default value don't affect that entry. If you want to restore the default value, clear the entry.

Use a Formula to Provide Default Values

You can create a formula of type element input validation to provide default values for one or more entry values. Select this formula in the Defaulting Formula field for an element or element eligibility record.

Here's the order of precedence:

1. A formula at the element eligibility level overrides a formula at the element level.
2. If you enter a default value for the input value and select a defaulting formula, the formula overrides the default value.

Related Topics

- How Element Setup Affects Entries and Their 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.

Also, you can calculate entry values based on the user's entries in other entry values.

You select the formula on the Element Summary page in these fields:

Page Section	Field	Purpose	When Does the Formula Run?
Element Details or Element Eligibility	Validation Formula	Validates one or more entry values for the element based on entries in other entry values.	When you save the element entry.
Element Details or Element Eligibility	Calculation Formula	Provides values for one or more entry values using a calculation formula that takes input from these entry values or other entry values.	When you save the element entry.
Element Details or Element Eligibility	Defaulting Formula	Provides default values for one or more entry values.	When you create the element entry.

Page Section	Field	Purpose	When Does the Formula Run?
Input Value	Validation Formula	Validates one entry value independent of others.	When you enter a value.

Note: A formula at the element eligibility level always overrides an equivalent formula at the element level.

Here are the contexts that are available to all formulas of this type:

- LEGISLATIVE_DATA_GROUP_ID
- DATE_EARNED
- EFFECTIVE_DATE

These contexts are available to formulas only at element or element eligibility level; they aren't available 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

Here are the input variables that are available to formulas of this type.

Formula Usage	Input Variables	Comments
Validation formula at input value level	`entry_value`	Passes the value to be validated. You must declare the input variable as the appropriate type for the element input value.
Validation formula at element or element eligibility level	Any element input value name that corresponds to an entry value.	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.
Defaulting formula	None	Use database items or other logic instead.
Calculation formula	Any element input value name of an entry value.	Replace spaces with underscores. You need not provide all the available entry values.

Here are the return values that are available to formulas of this type.

Formula Usage	Return Values	Comments
Validation formula at any level.	`formula_status`	Must be either 'S' (success) or 'E' (error). Required.
Validation formula at any level.	`formula_message`	The text of the message is passed to the user if the validation fails. Optional.
Defaulting formula	Any element input value name of an entry value.	A return value overrides any default value that's provided on the input value in the element or element eligibility record.
Calculation formula	Any element input value name of an entry value.	You don't need to return all the available entry values. You can return the entry values that were passed as input variables or other entry values.

Here are a few sample formula that you can use:

- 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:

```
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:

```
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:

```
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:

```
if(CATEGORY = 'S') then
(
rate = 20
)
else
(
rate = 30
)
rate_code = 'B'
return rate, rate_code
```

Formula Result Rules for Elements

An element's status processing rule identifies the formula that the payroll run uses to process the element for workers with a specified assignment status. For each status processing rule, formula result rules determine what happens to each result that the formula returns.

Status Processing Rules

An element can have one status processing rule for all assignment statuses, or a different rule for each status. For example, you could have two rules for a Wages element: Standard Wages and Paid Training Leave.

Formula Result Rules

Formulas return formula results, such as the amount to be paid, or a message. Results can update the current element entry or another element entry with a lower processing priority.

This table explains the available result rules.

Results Rule	What's Its Use
Direct Result	The element's run result, or a direct result updating one of the element's input values.
Indirect Result	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.
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 - Causes the run to roll back all processing for the employment record. • Warning - Doesn't affect payroll processing but warns you of a possible problem. • Information - Doesn't affect payroll processing.
Order Indirect	Updates the subpriority of the element you select in the Target Element Name field.

Results Rule	What's Its Use
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 aren't actually end dated but stopped from future processing. This rule supports retroactive processes which impact the total owed balance. You should define the target element with Allow Multiple Entries selected. This option enables you to allocate a new entry once the value of an existing entry has reached zero. For example, once an employee has repaid a loan you can add a new loan entry for the employee. If you add a new stop entry for the same element type, use balance contexts to differentiate between the owed balances. **Note:** Let's assume you don't select Allow Multiple Entries and you add a second loan after the first loan has been stopped by a payroll run. In this case, end date the first loan before creating the second loan.
Target Indirect	An entry to a nonrecurring element that has a lower processing priority. Here, the target element is defined at a different employment level than the element being processed. For example, you could use a Target Indirect rule to update the input value of an assignment-level element from the processing of a payroll relationship element.

Element Eligibility

Payroll Element Eligibility

Use element eligibility to determine which people are eligible for an element. To determine eligibility, you select the criteria that people must receive entries of the element.

In these examples, you restrict who can receive an element entry:

- Your enterprise provides company cars only to people in the sales or customer support departments. You create two eligibility records, and use the Department field to specify the eligibility criteria. Select Sales Department for one record and Customer Support for the second record.
- Your enterprise offers a production bonus to people who work full-time in production and are on the weekly payroll. You create one eligibility record and select Full-time regular in the Employment Category field, Production in the Department field, and Weekly in the Payroll field.

Eligibility Criteria

You can define element eligibility using these criteria.

Level	Available Criteria
Payroll Relationship	Payroll Statutory Unit Relationship Type

Level	Available Criteria
Items Assignment	Legal Employer Department in which the person works Job, for example, associate professor or secretary Grade Employment Category People Group Legal Employer Department, same as in Items Job, same as in Items Grade Employment Category People Group: To set up logical entity specific people group, on the Create Element Eligibility page, select the required values in these options: • Legal Employer • People Group If you don't select a legal entity as a criteria, then the application looks for the people group associated at the enterprise level. By default, the enterprise level people group is available. **Note:** You set up all the people groups that are appropriate for your enterprise. For example, you could decide to group people by company within a multi-company enterprise, and by union membership. Location of person's office Position, which is a class of job performed in a particular organization, for example, associate professor of chemistry, or finance department secretary. Payroll All payrolls eligible **Note:** You're advised to define eligibility rules based on the payroll criteria for all assignment elements such as salary. Select the 'All Payroll Eligible' option if your company doesn't have eligibility rules based on an employee's payroll. The 'All Payroll Eligible' option ensures all employees who are assigned to a payroll will be eligible for the element. Bargaining Unit Collective Agreement Union Member

Level	Available Criteria

Tip: You must define element eligibility for every element, including predefined elements. You are advised to define eligibility rules based on the payroll criteria for all assignment level elements. It is also common practice for payroll customers to define costing rules on the element eligibility record. Additional eligibility rules can be defined for compensation and benefit elements using eligibility profiles.

Multiple Rules of Eligibility

You can define more than one eligibility record for each element, but there must be no overlap between them.

For example, you can create one record for the combination of grade A and the job of accountant. However, you can't create one record for grade A and a second for the job of accountant. These rules would imply that an accountant on grade A is eligible for the same element twice.

If you have more than one element eligibility record, you can enter different default values and costing information for each eligibility group.

Related Topics

- Maintain Element Eligibility

Maintain Element Eligibility

After saving an element eligibility record, you can only make certain changes. You can't update the eligibility criteria.

This table summarizes the actions you can take.

Action	What's The Result
Change the input value default values and validation	These changes affect all new entries, and updates to existing entries. Changes to runtime defaults affect existing entries too.
Delete the element eligibility record	The application automatically ends all existing recurring entries when you end the element's eligibility. **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.

Related Topics

- Payroll Element Eligibility

Add Eligibility Rules for Predefined Elements

If the country extension on the Manage Features by Country or Territory page is set to Payroll or Payroll Interface, you must add element eligibility records for predefined statutory deduction elements before you hire any workers.

Here's how you can search for the predefined elements:

1. Go to the **Elements** task.
2. Click **Go to Task**.
3. Search for these predefined elements:

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, Bahrain, Qatar and Oman	Social Insurance Gratuity GOSI
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.

Here's how you can 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.

   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**.

Absence Elements

Overview of Absence Elements for Mexico

Absence Management provides a means for accurate absence administration, tracking, reporting, and payroll calculations.

Mexico supports these absence types:

- Vacation
- Sickness
- Maternity
- Other

Absence management and payroll are integrated. Payroll processing requires specific information, which is received from the Absence Management application. It's only passed if it's configured to do so in the absence plan. The payroll process uses this information to calculate the absence payment.

In the absence plan, select the Payroll Integration and associate the absence element with the plan.

Absence management gives you the ability to manage various types of absences. The process includes:

1. Create the absence element using the Elements task with a primary earnings classification of Absences.
2. Select the secondary classification for the type of Absence such as Vacation or Sickness. Creating the absence element in payroll creates the calculation components the Calculation Information Repository requires.
3. Define the absence plan using the Absence Plans task and select the absence element within the plan itself.
4. The person's absence calculation card can be created two ways:
    - The employee enters their absence through self-service
    - You enter an absence for an employee using the Absence Records task

    The task:
    a. Creates the employee's absence calculation card.
    b. Links the absence plan to the calculation component on the person's calculation card.
5. Use the Absence Records task to approve the absence. This transfers the daily and summary breakdown information to Oracle Fusion Cloud Global Payroll.
6. Process the payroll that includes these absence entries and view the resulting absence balances on the person's Statement of Earnings. After you process and archive payments, you can view the resulting absence balances on the person's payslip.

High-Level Steps

The majority of the setup for the processing of absences is from Absences in **My Client Groups**. Absence Management and Payroll Calculations are integrated. This table outlines the high-level list of all the absence and payroll steps involved to configure and process absences.

Procedure	Action
Creating Rate Definitions	Create rate definitions for calculating accruals and liability balances, and salary reductions. Payroll uses the rate definition to calculate absence payments for the employee.
Creating Absence Elements	Create an absence element for each absence plan that transfers absence payment information for payroll processing.
Creating Derived Factors	Create derived factors to define how to calculate certain eligibility criteria that change over time.
Creating Eligibility Profiles	Create eligibility profiles to define criteria that determine whether a person qualifies for objects that you associated with the profile.
Creating Absence Plans	Create an absence plan, and ensure the following is defined for payroll: • Select the **Transfer absence payment information for payroll processing** check box. • Select the element for the plan in the **Element** field.
Creating Absence Types	Create absence types, and associate them to the absence plans.
Enrolling Employees in Absence Plans	Enroll employees in the absence plan, if explicitly required.
Processing Accruals	If an employee is enrolled in an accrual plan, you must run the accrual process.
Creating Employee Absence Records	Record an absence for the employee. This transfers the absence information to Oracle Fusion Global Payroll, assuming the absence is approved and the option to transfer information to payroll is configured.
Processing Payroll	Process the payroll that includes the absence entries.
Viewing Absence Balances	View the employee's absence and accrual balances in the Statement of Earnings, payslip, cheque advice, and reports.

Navigation

Use these tasks to configure objects for processing absences in payroll:

Object	Setup Task	Area
Rate Definition	Rate Definitions	Payroll
Absence Element	Elements	Payroll
Derived Factors	Derived Factors	Absence
Eligibility Profile	Eligibility Profiles	Absence

Object	Setup Task	Area
Absence Plan	Absence Plans	Absence
Absence Types	Absence Types	Absence

Payroll Processing

Once the information is transferred to payroll and the entries are generated, you can process the payroll that includes the absence entries. Then view the resulting absence balances on the person's Statement of Earnings.

Absence Balance Review

Once you have processed and archived payroll, the employee's absence and accrual balances are displayed on the employee's Statement of Earnings, payslip, cheque advice, and reports.

Define Payroll Elements for Processing Absences for Mexico

You define elements to calculate and process absence payments in Oracle. Create an absence element for each absence plan that transfers absence payment information for payroll processing.

When you create the plan, you must select the absence element to link it to the absence plan.

When you define an absence element, your responses to the element template questions determine which elements, balances, formulas, and calculation components the template generates.

Define an absence element, selecting a primary classification of Absence, and a secondary classification. For Mexico, the predefined secondary classifications for Absences are Maternity, Other, Sickness and Vacation. Use the Elements task from Payroll in My Client Groups or from Setup and Maintenance.

Defining an absence element involves these tasks:

- Complete absence plan detail questions
- Complete Mexico elements questions
- Complete accrual liability and balance payments questions
- Complete absence payment questions
- Complete unpaid absence payment questions
- Submit the element
- Defining element eligibility records and cost distributions

Complete Absence Detail Questions

The questions you complete in the Absence Details section determine which subsequent questions the template displays. You enter this information in the Absence Details section:

1. Specify the calculation units to use when reporting the absence, for example that's shown on the payslip, and statement of earnings. Typically, you select Days or Hours for your reports that correspond to the units for

your absence plan. When creating an absence element, select the Work Units Conversion Rule to calculate the absence rate. For Mexico, this is the Mexico Rate Conversion.

2. Select the absence information to transfer to payroll based on the type of absence management plan.

Absence Management Plan Type	Absence Information to Transfer	Examples
Accrual	Accrual Balances	A vacation accrual plan that's not processed through payroll. The leave isn't shown separately on the statement of earnings.
Accrual, Leave Donation, Compensatory	Accrual Balances and Absences	A vacation accrual plan that's processed through payroll. The leave is shown separately on the statement of earnings.
Qualification	Qualification Absences	A maternity plan that's processed through payroll. The leave is shown separately on the statement of earnings.
No Entitlement	No Entitlement Absences	A no entitlement leave plan that's processed through payroll. The leave is shown separately on the statement of earnings.

Complete Mexico Elements Questions

The absence element template contains Mexico-specific rules that require user input. Complete these questions to determine whether the element result will reduce the earnings amount used for ISR tax calculation and the employer state tax respectively.

- Does this element result reduces the ISR subject basis?
- Does this element result reduces the state subject basis?

In the **Special Rules** section, complete these questions related to CFDI:

- What is the CFDI Code when this element result is positive?
- What is the CFDI Code when this element result is negative?

> **Note:** These questions are mandatory and you must select for each question, a CFDI code from the list of values. These CFDI codes are included in your CFDI file to be stamped by the SAT, the Mexican federal government agency for tax administration.

Complete Accrual Liability and Balance Payments Questions

If you're going to transfer accrual balances, complete these questions.

Element Template Section	Question	Description
Accrual Liability and Balance Payments	Calculate absence liability?	Select Yes, if you want to calculate the liability balance. Use the associated rate field to select the rate to use in the liability balance calculation. Usually the rate is the same as the absence payment rate. You might select a different rate when estimating liability for billing purposes.
Accrual Liability and Balance Payments	Does this plan enable balance payments when enrollment ends?	Creates the Final Disbursement shadow element, if the value selected is Yes. If No, the shadow element isn't created.
Accrual Liability and Balance Payments	Does this plan enable partial payment of balance?	Creates the Discretionary Disbursement shadow element, if the value selected is Yes. If No, the element isn't created.

Complete Absence Payment Questions

You can choose to reduce the employee's regular earnings by the full absence payment or a defined rate on the Additional Details page of the element template. Select the appropriate option as defined in this table.

Question	Steps
Reduce regular earnings by absence payment	Does not require a rate definition.
Select rate to determine absence deduction amount	Select this option if your absence payments: • Is at a different rate than your absence reduction In this case, use the associated rate fields to select the rates to determine the absence deduction amount and rate to use in the absence calculation. • You are processing unpaid absences In this case, refer to the next section on how to configure an unpaid absence.

Submit the Element

When you submit the element, the template automatically configures a base pay element, balances, formulas, and calculation components.

The template also configures additional shadow elements, depending on the options selected in the template to transfer absence information, as shown in this table.

Element Name	Purpose
<Absence Name>	Absence element you associate with the absence plan.

Element Name	Purpose
<Absence Name> Accrual <Absence Name> Accrual Calculator <Absence Name> Accrual Result	Shadow elements: • Retrieves absence accrual information from Absence Management • Processes liability
<Absence Name> Entitlement <Absence Name> Entitlement Calculator <Absence Name> Entitlement Result	Shadow elements: • Retrieves absence accrual information from Absence Management • Processes absence payments and deductions
<Absence Name> Entitlement Retroactive	Shadow element used to process absence payments and deductions in retroactive processing.
<Absence Name> Discretionary Disbursement <Absence Name> Discretionary Disbursements Calculator <Absence Name> Discretionary Disbursements Result	Shadow elements: • Retrieves partial payment information from Absence Management • Processes these disbursements
<Absence Name> Discretionary Disbursement Retroactive	Shadow element used to process partial payment disbursements in retroactive processing.
<Absence Name> Final Disbursement <Absence Name> Final Disbursement Calculator <Absence Name> Final Disbursement Result	Shadow elements: • Retrieves final payment information from Absence Management, such as upon employee termination • Processes these disbursements
<Absence Name> Final Disbursement Retroactive	Shadow element used to process final payment disbursements in retroactive processing.

Define Element Eligibility Records and Cost Distributions

Define element eligibility records for all the elements generated by the template, for example for the base element, the accrual and entitlement elements, discretionary and final disbursement elements. For example, for the element Vacation 1, you must create element eligibility as follows:

- <base element> (Vacation 1)
- <base element> accrual (Vacation 1 Accrual)
- <base element> entitlement (Vacation 1 Entitlement)

If you chose to create the final disbursement or discretionary elements, you must also create element eligibility for these shadow elements:

- <base element> discretionary disbursement (Vacation 1 Discretionary Disbursement)

- <base element> discretionary disbursement result (Vacation 1 Discretionary Disbursement Result)
- <base element> final disbursement (Vacation 1 Final Disbursement)
- <base element> final disbursement result (Vacation 1 Final Disbursement Result)

If you're processing retroactive payments, you must also create element eligibility for these retroactive shadow elements:

- <base element> entitlement retroactive (Vacation 1 Entitlement Retroactive)
- <base element> discretionary disbursement retroactive (Vacation 1 Discretionary Disbursement Retroactive)
- <base element> final disbursement retroactive (Vacation 1 Final Disbursement Retroactive)

If your enterprise calculates cost distributions, specify costing element eligibility for these payment elements:

- Base absence entitlement, entitlement results, and entitlement retroactive elements
- Discretionary disbursement, disbursement result, and disbursement retroactive elements
- Final disbursement, disbursement result, and disbursement retroactive elements

The costing process would cost the change in the liability balance since the last payroll period, debit the expense account and credit the liability account.

You must determine how to cost element eligibility records, including which type of costing to apply and which input value to cost. You determine which account numbers to specify for the cost account segments, such as the natural account, and which offset account balances the cost account.

Related Topics

- Import Absence Entries to Payroll
- Element Costing Options
- Define Payroll Elements for an Absence Accrual Plan
- Rates Used to Calculate Absences in Payroll

Define Payroll Elements for an Absence Accrual Plan for Mexico

This example shows how you can define an absence element for a vacation accrual absence plan. Based on your setup decisions, this procedure configures these 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.

This table summarizes key decisions for this scenario.

Decisions to Consider	In This Example
What type of an absence are you transferring to payroll?	Accrual balances and absences
Who is eligible to receive this element?	All workers
What units do you want to use for reporting calculations?	Days
Do you want the element to calculate absence liability?	Yes
Which rate should the calculate absence liability use?	Liability Rate
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 reduce earnings for employees not requiring a time card?	Reduce regular earnings by absence payment
What type of taxation applies to this element?	Regular
What is the CFDI Code when this element result is positive?	001 Wages and Salaries
What is the CFDI Code when this element result is negative?	064 Adjustment - Other income due salaries Subject

Before You Begin

Ensure that you configured a rate definition to determine the monetary value of a unit of absence, and depending on your enterprise, separate rates to calculate liability, discretionary disbursement, and final disbursement payments. You configure a rate definition using the Rate Definitions task from Payroll in My Client Groups or Setup and Maintenance.

How to Define a Liability Rate Definition

Before creating the rate definition, create a standard earnings element with a primary classification of Standard Earnings and category of Standard.

1. Using the Rate Definitions task create a rate definition and make these selections:

Field	Value
Category	Element
Effective Start Date	Select the start date, 01/01/2020. It must be on or after the effective start date of the standard earnings element you created.
Legislative Data Group	Select your legislative data group.
Storage Type	Amount
Element Name	Select the name of the standard earnings element you created from the list of values.
Periodicity	Workday
Periodicity Conversion Formula	Mexico Rate Conversion
Rate Contributors Periodicity	Workday

2. Save your work.

How to Define an Absence Element

1. From Setup and Maintenance or Payroll in My Client Groups, use the **Elements** task.
2. Click **Create**.
3. On the **Create Element** dialog box, complete the fields as shown in this table.

Field	Value
Legislative Data Group	Select your legislative data group.
Primary Classification	Absences
Secondary Classification	Vacation

Field	Value
Category	Absence

4. Click **Continue**.
5. On the Create Element: Basic Information page, complete the fields as shown in this table. Use default values for fields unless the steps specify other values.

   You can enter up to 50 characters for the element name. If you enter more than 50 characters, the application will automatically shorten the name.

Field	Value
Name	Vacation
Reporting Name	Vacation
Effective Date	01/01/2010
Input Currency	Mexican Peso

6. In the Absence Plan Details section, complete the fields as shown in this table. Use default values for fields unless the steps specify other values.

Field	Value
What calculation units are used for reporting?	Days
Work Units Conversion Rule	Mexico Rate Conversion
What type of absence information do you want transferred to payroll?	Accrual Balances and Absences

7. Click **Next**.
8. On the Create Elements: Additional Details page, in the Accrual Liability and Balance Payments section, complete the fields as shown in this table. Use default values for fields unless the steps specify other values.

Field	Value
Calculate absence liability?	Yes

Field	Value
Which rate should the liability balance calculation use?	Liability rate This is the rate definition created in the previous section. **Note:** Usually the rate is the same as the absence payment rate. You might select a different rate when estimating liability for billing purposes.
Does this plan enable balance payments when enrollment ends?	Yes **Note:** The Final Disbursement element is created. If you select No, the Final Disbursement element isn't created.
Which rate should the final balance payment calculation use?	Final disbursement rate
Does this plan enable partial payment of balance?	Yes **Note:** The Discretionary Disbursement element is created. If you select No, the Discretionary Disbursement element isn't created.
Which rate should the discretionary disbursement use?	Discretionary disbursement rate

9. On the **Create Elements: Additional Details** page, in the Absence Payments section, complete this question .

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?	Select the rate to use to calculate leave payment. This would be the rate definition created in the previous section.

10. On the **Create Elements: Additional Details** page, in the Special Rules section, complete this question:

Field	Value
What is the CFDI Code when this element result is positive?	001 Wages and Salaries
What is the CFDI Code when this element result is negative?	064 Adjustment - Other income due salaries Subject

11. Click **Next** .
12. On the **Create Element: Review** page, review the information that you entered so far.
13. Click **Submit** to open the Element Summary page.
    The template generates all the related elements, balances, and formulas.

How to Define Element Eligibility

1. In the Element Overview section of the Element Summary page, click the **Element Eligibility** node.
2. Click **Create Element Eligibility** from the Actions menu.
3. In the Element Eligibility section, enter Vacation Payment Open in the **Element Eligibility Name** text box. Leave the rest of the fields on the page blank.
4. Click **Submit**.
5. Click **Done**.
6. In the Elements page, search for the other elements prefixed with your absence element name.
7. Select each element in turn and repeat the steps on the Element Summary page to define eligibility for each element.

Earnings Elements

Options for Creating Payroll Earnings Elements for Mexico

Use the element template to create and configure earnings elements and their associated objects. The template prompts you for information that's used to create the necessary payroll objects. You can also edit the objects created by the element template.

You first create an element and then update it so that it's available for all payrolls.

Use the Elements task from the Payroll Calculation work area to create elements.

Primary classifications control processing, the priority in which elements are processed, and the balances they feed. They are designed to meet legislative requirements and you can't change them.

Earnings elements are created to represent salary, wages, shift pay, overtime pay, bonuses and so on. Here are the predefined earnings primary classifications you can choose for Mexico:

- Severance Pay
- Standard Earnings

- Supplemental Earnings
- Taxable Payments

Given below are some components you must consider when creating an earnings element for a Mexico payroll.

Earnings Elements Processing

The processing of the earnings is controlled by these components:

- Periodicity
- Proration
- Retroactive Changes
- Federal ISR Tax
- Mexican Taxability Rules
- CFDI Codes

Periodicity

Periodicity specifies the frequency of the element value. For example, salary element entries that hold annual salary values have an annual periodicity. You will also need to select the periodicity conversion rule that applies to the element. 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. For Mexico earning elements it's recommended you use the Mexico Rate Conversion rule.

Proration

Proration calculates proportionate amounts for recurring elements when payroll-relevant data changes during a payroll period, such as a person joining the enterprise or a mid-period pay increase. When you create an element, you specify its proration group and the rate conversion rule.

Retroactive Changes

Retroactive pay is when an employee receives an adjustment in the current pay period, but the adjustment must have been effected in a previous payroll period. A recalculation is then required. If you enable retroactive processing for an element, the retroactive pay event is associated with it and retroactive pay elements are automatically generated. To make an element subject to retroactive changes, select Yes and specify its retroactive group when it's created.

Federal ISR Tax

Mexico has specific element template rules to satisfy the calculation of ISR tax for earnings elements. To determine the rule for ISR tax, respond to the element template question:

- ISR tax calculation applicable to this element?

> **Note:** ISR tax is the Mexican income tax that's paid by all residents and corporations of Mexico.

Regular means that the earning will be subject to the regular ISR calculation. Nonperiodic refers to infrequent payments that are distributed to every period to calculate the ISR tax. For example, Christmas Bonus would be considered for the nonperiodic ISR tax calculation.

When you create an earnings element, if you select Process and pay with other earnings only Regular will be available for the applicable ISR tax calculation. If you select Process separately, but pay with other earnings or Process Separately and pay separately, both Regular and Nonperiodic are available to select for the applicable ISR tax calculation.

Mexican Taxability Rules

Mexico has specific element template rules to specify the taxability rules for ISR tax and employer state tax. To determine the rule for the ISR tax and employer state tax, respond to the element template questions:

- ISR taxability rule applicable to this element?

The available options are:

ISR Taxability Rule	Description
Statutory	This is the default option, where the taxability rule formula determines the subject and exempt portions for the ISR tax calculation.
Full Subject	The ISR tax calculation uses the entire earnings amount.
Full Exempt	The entire earnings amount is exempt from ISR tax calculations.

- State taxability rule applicable to this element?

The available options are:

State Taxability Rule	Description
Statutory	This is the default option, where the taxability rule formula determines the subject and exempt portions for the employer state tax calculation.
Full Subject	The employer state tax calculation uses the entire earnings amount.
Full Exempt	The entire earnings amount is exempt from the employer state tax calculations.

CFDI Codes

Each time an employer makes any payment (such as earnings or benefits) to an employee, the employer must issue a XML CFDI file to be stamped by the SAT, the Mexican federal government agency for tax administration. When you define earnings element, you must select two CFDI codes; one for when the element result is positive and one for when the element result is negative.

> **Note:** CFDI is the Internet Digital Tax Receipt. It's an electronic billing receipt validation system that enables taxpayers to validate, and issue billing receipts electronically over the Internet.

Employment Level

Earnings are distributed by assignment. Assignments are associated to jurisdictions, which determine the required tax calculations.

Earnings at the assignment level require no distribution, as the assignment is associated to a single jurisdiction. Oracle Global Human Resources Cloud Payroll determines the earnings distribution by jurisdiction and allocates the earnings based on standard hours worked.

Retroactive Pay

Retroactive pay is when an employee receives an adjustment in the current pay period, but the adjustment must have been effected in a previous payroll period. A recalculation is then required.

If you enable retroactive processing for an element, the retroactive pay event is associated with it and retroactive pay elements are automatically generated. When you enable retroactive processing, it:

- Recalculates them to find the changes.
- Adjust changes in the current payroll.

Create a Regular Earnings Element for Mexico

This example demonstrates how to use the element template and create a regular earnings element for Mexico. Use the Elements task from the Payroll Calculation work area to create the element.

Let's look at the tasks required to create an earnings element:

1. Create the earnings element
2. Create the eligibility record for the element

How to Create the Earnings Element

To create an earnings element:

1. From your Home page, navigate to **My Client Groups > Show More**.
2. Under Compensation, click **Elements**.
3. On the Elements page, click **Create**.
4. Complete these fields, as shown in this table.

Field	Value
Legislative Data Group	Select an appropriate Legislative Data Group (LDG).
Primary Classification	Standard Earnings
Secondary Classification	Regular
Category	Standard

Field	Value

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

Field	Value
Name	Enter a name, example: Regular Earnings
Reporting Name	Enter the name that you want to display on reports for this earnings payroll element.
Effective Date	Enter an early date so that the payroll element is available for use immediately.
Input Currency	Mexican Peso
Should every person eligible for the element automatically receive it?	No
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for this element?	Final Close
At which employment level should this element be attached?	Assignment **Note:** Assignments are associated to jurisdictions, which determine the required tax calculations.
Does the element recur each payroll period, or does it require explicit entry?	Recurring
Process the element only once in each payroll period?	Yes
Can a person have more than one entry of the element in a payroll period?	No

Field	Value
Process and pay element separately or with other earnings elements?	Process and pay with other earnings

7. Click **Next**. On the Additional Details page, respond to the questions, as shown in this table.

Field	Value
What is the calculation rule?	Flat amount. **Note:** If your earnings element requires a calculation rule of **Days*Rate** or **Hours*Rate** you must select the Time Card category when creating the element. The Standard category can only be used with Days*Rate and Hours*Rate by non-Payroll users.
What is the default periodicity of this element?	Calendar Month
Periodicity Conversion Rule	Mexico Rate Conversion.
Is this element subject to proration	Yes
Proration Group	Select a proration group
Proration Units	Workday
Proration Rate Conversion Rule	Mexico Rate Conversion
Is this element subject to retroactive changes?	Yes
Retroactive Group	Select a retroactive group.
ISR tax calculation applicable to this element?	Regular
ISR taxability rule applicable to this element?	Statutory

Field	Value
State taxability rule applicable to this element?	Statutory
What is the CFDI Code when this element result is positive?	001 - Wages and salaries
What is the CFDI Code when this element result is negative?	004 - Others

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

How to Create an Eligibility Record

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

1. Search for and select the element.
2. In the **Element Overview** section, select **Element Eligibility**.
3. Select **Actions** and then **Create Element Eligibility**.
4. In the **Element Eligibility Name** field, enter a name for the eligibility record.
5. In the **Eligibility Criteria** section, select any criteria if you want to restrict who can receive this earning. Or else, select **All payrolls eligible**.
6. Click **Submit**
   All the associated balances, feeds, input values, formulas, and related elements required for payroll processing are created automatically.

Related Topics

Voluntary Deductions

How You Define Voluntary and Pre-statutory Deductions

Use the Elements task to define voluntary and pre-statutory deductions, such as pensions. You can manage pension deductions through calculation cards or element entries, depending on country-specific rules.

You can also manage other voluntary deductions, such as gym membership, union membership, and charity donations, through element entries.

Use these steps to set up deductions:

1. Define the elements.
2. Define the third-party payees.
3. Define a third-party payment method for each third-party payee.

4. Enter the deduction details for each person. Do this in the following ways, depending on the deduction type and your setup:
    - Configure a Benefits and Pensions calculation card.
    - Define element entry.
    - Load benefit batches.

Defining Elements

When you define a pension plan deduction, if you select the **Benefit** category, or it's selected for you, the element template defines a calculation component. You add this component to Benefits and Pensions calculation cards to assign it to your workers.

To define other voluntary deductions:

- Select the **Standard** category.
  This selection means you manage these deductions using the Element Entries task.
- After defining the element, you must add a Payee input value and select **Third-Party Payee** as the special purpose for it.
  If appropriate, enter a default value on the element or element eligibility record to populate the third-party payee details.

  > **Note:** You can streamline the creation of Voluntary Deduction and Pretax Deduction elements by reducing the number of rules created. The application creates stop rules only if you had selected the total owned option when you created the element. If you had selected **No** for the template question **Processing Stop when the Total is Reached**, the application doesn't create the stop rule for the element.

Defining Third-Party Payees

To define third-party payees, use the Third Parties page in the Administration section.

For pensions, select the **Organization** payee type and select the **Pension Provider** party usage code.

Defining Third-Party Payment Methods

To define payment methods for all external payees, you can use the Third-Party Payment Methods task in the Person Information section.

Entering Deduction Details for Each Person

For pensions using the Benefit category:

1. Configure a Benefits and Pensions calculation card for the worker.
2. Add your new pension calculation component to the card.
3. Enter the payee and other details.

If you load your pension information using the Load Benefit Batches process, the payroll application configures the calculation card automatically. Before running this process, you must generate an XML file that contains the data you want to transfer to payroll.

For other voluntary deductions, you must define element entries. If the payee isn't defaulted from the element or eligibility record, enter the payee on the element entry.

Related Topics

- Create Elements for Pension Deductions
- Third-Party Payment Methods
- Considerations to Enter Calculation Values for Pensions

Create Elements for Pension Deductions

This example shows you how to create a pension deduction element using an element template. Follow these steps:

1. Create a pension deduction element
2. Create an eligibility record for the deduction

Creating a Pension Element

1. On the Home page, click the **Elements** quick action under the My Client Groups tab.
2. Click **Create**.
3. Complete the fields, as shown in this table.

Field	Value
Legislative Data Group	Your Legislative Data Group
Primary Classification	Voluntary Deductions or Pre-statutory Deduction
Secondary Classification	Appropriate classification for your country or territory, such as Pension Plan After Tax

4. Click **Continue**.
5. Complete the Basic Information page. For the latest entry date:
    - Select **Last Standard Earning Date** if you enable proration for the element.
    - Otherwise, select **Last Standard Process Date**.
6. Click **Next**.
7. On the Additional Details page, enter the calculation rules and limits for the deduction. This table summarizes your choices.

Rules	What You Can Enter
Calculation rule	Fixed amount or percentage
Age limits	Minimum and maximum age
Maximum contribution amount	Any numeric value

Rules	What You Can Enter
Pensionable earnings limit	Minimum and maximum amount
Additional contributions allowed	Yes, or no. If yes, select calculation rule.
Employer contributions allowed	Yes, or no. If yes, select calculation rule, age limits, and amount limits
Overrides allowed	Yes, or no
Element subject to proration	Yes, or no

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

    The template creates a recurring element at the payroll relationship level. It also creates a calculation component with the same name as the element. You add this component to workers' calculation cards.

Creating an Eligibility Record for the Deduction

On the Element Summary page, you can create as many eligibility records as you require:

1. In the Element Overview section, click the **Element Eligibility** link.
2. Select **Create Element Eligibility** from the Actions menu.
3. Enter a name for the eligibility record.
4. Select any criteria if you want to restrict who can pay this deduction.
5. Click **Submit**.
6. Click **Done**.

Related Topics

- Considerations to Enter Calculation Values for Pensions

Federal ISR Tax Calculations

ISR Tax for Mexico

Tax on income or ISR is the federal income tax paid by all residents and corporations in Mexico, and is an employee liability. Mexican employers are required to withhold ISR tax liability from an employee's monthly pay and file it to SAT.

This table lists the ISR tax calculation methods that Oracle Human Resources Cloud Payroll for Mexico supports.

Calculation Method	Description
ISR Tax Regular	ISR tax is calculated using regular tax rules (articles 96 - former article 113). This calculation method is used for standard earnings such as the salary, regular wages, commissions or any other earning with no special ISR rules.
ISR Tax Nonperiodic	ISR tax is calculated using the rules for nonperiodic earnings such as Christmas Bonus, Profit Sharing, Vacation Premium and Dominic Premium.
ISR Tax Severance	This is used only for Severance Pay elements.

The ISR Tax Regular and ISR Tax nonperiodic calculation methods used for an earning depends on your answer to the ISR tax calculation applicable to this element question in the element template questionnaire. ISR Tax Severance calculation method is used for elements created with the Severance Pay primary classification.

Payroll Run Type

You can calculate the ISR tax for a month or for a payroll frequency period. This table lists the payroll run types that impact ISR tax calculations.

Payroll Run Type	Description
Regular	ISR tax is calculated using the values from the monthly rates table prorated to the number of days in the payroll period.
Monthly Tax Adjustment	The monthly rates are used to calculate the ISR tax amount and the monthly Subsidy for Employment.
Annual Tax Adjustment	The Annual Tax Adjustment run type calculates ISR based on the ISR annual tax rate table according to Article 152 (Annual).

ISR tax is calculated using the values from the ISR tax rates table.

ISR Taxability Rules

The ISR taxability rules determine how the taxes are applied on the earnings.

You can create and configure earnings elements and their associated objects using the element template. The template prompts you for information that's used to create the necessary payroll objects. The combination of the primary and secondary classification you select, determines the statutory ISR taxability rule to calculate the Subject and Exempt portions of the earnings.

The available options are:

- Statutory - This is the default option, where the taxability rule formula determines the subject and exempt portions for ISR tax calculation.
- Full Subject - The entire earnings amount is used for ISR tax calculation.
- Full Exempt - The entire earnings amount is exempt from ISR tax calculations.

The element generated by the element template has these input values:

- ISR_Subject
- ISR_Exempt

These input values store the subject and exempt run results determined by the Fast Formula. They feed the balances for ISR tax calculation and ISR reporting.

The statutory taxability rules are predefined in the payroll application and can be overridden by the input values ISR Taxability and State Taxability.

ISR Rate Tables

Oracle Human Resources Cloud Payroll provides these statutory tables to store the rates used for ISR tax calculation for the current financial year:

- ISR Tax Monthly Rate
- ISR Tax Annual Adjustment Rate
- ISR Monthly Subsidy Rate

Use the Calculation Value Definitions task to review these tables.

The monthly rates are used to calculate the ISR tax amount and the monthly Subsidy for Employment values for any payroll frequency. The annual rates are used to calculate the annual tax adjustment and the periodic adjustment based on annual rates.

Overview of Calculating ISR Tax (Regular) for Mexico

Oracle Human Resources Cloud Payroll for Mexico supports the computation of ISR Tax (Regular). Here are some components that the ISR tax calculation includes:

- Payroll Frequency
- ISR Tax Calculation
- ISR Subsidy for Employment
- ISR Tax Withholding

Payroll Frequency

For a payroll run type of Regular, the values from the monthly rate tables are prorated as per the payroll frequency. The monthly rates supplied by the government are applicable for a period of 30.4 days. The average number of days per month is considered to be 30.4 (365/12).

To derive the ISR rates and calculate the tax for any payroll frequency (from the monthly rates table), two factors are calculated and coded into the ISR Tax element fast formula:

- Up Factor - Use this factor to project the subject earnings to a monthly basis. This helps locate the appropriate range in the monthly rates table and get the applicable Fix Rate and the Percentage Tax Rate.

  Up factor = 30.4/Payroll Frequency Days
- Down Factor - Use this factor to prorate the tax to the appropriate payroll frequency basis.

Down Factor = Payroll Frequency Days/30.4

Here are the probable Payroll_Frequency_Days values.

Payroll Period	Number of Payroll Frequency Days
Weekly	7
Ten Days	10
Biweekly	14
Semimonthly	15
Monthly	30.4

ISR Tax Calculation

The monthly ISR rate table has this information:

- From Value
- To Value
- Tax Rate
- Fixed Rate

ISR Tax is the sum of the Fix Rate plus the Exceeded Amount of Lower Limit multiplied by the rate specified in the last column in tax rates table.

The Exceeded Amount of Lower Limit is the employee's monthly earnings minus the Lower Limit value in the tax rates table.

ISR Subsidy for Employment

Oracle Human Resources Cloud Payroll maintains an ISR Monthly Subsidy Rate table. The table contains the monthly rates for computing the ISR monthly subsidy.

These are the rules for ISR Subsidy for Employment:

- The total amount of Subsidy for Employment paid in a month can't exceed the maximum amount specified in the Subsidy for Employment rates table.
- During a payroll run, the Subsidy for Employment components automatically adjusts the amount of subsidy so that it doesn't exceed the monthly cap.
- The adjustment algorithm prorates the Subsidy for Employment rates based on the number of days in the month. In a weekly payroll frequency scenario, the proration is based on 21 days for the third pay period in the month (7 * 3 = 21). If the Subsidy for Employment paid in the month exceeds the prorated rate, the Subsidy for Employment is adjusted.

- The Subsidy for Employment adjustment compares the Month-to-Date balance. It ensures that the total amount of Subsidy for Employment paid in a month can't exceed the amount specified in the published table.
- The Month-to-Date balance is calculated based on the Pay Date.
- For payroll periods less than a month, the Subsidy for Employment rates are divided by 30.4 and multiplied by the number of days of payroll period.

ISR Tax Withholding

The Tax to Charge from an employee is the calculated ISR Tax minus the ISR Subsidy for Employment.

- If the Subsidy for Employment is greater than the ISR Tax, then the exceeded amount is paid to the employee. The Tax to Withhold is zero.
- If the Subsidy for Employment is lesser than the ISR Tax, then the Tax to Charge is the Tax to Withhold amount. The Subsidy for Employment is zero.

You can override these rates and tax amounts, by entering override amounts on the Organization Card or the Employee Tax Card.

How ISR Tax (Regular) is Calculated for Mexico

Tax on income or ISR is the federal income tax and it's an employee liability. At the end of the fiscal year, a Mexican employer's obligated to report the annual earnings and the total ISR tax withheld during the year.

Settings that Affect ISR Tax Calculations

These sections describe the settings that affect ISR tax calculations.

Parameter	Description
ISR Tax Calculation Method	The ISR tax calculation method used for each earning is dependent on your answer to the ISR tax calculation applicable to this element question displayed in the element template questionnaire.
Payroll Run Type	You can calculate the ISR tax for a month, for a year or for a payroll period. ISR tax is calculated using the values from the ISR tax rates table.
Payroll Frequency	For a payroll run type of Regular, the values from the monthly rate tables are prorated as per the payroll frequency. For the purpose of prorating the values, the average number of days per month is considered to be 30.4 (365/12).
ISR Taxability Rule	The ISR taxability rule determines how the taxes are applied on the earnings. The combination of the primary classification and the secondary classification you select, determines the statutory ISR taxability rule to calculate the Subject and Exempt portions of the earnings.

How is ISR Tax Calculated?

The calculation of ISR tax involves these steps that are automatically triggered during a payroll run.

1. *ISR Tax Calculation*

   ISR Tax is the sum of the Fix Rate plus the Exceeded Amount of Lower Limit multiplied by the rate specified in the last column in tax rates table. The Exceeded Amount of Lower Limit is the employee's monthly earnings minus the Lower Limit value in the tax rates table.

   For example, suppose an employee's monthly earnings is 3000 pesos for a semimonthly payroll. This table shows the applicable values from the ISR Tax Monthly Rates table:

Parameter	Monthly Value
From value	4,910.19
To Value	8,629.20
Fixed Rate	288.33
Tax Rate	10.88 %

   This table shows the ISR tax computation:

Step	Value
Up Factor = 30.4 / 15	2.026667
Subject Income = 3000.00 * 2.0267	6080.00
Lower limit (A)	4910.19
Rate D = 6080.00 - 4911.19	1169.81
Rate %	10.88%
Marginal Tax = 1169.81 * 0.1088	127.28
Fix Rate (C)	288.33

Step	Value
Tax Calculated = 127.28 + 288.33	415.61

Note: For a monthly payroll, the rates are used directly as given in the table and without applying the proration factor.

2. *ISR Subsidy for Employment Calculation*

Here's the ISR Subsidy for Employment calculation:

a. The appropriate range for Subject Basis is determined.
b. The Subsidy for Employment is calculated:

Subsidy for Employment = Subject Basis - ((Fix Rate / 30.4) * Payroll Frequency Days)

These tables show the ISR Subsidy for Employment values and calculation respectively for the employee mentioned in the earlier section. Since the calculation is for a semimonthly payroll, the values in the table are prorated for 15 days as given here.

Parameter	Monthly Value
To Value	6224.67
From Value	5335.43
Flat Amount	294.63

Parameter	Value
Frequency Days by Period in Month = 15 * 1	15
SE Up Factor = 30.4 / 15	2.026667
SE Down Factor = (1 / 30.4) * 15	0.493421
SE Balance MTD	0.00
Subject ISR (MTD + RUN)	3000.00

Parameter	Value
SE Projected	294.63
SE Prorated = 294.63 * 0.493421	145.38

The Subsidy for Employment can't exceed the maximum limit of 145.38.

If the payroll frequency is different than a monthly frequency or there are additional payroll runs in the same month then the Subsidy for Employment adjustment is used.

3. *ISR Tax Withholding Calculation*

The ISR Tax element fast formula includes the code to calculate the Tax to withhold or the Subsidy for Employment Paid.

The Tax to Charge from an employee is: ISR Tax - ISR Subsidy for Employment.

> **Note:** If the ISR Subsidy for Employment is greater than the ISR Tax then the exceeded amount is paid to the employee else the amount is withheld.

Step	Value
Down Factor = (1 / 30.4) * 15	0.493421
Tax Calculated= 415.61 * 0.493421	205.07
Subsidy for Employment	145.38
Tax to Charge = 205.07 - 145.38	59.69
ISR Tax to Withhold	59.69
Subsidy for Employment Paid	0.00

Net-to-Gross Earnings

Create a Net-to-Gross Earnings Element

This example demonstrates how to create a net-to-gross (gross-up) earnings element when an organization wants to pay a person a specific net amount on a bonus.

Before you create your earnings element, you may want to consider these decisions:

Decisions to Consider	In This Example
What is the primary classification of this earning?	Supplemental Earnings
Is the element recurring or nonrecurring?	Nonrecurring
Who is the bonus recipient?	Linda Swift
How much is the bonus?	1000
What is the allowed difference between the specified bonus and the actual amount paid?	.05
What is the calculation rule?	Flat amount

Create the Earnings Element

1. On the Home page, click the **Elements** quick action under the My Client Groups tab.
2. Click **Create** and then in the Create Element dialog box, select the values as shown in this table.

Field	Value
Legislative Data Group	LDG1
Primary Classification	Supplemental Earnings
Secondary Classification	Bonus
Category	Standard

3. Click **Continue**.
4. On the Create Element: Basic Information page, select the values as shown in this table.

Field or Question	Value
Name	Bonus
Reporting Name	Bonus
Effective Date	01/01/2013
Should every person eligible for the element automatically receive it?	No
What is the earliest entry date for this element?	First Standard Earning Date
What is the latest entry date for the element?	Last Standard Earning Date
At which employment level should this element be attached?	Assignment Level
Does the element recur each payroll period, or does it require explicit entry?	Nonrecurring
Process the element only once in each payroll period?	Yes
Can a person have more than one entry of this element in a payroll period?	Yes
Process and pay element separately or with other earnings elements?	Process separately and pay separately
Tax this earning across multiple pay periods?	No
Prorate this earning across all periods during which it was earned, and	No

Field or Question	Value
consider it for FLSA calculations, such as for commissions, bonuses, incentives, and other nondiscretionary earnings?	

5. Click **Next**.
6. On the Create Element: Additional Details page select the values shown in the table.

Field or Question	Value
What is the calculation rule?	Flat Amount **Note:** The default value is Flat Amount. Do not change this value. All gross-up earnings must have a calculation rule of Flat Amount.
What is the default periodicity of this element?	Periodically
Periodicity Conversion Rule	Periodic Work Schedule Rate Annualized
How do you want the work units to be reported?	None
Is this element subject to retroactive changes?	No
Use this element to calculate a gross amount from a specified net amount?	Yes
Should this element be included in the earnings calculation of the FLSA overtime base rate?	No
Should this element be included in the hours calculation of the FLSA overtime base rate?	No

7. Click **Next**.
8. Click **Submit**.

9. In the Element Overview pane, select and review each input value, as shown in the table.

Input Value	Description
Pay Value	The gross pay value to be processed in the payroll run, entered by the iterative formula when it completes gross-up calculations.
Net	The user-entered flat amount, which provides the iterative formula with the desired net pay.
Low Gross	Used by the iterative formula to hold the lower gross pay guess, which feeds into the next iteration of the formula.
High Gross	Used by the iterative formula to hold the higher gross pay guess, which feeds into the next iteration of the formula.
Remainder	The amount by which the additional pay to be paid by the employer (gross minus desired net) differs from the total of the balances that are eligible for net-to-gross processing. This amount is returned by the iterative formula.
To Within	The amount by which actual net can differ from desired net after normal processing. This amount must not be zero but can be a nominal amount such as 0.01.
Additional Amount	The amount to add to the desired net to calculate gross pay. This amount is returned by the iterative formula.

> **Note:** Not all input values are visible by default.

Create Eligibility Rules

1. In the Element Overview pane, click **Element Eligibility**.
2. Select **Create Element Eligibility** from the Actions menu.
3. In the Element Eligibility Name field, enter **Bonus**.
4. Click **Save**.

Review Iterative Processing Order

1. In the Element Overview pane, click **Bonus**.
2. In the Advanced Rules section, review the iterative order.

> **Note:** The default value is 1000. If you have more than one iterative element that may be processed in the same payroll flow, it's important to adjust the iterative order to indicate which should be processed first. Iterative order must be in the reverse sequence of the processing priority numbers. The element with the lowest iterative priority number is reduced first.

Include Balances in the Net-to-Gross Processing

Perform the following steps to include balances:

1. In the Element Overview pane, click **Balance Feeds.**
2. Review the balances to which the bonus contributes.
3. In the Element Overview pane, click **Gross Balance Exclusions**.
4. Add any balances that have been set to exclude by default if you want to include it on this specific earnings.
5. Click **Submit**.

Create an Element Entry

In this example, create the element entry for the bonus for Linda Swift.

1. On the Search page, search and select Swift, Linda.
2. In the Name field, enter **Swift, Linda**.
3. In the Legislative Data Group field, select **LDG1**.
4. In the Effective As-of Date field, enter **01/01/2013**.
5. Click **Search**.
6. In the Search Results, select **Linda Swift**.
7. Click **Create**.
8. In the Effective Date field, enter **01/01/2013**.
9. In the Element Name field, select **Bonus**.
10. In the Assignment field, select **E1026**.
11. Click **Continue**.
12. In the Net Value field, enter **1000.00**.
13. In the To Within field, enter **.05**.
14. Click **Submit**.

Related Topics

- How Net-to-Gross Earnings are Calculated
- Balances in Net-to-Gross Calculations

How Net-to-Gross Earnings are Calculated

When you create an earnings element, you can indicate that it pays a specified net amount.

Use this feature, if you need to pay a person:

- Guaranteed take-home pay (net) per payroll period
- Bonus of a specified net amount

To create an earnings element, use the **Elements** quick action under the **My Clients Groups** tab.

You can create a net-to-gross (gross-up) element for any recurring or nonrecurring earnings element using these primary classifications:

- Standard Earnings
- Supplemental Earnings
- Taxable Benefits (Imputed Earnings)

Settings That Affect Net-to-Gross Processing

Define the deductions that are used to calculate the gross amount from the specified net amount.

Answer **Yes** to the **Use this element to calculate a gross amount from a specified net amount?** prompt in the element template to create the element as a gross-up element.

In each element entry, specify the limits of the gross-up processing as follows:

- In the **Net** value, enter the value you want the employee to receive.
- In the **To Within** value, enter the allowed difference between the desired amount and the actual amount. This limit can't be 0.

Note: If these values are the same across most entries, you can enter a default value on the element eligibility record.

How Formulas Calculate the Gross Amount

The formulas for net-to-gross processing perform these actions:

1. The predefined GLB_EARN_GROSSUP iterative formula takes as input the desired net amount (**Net** input value) and the amount by which net can differ from the desired amount (**To Within** input value).
2. In the first run, the formula performs these actions:
    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. The formula adds the additional amount to the desired amount for creating the gross amount. The formula returns this value to the element's pay value for the payroll run to process.
4. In the next iteration, the iterative formula compares the additional amount to the total value of the balances that are available for gross-up for this element entry. The additional amount must not differ from this balance total by more than the amount you specified in the **To Within** field.
    - If the additional amount equals the balance total, the iterative processing ends.
    - If the additional amount is higher or lower than the balance total by an acceptable margin, the processing ends. The formula returns the remainder (additional amount minus balance) to the element's **Remainder** input value.
    - Otherwise, the formula runs the function to generate a better estimate for gross, using the remainder to determine by how much to change the guess. The formula checks the results in another iteration.

Related Topics

- Payroll Element Eligibility
- Payroll Element Input Values
- Overview of Using Fast Formula Components
- Create a Net-to-Gross Earnings Element

Set Up Payroll Processing Rules

Frequency Rules

Use frequency rules to process a recurring element at a frequency other than the one you 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. In these cases, define a different frequency rule for each element.

Column headers dynamically display on the Element Summary page based on the frequency period. For example, if the payroll period is weekly, the column headers are Week 1, Week 2, and so on. To control how often to process the element, select the periods you want.

Controlling the Processing of Recurring Elements

The Date field on the Element Summary page provides three values. This table explains the three options you can use to control the processing of recurring elements.

Field Value	Description	How Pay Periods are Derived
Date Earned	Date on which the application processes element entries for the payroll run.	Uses the pay period end date of the period that contains the date earned to identify the number of pay periods in the month.
Effective Date In this context the effective date is the date on which the payments are processed.	Usually this is the date between the first day and last day of the payroll period.	Uses the pay period end date of the period that contains the effective date to identify the number of pay periods in the month. **Note:** For offset payrolls, where the effective date isn't 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.
Payroll Run Date	Date used by the payroll calculation process to retrieve effective values such as employee details.	Uses the payroll run date to identify the number of pay periods in the month.

Field Value	Description	How Pay Periods are Derived
		Note: While the payroll run date is essentially the same as the effective date, the frequency rules process uses a different method to identify the number of the period in the month.

Example of Using the Payroll Run Date Option

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 your payroll application doesn't process more than two deductions for the month.

The pay period dates listed in this table are for a biweekly payroll.

Pay Period	Pay Period Start Date	Pay Period End Date	Payroll Run Date
1	19-December-2015	1-January-2016	6-January-2016
2	2-January-2016	15-January-2016	20-January-2016
3	16-January-2016	29-January-2016	3-February-2016

This table describes how the process identifies the number of deductions taken for each of the date values when you process your January payroll.

Field Value	Date Used to Derive the Number of Pay Periods	Number of Deductions Taken for January
Date Earned	Pay period end date	3
Effective Date	Pay period end date	3
Payroll Run Date	Payroll run date	2 **Note:** Deductions would be taken out for the first two pay periods only because the payroll run date for the third pay period is in February.

Element Frequency Rules for Terminated Employees

When you terminate the employment of an employee, the application normally ends the payment of recurring elements such as salary, therefore frequency rules can't be applied. The application processes frequency rules in the payroll

period in which the employee terminates but these rules aren't processed in subsequent payroll periods. You can use element entry start and end dates to control the frequency of recurring elements for terminated employees.

Related Topics

- Restrict Payroll Processing

Restrict Payroll Processing

Select rules to control which payroll relationships and which elements to process in a payroll run.

For example, a skip rule or frequency rule. Specify flow parameters when you submit the calculation process to restrict the payroll relationships and further restrict the elements that the run processes. For example, Calculate Payroll or Calculate Gross

Earnings.

Restrict the Elements Processing Based on Rules

You can create skip and frequency rules that control when the payroll run processes the recurring element.

Rules	Use To	Examples
Skip	Include or exclude the element entry for the person using rules in a formula	A once-each-period rule stops recurring element entries from processing more than once in a payroll period.
Frequency	Specify which payroll periods to process the entries	Changed to: A frequency rule might specify that the payroll run processes an element only on the first and third weeks of a month.

Restrict the Records to Process Based on Flow Parameters

As this table shows, specify flow submission parameters to restrict the number of records for the calculation process.

Parameter	Use To
Payroll Relationship Group	Restrict processing to the payroll relationships within the group, which you can define using static or dynamic rules, based on payroll relationship or assignment information.
Element Group	Restrict processing to the elements in the group, which you can define by selecting element classifications and including or excluding specific elements.
Run Types	Determine 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 in these ways: • To process separately • As a trigger for a run type, in which case it's automatically excluded from the other run types

This table shows the flow submission parameters for the calculation process including dates that control which records to process:

Date	Required?	Comments
Process Date	No	This is typically the payroll run date of your payroll definition.
Payroll Period	Yes	Used to derive other dates for processing.
Date Earned	Yes	Identifies these element entries • To include in the payroll run • That belong to a proration group and ended within the payroll period

Related Topics

- Overview of Object Groups

FAQs for Elements

What's the difference between a recurring and nonrecurring element?

A recurring element has an entry that applies in every pay period until the entry ends.

A nonrecurring element has an entry that applies in one pay period only. It's only processed once per pay period. The assigned payroll determines the dates of the person's pay period.

Note: A base pay element associated with a salary basis must be recurring.

How can I create an element for retroactive processing?

When you create the element, specify that it's subject to retroactive changes. Select the predefined retroactive event group for the element or create your own to select.

When an element is subject to retroactive changes, many of the components for the retroactive element are created automatically. This includes adding the element to the retroactive event group and proration group; however you must set up the retroactive components. To process an element in a retroactive payroll run, the element must have a retroactive component that defines the processing rules. Create your own retroactive event group, proration event group and change the default values for elements in the Element page.

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, it skips the element. You select skip rules on the Manage Elements page.

Related Topics

- Overview of Using Fast Formula Components
- Element Skip Formula Type

What happens if I select the Closed for Entry option for an element?

The Closed for Entry 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

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.

Related Topics

- What's an element's skip rule?

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. To clear your entry, you can restore the default value.

Related Topics

- Default Values for Element Entries

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.

12 Set up Payment Methods

Organization Payment Methods

Overview of Organization Payment Methods for Mexico

You must create one organization payment method for each combination of legislative data group, payment type, and currency that you use to disburse wages and other compensation. You can also create rules for validating or processing the distribution of payments. Use the Organization Payment

Payment Types

When creating an organization payment method, you select a payment type. You can create more than one organization payment method with the same payment type.

Mexico supports these payment types:

- Cash
- Direct Deposit
- Electronic Funds Transfer (EFT)

Payment Sources

If you're using Oracle Global HCM Cloud Payroll for Mexico for payroll processing, you must define at least one payment source for each organization payment method. Oracle recommends one organization payment method, per payment type, per currency. Each payment source must be associated with an active bank account in Oracle Cloud Cash Management. If you define additional details at the payment source level, then to use those details when processing payments, you must enter the payment source name when submitting the payment process.

> **Note:** If you're costing your payments, enter cost account information on the Costing of Payment Sources page in the Accounting Distribution work area.

Payment Rules and Default Payment sources

If you define multiple payment sources, you can use payment rules to determine the appropriate payment source based on tax reporting unit (TRU).

This example shows one organization payment method with three different payment sources for different TRUs.

Payment Source	Tax Reporting Unit	Default Payment Source
Payroll Direct Deposit Source MX National Bank of Mexico	Mexico TRU	Yes

Payment Source	Tax Reporting Unit	Default Payment Source
Payroll Direct Deposit Source SO Sonora Bank	Sonora TRU	No
Payroll Direct Deposit Source CH Bank of Chihuahua	Chihuahua TRU	No

The first payment source that you add is the default payment source, but you can select another payment source as the default, or not have a default payment source.

To understand the effect of having a default payment source, consider these examples that describe what happens when a TRU changes, causing a payment rule to be invalid.

Approach	Use Case
With a default payment source, the payment process pays employees using the default payment source.	This approach might suit a company with multiple independent franchises, each with its own TRU. If a franchise holder sells the franchise, payments don't fail.
Without a default payment source, the payments process issues error notifications to ensure that you use the appropriate payment source to fund the payment.	This approach might suit a company with strict policies about payment rule compliance.

Related Topics

- Bank Info for Personal Payment Methods
- User Table Validation Formula Type

Bank Configuration for Mexico

If you have a Payroll or Payroll Interface implementation, you need to define your bank info, including banks, bank branches, and bank account numbers.

> **Note:** If you're an HR-only customer, you may still want to add payee banking info even if payroll isn't being processed by Oracle HCM Cloud 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.

What you want to do	How you do it
Configure employee options for bank details	Use the Cash Management Profile Options task.
Define banks and bank branches	Use the Banks task in your implementation project.
Define bank accounts	Use the Bank Accounts task from your implementation project.
Define organization payment methods	After setting up the banks, bank branches, and bank accounts, you must define the payment methods used within the organization. For further info, see Organization Payment Methods for Mexico in the Help Center.
Issue retiree payments to rollover institutions	Define an appropriate Voluntary Deductions element for the retiree, and submit a check request.
Configure prenotifications	Specify the necessary prenotes on the appropriate organization payment methods.
Perform optional configuration	Consolidation groups and payroll definitions are normally concepts related to payroll. However, if you're an HR-only implementation, you may need to assign banking details to employees. In this case, you must define these objects. For further info, see following in the Help Center. • Consolidation Groups for Mexico

For further info, see the following sections.

Configure Employee Options for Bank Details

Employees can enter their bank details using the 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 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 **Profile Values**, select the Site profile level.
5. Set the profile value.

Profile value	What it does
Yes	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.
No	Allows employees to set their bank and branch details through free text fields.

Profile value	What it does

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 Banks task from your implementation project.
3. Click **Create**.
4. Provide the necessary info.
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 Bank Branches task from your implementation project.
3. Click **Create**.
4. Provide the necessary info.
5. Click **Save and Close**.

Oracle Cloud Financials for the Americas provides predefined bank account details. For further info, see Employee Bank Account Rules by Country: Hong Kong to Norway in the Help Center.

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 Bank Accounts task from your implementation project.
2. Click **Create**.
3. On **Create Bank Branch**, provide the required info.
4. To use this bank account for processing payments related to payroll, select **Payroll** for **Account Use**.
5. Click **Save and Close**.

Related Topics

- Bank Account User Rules by Country

How Payment Methods and Payroll Definitions Work Together

When you create objects, such as payroll definitions, third-party payment methods, and personal payment methods, you select a payment method to associate with the object. Understanding the functional relationship between the payment methods and the objects that use them is important.

Functional Relationships

This table helps you understand the functional relationship of payment methods with other objects.

Object	Function
Personal Payment Method	Associates a person to a payment method, currency, and payment source for payroll payments.
Third-Party Payment Method	Associates third parties, who aren't on the payroll, to payment information, such as currency and bank. Payments to third parties might be garnishments to control how you pay or other involuntary deductions and are typically processed separately from the payroll.
Payroll Definition	Associates a default payment method for payments to employees when a personal payment method isn't defined. **Note:** You can't set EFT payment methods as default payment methods because each payee must have a personal payment method with bank account information to know where to deposit the money.
Run-Type Payment Method	Associates a default payment method for a run type for payments to employees with no personal payment method defined. This overrides the payroll default payment method. For example, your regular payroll is by EFT but you issue check/cheque bonuses once a year. Using the Separate Payment run type, the payment method overwrites the default payment method of the payroll.

Related Topics

- Organization Payment Methods Overview
- Payroll Definitions
- Third-Party Payment Methods

International Transfer Payment Type

International Transfer payment type supports payment methods for electronic funds transfer (EFT) payments to a country different from the originating payment source. Create EFT payment methods for employees to transfer funds to foreign banks if an organization payment method with International Transfer payment type exists

When you create the personal payment method for an employee, select the country where the international bank account resides.

In order for you to use this functionality, you must be able to support payments to international bank accounts. For example, the US supports a file format called IAT NACHA, which supports making payments from the US to 'international' bank accounts.

Configure Payment Method Preferences

Configure preferences related to payment methods within a legislative data group (LDG) using Payment Method Preferences. Preferences are applied when your self-service employees enter payment methods for payroll payments.

Note: *If you support multiple organization payment methods of the same payment type, you MUST indicate which of these should be available to your self-service users, using the Payment Method Preferences page.*

Note: *If you intend to support multiple organization payment methods of the same payment type, then the Organization Payment Method field will appear on the Payment Methods page.*

Preference Rule	Action	Example
Legislative Data Group	Choose from the list of existing LDGs for the Payment Method Preference.	Payment Method Preferences are applied to LDGs. In all cases, choose your LDG for the preference.
What organization payment methods should be available for employees to select?	Choose from the list of existing OPMs for the LDG you want available to your employees on the Payment Method page. Note: When you choose multiple OPMs for the same payment type, employees will select from an OPM list instead of a payment type list to set up their personal payment methods.	You support check/cheque and EFT payment methods but you only want checks/cheques to be issued under certain circumstances. In this case, choose your EFT OPM and don't choose your check/cheque OPM from the list.
What is the maximum number of payment methods an employee should be allowed to create?	Enter the maximum number of payment methods you want an employee to create. Note: This number means an employee can create as many payment methods as they want equal to or less than this number.	You want to restrict the number of personal payment methods employees can create to 1. In this case, enter 1 into the field.
What payment amount types should be available for employees to select?	Choose from the list of payment amount types you want available to your employees on the Personal Payments page. Note: The system default is Both.	You want employees to only create payment methods with percentages. In this case, choose Percentage from the list.
What payment methods should employees not be allowed to edit?	Choose from the list of existing OPMs for the LDG you want to restrict your employees from editing on the Payment Method page.	You support paying employees by Pay Card, however, you want the personal payment method details to only be entered by

Preference Rule	Action	Example
		professional users. In this case, choose your pay card OPM from the list for your employees to view this information but not make any edits.
Should the above selected payment methods be excluded from the 100% validation logic?	Choose Yes or No from the list to include the available payment methods that aren't allowed to be edited but are included in the 100% validation rule.	You support Pay Card, however, you want to exclude this from the 100% validation rule so that your employees' salary can't be split between Pay Card and another payment method. In this case, choose Yes from the list.

Related Topics

- Bank Info for Personal Payment Methods
- Organization Payment Methods Overview
- Payment Method Rules Setup Examples

Set Up Payment Sources in Organization Payment Methods for Mexico

This example demonstrates how to set up payment sources when creating organization payment methods for payroll processing. You set up payment sources on the Organization Payment Methods page.

In this example, the InFusion Mexico company pays its workers by Direct Deposit payments. The company sets payment rules to pay from two different banks based on the tax reporting unit (TRU). You need one method to pay by Direct Deposit in Mexican Pesos. There are three payment sources defined. One default payment source for Mexico, one source for payments in Sonora, and one source for payments in Chihuahua.

Summary of Tasks

This worked example includes details for the tasks you perform when creating organization payment methods:

1. Creating the basic details
2. Adding Direct Deposit file information
3. Setting up payment sources
4. Creating payment rules

Before You Begin

Before you set up the payment sources, complete these tasks.

1. Set up the primary ledger in Oracle Cloud General Ledger.
2. Set up the banks, branches, and account information to use as the payment sources in Oracle Cloud Cash Management.
3. Assign the legal entity associated with the legislative data group (LDG) to a general ledger.
4. Set up the TRUs.

How to Create the Basic Details

1. In the Payment Distribution work area, click **Organization Payment Methods**.
2. In the Search Results section, click **Create**.
3. Select the legislative data group, for example, Mexico 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	Payroll Direct Deposit Mexico
Payment Type	Direct Deposit
Currency	Mexican Peso

6. Click **Save**.

How to Add the Direct Deposit Information

When you select the Direct Deposit payment type, you can enter the Direct Deposit information at these levels:

- Organization payment method level
- Payment source level
- Both levels

Note: Direct Deposit information entered at the payment source level takes priority over information entered at the organization payment method level.

Perform these steps 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**.

Field	Mexico Value	Sonora Value	Chihuahua Value
Name	Payroll Direct Deposit Source MX	Payroll Direct Deposit Source SO	Payroll Direct Deposit Source CH
Bank Account Name	National Bank of Mexico	Sonora Bank	Bank of Chihuahua
Bank Reference	123456789	234567890	345678901

Field	Mexico Value	Sonora Value	Chihuahua Value
Company Reference	456789012	567890123	678901234

Tip: Keep your payment source names unique and as specific as possible for each scenario. This naming convention helps when managing complicated combinations of organization payment methods and payment rules.

How to Create Payment Rules

1. In the Payment Method Rules section, for Payroll Direct Deposit Source MX, ensure that the default setting is set to **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.

Field	Sonora Value	Chihuahua Value
Default	No	No
Tax Reporting Unit	Sonora TRU	Chihuahua TRU
Payment Source	Payroll Direct Deposit Source SO	Payroll Direct Deposit Source CH

3. Click **Submit**.

Derive Payment Sources Example

Use payment criteria to set up your rules to derive payment sources within a single TRU. The prepayments process uses the rules to identify the source bank information from the employee's TRU and any additional payment criteria you define.

This example uses department, but you can use other criteria, such as business unit.

Steps to Derive Payment Sources by Department

You want to pay employees in the Sales and Development departments from separate payment sources. You define the payment rules in organization payment method, create fast formulas get department names from HR and call the

employees department names by Assignment ID, and create an element with the default payer information. The default payer element passes the department name as a run result value.

1. Define the payment rules .in the Organization Payment Method page.
   - Add one payment rule for each department in the Payment Method Rules section, as shown in this table:

Field	Development Department	Sales Department
Tax Reporting Unit	TRU 1	TRU 1
Payment Criteria	Development	Sales
Payment Source	Payment Source A	Payment Source B

> **Note:** In the Payment Sources section, create the payment sources to use in the payment rules, if they don't already exist.

2. Create the formula to get department names from HR.
   - Enter information on the Fast Formulas page, as shown in this table:

Field	Value
On the Fast Formulas page, create the formula with values as shown in this table:	XX_Employee_Department
Formula Type	Payroll Access to HR
Description	Formula to return the department of an employee.
Effective Date	01/01/1951 **Note:** Enter the same date used to create elements during implementation.

   - In the Formula Text section, enter this content:

```
Default for PER_ASG_ORG_DEPARTMENT_NAME is ' '
l_dept_output = PER_ASG_ORG_DEPARTMENT_NAME
Return l_dept_output
```

   - Click Submit.

- Click Complete.

3. Create the formula to get the departments for employees to use as payment criteria value.

> **Note:** This formula calls the department names formula to get employee department by Assignment ID, which are used to find employees values.

- Enter information on the Fast Formulas page, as shown in this table:

Field	Value
On the Fast Formulas page, create the formula with values as shown in this table:	XX_Default_Payer_Payment_Criteria
Formula Type	Payroll
Description	Formula to use the returned Department database item as Payment Criteria input for Default Payer element.
Effective Date	01/01/1951 **Note:** Enter the same date used to create elements during implementation.

- In the Formula Text section, enter this 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
```

- Click Submit.
- Click Complete.

Create the Element to Derive Payment Source by Department

Create the Default Payer element with the Payment Criteria input value, and automatic element eligibility.

1. Create an element on the Elements page using the Information primary classification and the values shown in this table:

Field	Value
Name	Default Payer

Field	Value
	Note: This name must match exactly. This name is how the application identifies any existing payment criteria.
Reporting Name	Default Payer
Effective Date	01/01/1951 **Note:** Enter the same date used to create elements during implementation.
What is the earliest entry date for this element?	First Standard Earnings Date
What is the latest entry date for this element?	Last Standard Process Date

2. Edit the new element to create an input value named Payment Criteria:
    - Click Input Values in the Element Overview section.
    - Select Create Input Values from the Actions menu.
    - Enter values as shown in this table:

Field	Value
Name	Payment Criteria
Display Sequence	10
Unit of Measure	Character

    - Click Save.

3. Edit the new element to create element eligibility that is set to automatic entry:
    - Click Element Eligibility in the Element Overview section.
    - Select Create Element Eligibility from the Actions menu.
    - Enter Payment Criteria Element Eligibility in the Element Eligibility Name field.
    - Select Automatic entry.
    - Click Save.
4. Edit the new element to create processing rules:
    - Click Status Processing Rules in the Element Overview section.
    - Select Create Status Processing Rules from the Actions menu.
    - Select XX_Default_Payer_Payment_Criteria in the Formula Name field.
    - Add a row in the Result Rules section using the values in this table.

Field	Value
Result Returned	EMP_DEPT
Result Rule	Direct Result
Target Input Value	Payment Criteria

    - Click Submit.

Related Topics

- Payment Sources in Organization Payment Methods Setup Examples

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 track 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.

Legal Entity-Based Data Access for Bank Account Setup

By default, users with the necessary function security privileges have access to create and manage all internal bank accounts.

Optionally, restrict access to bank account information based on the user's legal entity data access. This allows cash managers to add, review, or modify only the bank accounts associated with the legal entities that the user has access to. For example, only users who have been assigned the Manage Bank Account (CE_MANAGE_BANK_ACCOUNT_PRIV) privilege for Vision Operations legal entity, can create, review, or modify internal bank accounts associated with this legal entity.

Decentralized organizations will benefit with improved security by ensuring that users only manage the bank account setup for the organizations they're authorized for.
Business benefits include:

- Improve security and increase control of bank account setup by limiting user access to bank account information.
- Helps decentralized organizations that require users only to manage the bank account information for the organizations they're authorized for.

To enable the feature Legal Entity-Based Data Access for Bank Account Setup, you must:

1. Use the Opt in UI to enable the feature.
2. Assign users to the appropriate legal entity security context:
    a. In the Setup and Maintenance work area, Select the Offering as Financials, Functional Area as Users and Security, and Task as Manage Data Access for Users.
    b. On the Manage Data Access for Users page, create data access for users by entering the user name, Cash Manager as role, legal entity as security context, and legal entity name as security context value, to create the data access for the user.
    c. Save the changes.

Once the feature is enabled, legal entity-based data access security is applied when an internal bank account is created or managed using either the UI or REST API.

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.

- To set up banks, branches, and accounts, your custom role must have the security duty role Cash Management Administration. You must have the assigned the Manage Bank Account Security privilege (CE_MANAGE_BANK_ACCOUNT_SECURITY_PRIV) to modify the User and Role Security.
- To restrict the access to the Security tab, you must create a custom role and remove the Manage Bank Account Security (CE_MANAGE_BANK_ACCOUNT_SECURITY_PRIV) privilege. For example, you'd copy the Cash Management Administration duty role, rename it, and remove the privilege.

GL Cash Account Segments

Consider selecting the option to enable multiple cash account combinations for reconciliation to reconcile journal lines of multiple cash account combinations matching the same natural account and other specified segment values.

For example, if you set up 01-000-1110-0000-000 as your cash account, and select Account and Subaccount as GL Cash Account Segments, you can manually or automatically reconcile journal lines entered on different account code combinations matching the same natural account '1110' and subaccount '0000'.

Related Topics

- Assign Data Access to Users

How Bank, Branch, and Account Components Work Together

Banks, branches, and accounts fit together on the premise of the Bank Account model.

The model enables you to define and keep track of all bank accounts in one place and explicitly grant account access to:

- multiple business units
- functions
- users

This eliminates the redundant duplicate bank account setup in different business units when these business units share the same bank account.

Banks

Creating a bank is the first step in the bank account creation. You can:

- Search for existing banks to view and update
- Create a new bank from an existing party

Consider the following:

- The option to create from an existing party is implicitly implemented by the matching option.
- The option is available only after the existing party has been found with the same bank.
- If you select the matching option, the page repopulates the information from the matched party.

Branches

Once you have created your bank, the next step is creating a branch or branches associated to the bank. The matching option is also available when creating branches. To create a new branch without using the matching option, manually enter the required information. You can also define other branch- related attributes in the same page.

If you don't use the matching option when an existing party is found, a branch with the same party name is created.

Accounts

The four areas associated with defining an account are:

- General information
- Control of the account
- Security and access to the account
- Business unit assignment

Once the bank and branch are created, proceed to the bank account setup by doing the following:

- Select the bank branch you want to associate to your bank account.
- Assign the owner of the bank account.

> **Note:** To create a bank account for Payables or Receivables, add the Business Unit Access first for the business units to use the bank account.

Consider the following:

- The Oracle Fusion Account Payables or Receivables accounts are identified by the business unit.
- The Oracle Fusion Payroll accounts are identified by the legal entity.
- The program, Inactivates Banks and Bank Branches enables you to inactivate all banks and bank branches that have no active internal and external bank accounts.
- Optionally, secure the access to bank account information based on the user's legal entity data access, by enabling the opt-in **Legal Entity-Based Data Access for Bank Account Setup**.
- Legal entity-based data access for bank account setup:
  - Improves security and increases control of bank account setup by limiting user access to bank account information.
  - Helps decentralized organizations that require users only to manage the bank account information for the organizations they are authorized for.

Related Topics

- Considerations When You Create Accounts
- Reconciliation Matching Rules
- Assign Data Access to Users

Bank Info for Personal Payment Methods

You can create bank, branch, and bank account info as part of implementation, or you can let employees add their own bank info. Once created, you can use bank accounts in other Oracle applications, such as Cloud expenses.

Enter Bank Info for PPMs

This table summarizes approaches to create bank info for employees.

Approach	Purpose
Manage Banks and Manage Bank Branches pages	Create, edit, and view your bank account information. **Note:** In order to manage banks and branches, you must have the Manage Bank and Manage Bank Branch privileges.
Payment Methods page	Create, edit and view employee bank account details to receive payroll payments.
HCM Data Loader	Use an integrated Excel workbook to load personal payment methods and employee bank account details.

You can use CE_USE_EXISTING_BANK_BRANCH profile option to control to whether or not your employee can create their own bank and branch data. On the Manage Cash Management Profile Options page, set the Use Existing Banks and Branches profile option to either Yes or No.

- If you set the option to Yes, you need to load bank and branch data. Administrators and employees select bank and branch details from a list of values in the bank region on the Payment Method page.
- If you set the option to No (default setting), you don't need to load any bank details. Administrators and employees enter their bank and branch details as free text.

Access to PPMs and Bank Info

The table shows the privileges you need to access PPMs and bank info:

User	Privileges	Access Description
Employee Self-service	Manage Personal Payment Method	Allows users to manage their own personal payment methods

User	Privileges	Access Description
Employee Self-service	View Personal Payment Method	Allows users to view their own personal payment methods
Employee Self-service, Implementors, Administrators, or Managers	Payee Bank Account Management Duty	Allows users to create bank accounts
Implementors, Administrators, or Managers	Manage Worker Personal Payment Method	Allows access to manage employee personal payment methods
Implementors, Administrators, or Managers	View Worker Personal Payment Method	Allows access to view employee personal payment methods.

Related Topics

- How Bank, Branch, and Account Components Work Together
- Configure Payment Method Preferences
- Examples of Loading Banks
- Examples of Loading Bank Branches
- Example of Loading Personal Payment Methods

How Account Number Masking in Payroll Reports Work

To prevent display of sensitive bank account information, you can use the option of masking or encrypting bank account information in these reports:

- Payslips
- Payment Register
- Third-Party Payment Register

Masking involves displaying only a few specific characters of the account number or IBAN number, usually characters at the start or end of the number. The remaining characters are obfuscated and you can't see them on the reports. For example, a customer may want to display only the last 4 characters of the account number. In such cases, an account number ABC123456 displays as XXXXX3456 in reports and UIs that support masked account numbers.

Encryption requires a secure key for decoding the encrypted account number and IBAN number through an API. The application displays the truncated account or IBAN number when the encryption is turned on and the full, clear number when the encryption is turned off.

Settings that Affect Account Number Masking

The application stores the bank account number and IBAN number information in these columns of the database tables:

- Original column that stores the visible unmasked portion of the numbers.

- Masked column that stores the masked numbers. When masking isn't enabled, these columns store the full numbers.
- Secured column that stores the encrypted numbers and requires a secure key to retrieve the data.

This table shows how the bank account numbers are stored in the tables depending on how you configure masking and encryption.

Actual Account Number	Configuration - Masking	Configuration - Encryption	Original Column	Masked Column	Secured Column
ABC123456	No	No	ABC123456	ABC123456	ABC123456
ABC123456	Yes	No	ABC123456	XXXXX3456	ABC123456
ABC123456	Yes	Yes	3456	XXXXX3456	ABC123456

Note: The above table assumes that the masking setup displays only the last four characters of the bank account number.

- The first row in the table shows the default settings where both masking and encryption is turned off. The original full number is stored in all the three columns.
- The second row in the table depicts a scenario where masking is turned on but encryption is turned off. In this case the masked column displays only the last four characters of the account number.
- The third row depicts a scenario where both masking and encryption is turned on. In this case the original column contains the truncated four-digit account number. You need the secure key to retrieve the full account number from the secured column.

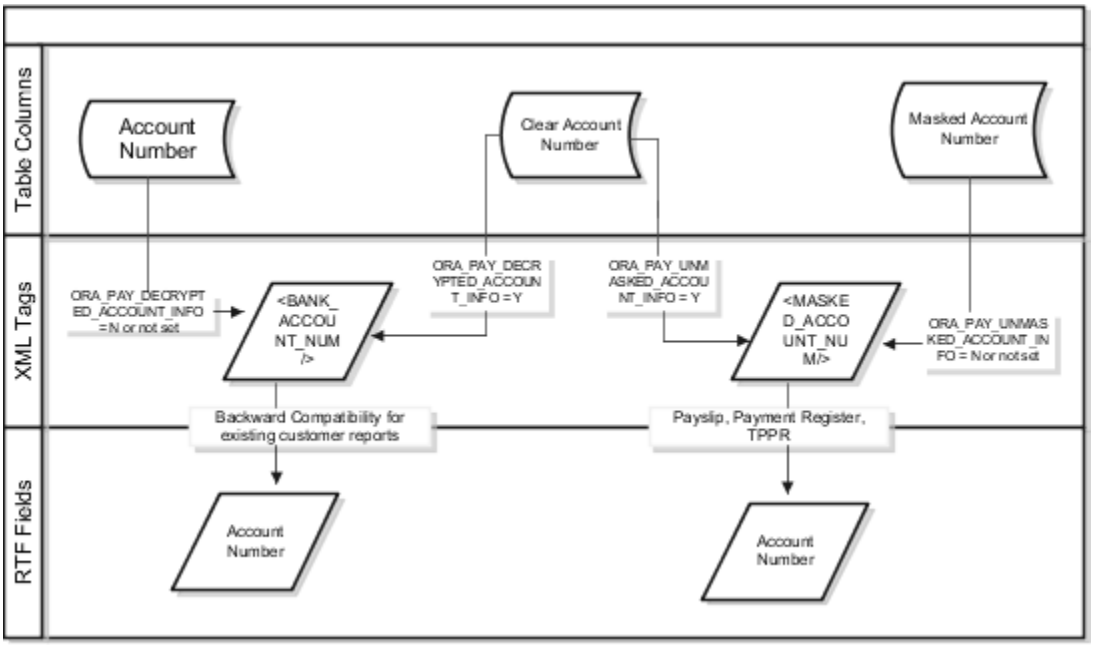
When you turn on encryption, the unsecured account number and IBAN columns only shows the visible characters as defined by masking. This means that to turn on encryption, you must turn on masking. However, you can turn on masking without turning on encryption.

How Account Number Masking Works

Use the new **Extract Unmasked Bank Information** (ORA_PAY_UNMASKED_ACCOUNT_INFO) process configuration parameter to display either the masked or full numbers in the reports. This new parameter ensures:

- Consistency across the three reports
- Control how you display the numbers on the reports

The following figure shows how account number masking happens for the three reports.



The figure shows the following:

- The first stream layer shows the table columns that store the account number information.
- The second stream layer shows the XML tags and process configuration groups.
- The third stream layer shows the RTF fields shown on the report template.

As explained in the previous section, the application stores the account number information in three separate columns.

The new `ORA_PAY_UNMASKED_ACCOUNT_INFO` process configuration parameter controls the `MASKED_ACCOUNT_NUM` tag to display:

- The masked account number when the process configuration parameter is by default or set to *No*, or
- The clear or full account number when the process configuration parameter is set to *Yes*.

For example, if you mail a copy of the Third-Party Payment Register to the payee, you may want to mask the sensitive bank account information. If the same report is shared securely within the Payroll Department to verify the bank account details, you may run the report with the process configuration parameter set to *Yes*.

All the three reports use the `MASKED_ACCOUNT_NUM XML` field to display the Account Number.

You can use the **BANK_ACCOUNT_NUM** field if you use an older copy of the three reports. If you do so and you have turned on encryption, you can use the `ORA_PAY_DECRYPTED_ACCOUNT_INFO` parameter to switch between a clear and truncated number.

Related Topics

- Options for System Security
- Enable Encryption of Sensitive Payment Information

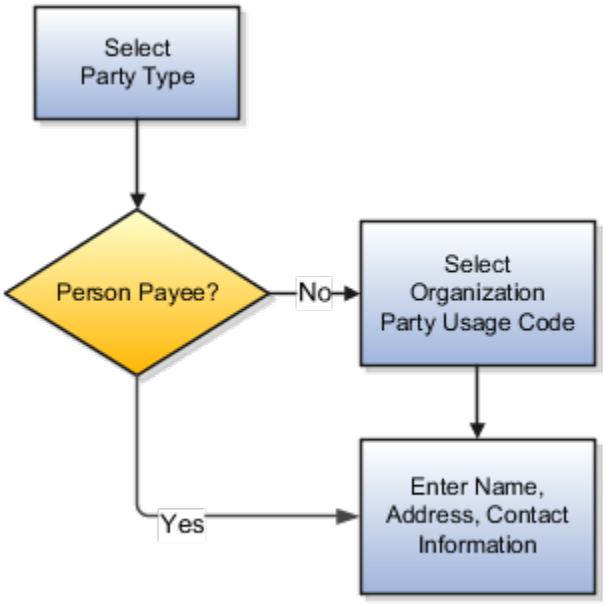
Third-Party Payment Methods

Third Parties Overview

You create third parties to process payments to external organizations and to people who aren't on the payroll. Use the Third Parties task to create third-party persons or organizations, such as pension providers, professional bodies, or disability organizations.

Note: When you create third-party persons and organizations, they're also defined as trading community members in the Trading Community Architecture (TCA), to allow use in other products.

This shows you the decision steps to create third parties.



Party Usage Codes

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.

This table describes the party usage codes for third-party organizations.

Party Usage Code	Use For	Examples
External Payee	Organizations when the others party usage codes don't apply.	State Disbursement Unit for child support payments

Party Usage Code	Use For	Examples
Payment Issuing Authority	Organizations responsible for issuing instructions for involuntary deductions, such as a tax levy or bankruptcy payment order. Payment issuing authorities don't receive payments.	Court, agency, or government official
Pension Provider	Organizations that provide pension administration for employee pension deductions.	Stock broker, investment company, benefit administrator, labor union
Professional Body	Organizations entrusted with maintaining oversight of the legitimate practice of a professional occupation.	The American Society for Mechanical Engineers in the US
Bargaining Association	Organizations that represent employees in negotiations. Bargaining associations associated with trade unions may receive payments for union fees deducted from an employee's pay.	The Air Line Pilots Association International (ALPA) in Canada and the US
Disability Organization	Organizations that are authorized to make disability assessments. Disability organizations don't receive payments.	The Royal National Institute of Blind People in the UK

Related Topics

- How Payment Methods and Payroll Definitions Work Together
- Third-Party Payment Methods
- Example of Loading Organization Payment Methods
- Example of Loading Third-Party Personal Payment Method
- How do I import organization data?

Third-Party Payment Rollup

A third-party payment is a payment you make to an external organization or to a person that isn't on the payroll.

The Run Third-Party Payment Rollup is an optional process to consolidate payments to a third-party payee into one payment, rather than make multiple individual payments to the same third-party payee. For example, you may have multiple employees that are members of the same union and you'd like to pay the union with one payment. Or, you may have an employee with multiple deductions payable to the same third-party payee, such as multiple child support orders to the children's parent. Use the Submit a Flow task to run the Run Third-Party Payment Rollup.

Third-Party Payment Register Details

You can Run Third-Party Payments Register Report to provide payment details to the third-party payee, to include the breakout of rollup payments. Use the Submit a Flow task to run the Run Third-Party Payment Register Report.

Here are the details in the output of the Run Third-Party Payments Register Report:

- Individual third-party payments with the corresponding employee deduction information
- Rollup payments and deduction information of employees who share the same rollup payments
- Consolidated total of each rollup payment
- Payments made to each individual payee
- Consolidated total of multiple deduction payments of each employee
- Component name and component reference of involuntary deductions stored on the calculation cards
- Element name of voluntary deductions

Perform these tasks, in order, to roll up the third-party payments and generate the report details:

1. Calculate and verify prepayments.
2. Run the third-party payment rollup process.
3. Generate the payments.
4. Generate the third-party payment register.

Related Topics

- Employee and Third-Party Check Payments Process
- Third-Party Payment Date Options
- Calculate Payroll Payment Distribution
- Third-Party Payment Methods Overview

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

Field	Value
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 Check Payments Process

The Generate Payments for Employees and Third Parties flow selects employees and third parties that:

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

Submit the Generate Payments for Employees and Third Parties flow from the Submit a Flow page.

Prerequisites

The prerequisite tasks for the Generate Payments for Employees and Third Parties task include:

- Create the third party, create the third-party payment method, and associate an employee deduction to pay the third party.
- Add an organization payment method (OPM), to include a payment source.

  Note: The bank details should already be set up.

- Add a payroll definition, to include a default payment method of check/cheque, and all valid payment methods.
- Attach a payroll to the employee.
- Attach element entries to the employee.
- Calculate payroll.
- Run the Calculate Prepayments process to calculate the distribution of net pay.
- Run the Archive Periodic Payroll Results process to archive the earnings, deductions, tax calculation details, accruals, payment methods, and so on.

Generate Employee and Third-Party Payments

Run this process to generate checks/cheques for your employees and then run the process again to generate checks/cheques for your third parties.

Follow these steps to run the Generate Payments for Employees and Third Parties flow from the Submit a Flow page:

1. Click **Submit a Flow.**
2. Select the required legislative data group.
3. Select the **Generate Payments for Employees and Third Parties** and click **Next**.
4. Enter a unique payroll flow name.

   > **Note:** Name the flow with a name to easily identify the process later. You need to be able to determine what you have already run and you may need to locate it to roll back the process.

5. Specify the required payroll name.
6. Select the payee type for which the check/cheque 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.

   > **Note:** 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.

    > **Note:** 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 check/cheque templates. You must then run the check/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.

    > **Tip:** To accommodate this requirement, you must first create a report category for each separate bank and check/cheque template. Attach the created report category to the appropriate bank's payment source so that the correct check/cheque template is used to generate the check/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 Check/cheque Number** in the sequence of checks/cheques used for payroll processing.
14. Specify the **End Check/cheque Number** in the sequence of checks/cheque 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

- Third-Party Payment Rollup
- Examples of Using Consolidation Groups
- Payroll Process Configuration Groups
- Employee and Third-Party Check Payments Overview

Examples of Third-Party Payments

These scenarios show you how to pay third-party payees. Third-party payees can be an individual person or an organization.

Child Support to a Former Spouse

While this example illustrates 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's 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, 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, select the County Sheriff in the Organization Fee Payee field.

Related Topics

- Third Parties Overview
- Third-Party Payment Methods Overview
- Third-Party Payment Methods
- How do I generate payments to third-party payees?

Direct Deposits

Direct Deposit Configuration for Mexico

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 application generates a direct deposit file for Mexico.

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.

Before you generate the direct deposit file, complete these tasks:

- Set up the financial institutions
- Set up employer account information and organization payment methods
- Set up employee account information

Set Up Financial Institutions

Use the Banks task in the Functional Setup Manager to set up the financial institutions, branches, and account information for the organization. Before you enter the employees direct deposit account information, you must set up the financial institutions and branches that your employees use.

Set Up Employer Account Information and Organization Payment Method

Use the Organization Payment Methods task in the Payment Distribution work area to set up the employer account information and organization payment methods. On the Create Organization Payment Method page, enter this information pertaining to your financial institution.

Field	Description
Payment Type	Select Direct Deposit, the name for electronic transfer of funds directly into employee designated accounts.
Financial Institution	Name of financial institution sending or receiving the direct deposit orders.

Set Up Employee Account Information

You must create a payroll definition that uses the Direct Deposit payment method and assign all employees to this payroll. Set up the direct deposit account information for each participating employee:

- If you haven't enabled employee self-service, use the Personal Payment Methods task in Person Management work area to enter employee's direct deposit information.
- If you have enabled employee self-service, individual employees can provide their direct deposit account information using the Manage Personal Payment Methods task.

The first account you enter should be the default account. If you define a second personal payment method account, you can specify the deposit amount as percent of the total amount or a flat amount.

After you have set up the employer's account information and the employee's personal payment methods, the processing of direct deposits can occur. Prior to running the direct deposit process, you must complete the following three tasks:

- Calculate Payroll
- Calculate Prepayments

Reprocess Rejected EFT Payments

Reprocessing Rejected EFT Payments

A bank can reject an Electronic Funds Transfer (EFT) payment because of:

- Incorrect bank account details
- Employee has closed their bank account without notifying the employer

Here's what you can do to reissue a check:

- End date the employee's personal payment method
- Inactivate the employee's bank account. You must inactivate the invalid bank account so that it's not used for future payments.
- Void the payment and make an external payment against the rejected EFT payment.

Use the Process Bank Corrections File flow pattern from the Payroll Checklist work area to reissue check payments against rejected EFT payments.

Before you run the flow, complete these tasks.

1. Transform the information returned by the bank into the requisite Object Group HCM Data Loader file format.
2. Provide a unique name in the **Object Group Name** field each time you create an HCM Data Loader file.
3. Load the Object Group HCM Data Loader file into the Oracle Web Center Content server.

Here's the list of payroll tasks the Process Bank Corrections File flow pattern includes:

Task Name	Description
1. Upload Bank Corrections File	Stores the information entered in the Object Group HCM Data Loader file into the object group table. The bank information is stored in the object group table, under the 'Process Information Group' object group type in the payroll application.
2. Update Personal Payment Methods	Determines through this built-in logic whether the personal payment method needs end dating or updating. The logic is as follows: • If there is a value in the **Replacement Bank Number**, the **Replacement Account Number**, or the **Replacement Account Type** field, then the process updates the Personal Payment Method. • If any of the above mentioned fields are blank, then the process end dates the Personal Payment Method.

Task Name	Description
	This task uses the Payment Reference number to identify the Personal Payment Method linked to the bank account identified as incorrect. It also inactivates the incorrect bank details to stop them being used in future payments. **Note:** The flow task doesn't create a new Personal Payment Method. You must create one manually.
3. Void Payments	Marks the original payments as void.
4. Make External Payments	Runs the external payment process to ensure that the payments voided in the previous task are paid externally.
5. Generate Check Payments	Runs the HCM Extract Report to retrieve the check number and other information from the external payment record to produce the report output. The delivered HCM Extract Report has a built-in logic to generate the check number, if not available.

Steps 3-5 run only if you have to reissue an external check for a rejected EFT payment.

Note: You can use the delivered default check template or configure the template to include additional attributes such as a company logo.

Since a payslip is already issued, this flow doesn't generate the payslip.

Related Topics

- Object Group HCM Data Loader Files for Bank Reprocessing

Object Group HCM Data Loader Files for Bank Reprocessing

Before you run the Process Bank Corrections File flow, use the HCM Data Loader to load the information returned by the bank.

The bank returns a file containing details of the payments that are rejected. Before you load the information, transform this information returned by the bank into the HCM Data Loader .dat file formats required by the Object Group HCM Data Loader.

Provide a unique name in the **Object Group Name** field each time you create an HCM Data Loader .dat file. You must then load the Object Group HCM Data Loader file into the Oracle Web Center Content server.

The bank information is stored in the Object Group table, under the Process Information Group Object Group Type. Use the Object Group UI and the name given in the Object Group HCM Data Loader file to view the information loaded by the **ObjectGroup.dat** and **ObjectGroupStore.dat** files, as part of the Process Bank Corrections Flow.

When you load the **ObjectGroupStore.dat** file into the Oracle Web Center Content server, a UCM ID is generated. The Process Bank Corrections File flow uses the UCM ID to retrieve and use the bank information necessary for the flow.

Load Process Information Group Object Group

Create and use the following HCM Data Loader .dat files to process the bank information by the HCM Data Loader.

- ObjectGroup.dat file to create the object group
- ObjectGroupStore.dat file to load the bank information returned by the bank

ObjectGroup.dat File Format

This table lists the attributes for loading the ObjectGroup.dat file.

HCM Data Loader Attribute	Required	User Interface Prompt	Description
ObjectGroupName	Yes	Name	The name of the object.
ObjectGroupCode	Yes	Doesn't appear on the UI.	The code of the object group.
LegislativeDataGroup	Yes	Legislative Data Group	THE NAME OF THE LEGISLATIVE DATA GROUP.
ObjectGroupTypeCode	Yes	The meaning of the code is displayed in the Type field.	The code of the object group type. The supported value for the process information group type is `PROCINFO`.
StartDate	Yes	Start Date	The start date of the object group.
EndDate	Yes	End Date	The end date of the object group.

ObjectGroupStore.dat File Format

This table lists the attributes for loading the ObjectGroupStore.dat file.

HCM Data Loader Attribute	Required	User Interface Prompt	Description
ObjectGroupCode		Doesn't appear on the UI.	The code of the object group.
LegislativeDataGroup		Legislative Data Group	THE NAME OF THE LEGISLATIVE DATA GROUP.
SequenceNumber	Yes	Sequence	A unique identifier for a row of data in the object group store file.
assignmentNumber		Assignment Number	The assignment number of the employee whose payment is rejected, or whose bank information needs updating.

HCM Data Loader Attribute	Required	User Interface Prompt	Description
paymentDate		Payment Date	The original payment date of the rejected payment.
processDate		Process Date	This date overrides the process date entered in the flow. The date entered here, is stamped against each process in the flow. It's the date the personal payment method is end dated and the payment is voided. Enter a value if you want one particular payment to have a different payment date to that of the payment date entered in the flow.
paymentReference	Yes	Payment Reference	A unique identifier for a specific payment line, such as the payment in the original NACHA file that was sent to the bank.
Amount		Amount	The original amount of the rejected payment.
checkNumber		Check Number	The check number used in the External manual payment task and printed on the manual external payment check template.
replacementBranchNumber		Replacement Branch Number	Enter a value if the branch number (routing transit number) needs updating. If a value is entered in this column, it tells the process that the bank account associated to the personal payment method (PPM) used for payment needs updating.
replacementAccountType		Replacement Account Type	Enter a value if the employee's account type needs updating. If a value is entered in this column, it tells the process that the bank account associated to the PPM used for payment needs updating.
replacementAccountNumber		Replacement Account Number	Enter a value if the employee's account number needs updating. If data is entered in this column, it tells the process that the bank account associated to the PPM used for payment needs updating.
makeExternalPayment		Make External Payment	Enter 'Yes' if you want to void the original payment and make a manual external check payment. Valid values for this attribute are 'Yes' or 'No'.

HCM Data Loader Attribute	Required	User Interface Prompt	Description
`Returnreasoncode`		Return Reason Code	The reason for rejecting an EFT payment. The entered value is stamped on the external manual pay record.
`Employeename`		Employee Name	Name of the employee whose payment is rejected, or whose bank information needs updating.

The Update Personal Payment Methods task within the flow determines, through built in logic, whether the personal payment method needs end dating or updating. The logic is as follows:

- If there's a value in the 'Replacement Branch Number' field, the 'Replacement Account Number' field or the 'Replacement Account Type' field, then the process updates the Personal Payment Method.
- If any of the above mentioned fields are null then the process end dates the Personal Payment Method.

You can delete information loaded to the process information group object group type using the HCM Data Loader. You must take care when deleting the records, because you can't recover the deleted records.

For more information on creating the HCM Data Loader .dat files and using the HCM Data Loader to upload data, refer to the HCM Data Loader User's Guide on My Oracle Support.

Related Topics

- Reprocessing Rejected EFT Payments

Configure Payslips and Checks

Overview of Online Payslip

A payslip is a printable record of a payment made to an employee during a payroll pay period or 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.

Use these two predefined templates to configure the payslip template to include your specific statutory requirements:

- Payslip Main Template
- Payslip Sub Template

For more information, refer to 'Configure the Payslip Report Template' topic in the Help Center.

After you configure the payslip template, and before you generate the payslips, consider the following.

Task	Where to find more information
Generate the worker's payslips in a language of their choice depending on what's set as the workers correspondence language.	Refer to these topics in the Help Center: • Multilanguage Support for Payslips • Generate Payslips in the Worker's Correspondence Language • Add Bursting to Print Delivery Option
Mask or encrypt bank account information to prevent display of sensitive information.	Refer to 'How Account Number Masking in Payroll Reports Work' in the Help Center.
Set the precision value for the number of decimal places for the rates displayed on the payslip.	Refer to 'Rate Precision in Payslips' in the Help Center.
Add text and input values to payslips.	Refer to 'How to Add Text to Payslips and Checks' and 'Examples of Input Values for Payslip and Check Text' in the Help Center.

The **Generate Payslips** process is run once each payroll period and it generates the payslip XMLs based on the payroll archive and prepayments data. The payslip PDFs are created and stored in the **Document of Records** for future reference and retrieval.

During the payslip process, payslip template files get downloaded, including files for multiple installed languages. You can quickly retrieve payslip templates that support large templates or multiple templates for different languages.

You can preview payslips PDF documents directly from the **Payslip** page without having to download. Use options in payslip preview window to zoom, scroll, print, download, or save payslip document. Use back arrow to exit payslip preview window and return to payslip list.

How to Configure the Payslip Report Template

Use the predefined payslip template and edit it to include legislative requirements as mandated by your country or territory. For example, you may want to add your company logo or add additional fields to the template.

Configuring the delivered payslip template includes these tasks:

1. Create a copy of the delivered payslip report
2. Edit a copy of the payslip sub template to include additional components as per your requirements
3. Add the changed template to the report
4. Set the priority of the payslip report as Critical
5. Test the configured payslip report in BI Publisher

Create a Copy of the Delivered Payslip Report

You can either copy the report template or use the Customize function to create an exact copy of the delivered report template. It is recommended that you use the Customize feature because of these advantages:

- The copied report has the same privileges as original report.
- Creates the necessary folder structure and keeps the same name as the original Payslip report.

- Ensures that the copied report is placed in the same folder structure under the 'Custom' folder and the BI Publisher automatically chooses to use this modified report and you don't have to add the delivery option changes.
- If you choose to copy the template, you must manually add the delivery options.

Note: You must have BI Publisher Developer or BI Publisher Administrator role to create or edit reports from the BI Publisher.

1. Navigate to **Tools > Reports and Analytics**.
2. Click **Browse Catalog** to open BI analytics in a new tab.
3. Navigate to **/Shared Folders/Human Capital Management/Payroll/Regulatory and Tax Reporting/ Country Name** folder to open the delivered Online Payslip for a country.

   For example, for Canada, you can find the Canada Payslip Report at /Shared Folders/Human Capital Management/Payroll/Regulatory and Tax Reporting/Canada folder.
4. Select **More > Customize** for the payslip report.
5. Navigate to **/Shared Folders/Custom/Human Capital Management/Payroll/ Regulatory and Tax Reporting** folder and check if you can see the report in the folder. It is recommended that you save all user-defined or configured reports in the Custom catalog folder under Shared Folders. Any reports created outside of the Custom folder will not be migrated and will be lost during patching or upgrade.
6. Click **More > Permissions** to verify the permissions of the report. You should have permissions for the Generate Payslips account with Read, Traverse, Run Publisher Report, Schedule Publisher Report, View Publisher Output Custom Permissions. If you don't have these privileges, add it manually.If you have the BI Administrator or BI Author privileges, the Permission menu is enabled.
7. Navigate to the copied report in the **/Shared Folders/Custom/Human Capital Management/Payroll/ Regulatory and Tax Reporting** folder.
8. Click **Edit**. Save a copy of this template.
9. Click on **View a list** found on the top right of the page. Make a note of these values.

Field	Value
Name	Name of the report, for example CAOnlinePayslip
Template File	CA_Online_Payslip.rtf
Type	RTF
Output Format	HTML, PDF, Excel, RTF
Default Template	HTML
Default Layout	Yes
View Online	Yes

Field	Value
Active	Yes
Locale	English

10. Click **View Thumbnails** link and delete the downloaded template.

Edit Copy of the Payslip Sub Template

Edit the delivered Payslip Sub Template and include the legislative and statutory changes you want to incorporate.

1. Navigate to **/Shared Folders/Human Capital Management/Payroll/Payment Distribution/Payslip Sub Templates.**
2. Click **Edit**.
3. Click **Locale**.
4. Open the template and make the required changes and save the template in the Custom folder.

For more information on how you can edit RTF report template, refer to these topics on the Oracle Help Center.

- Create and Edit RTF Report Layout Templates
- How can I change the logo in the layout template?

Add the Revised Template to the Copied Report

Use these steps to add the revised template to the report you created in the first task.

1. Navigate to **/Shared Folders/Custom/Human Capital Management/Payroll/Payment Distribution/Payslip Sub Templates.**
2. Click **Edit**.
3. Click **Add New Layout**.
4. Select Upload and enter these details in the Upload Template File page.

Field	Value
Layout Name	Name of the report you created in the first task.
Template Name	Select the template you just modified in the second task.
Type	RTF
Locale	English

5. Click **View a list.**
6. Enter details you noted in step 9 in the first task and click **Save**.

Set the Priority of the Payslip Report as Critical

The Priority of payslip report on the BI server is by default set as Normal and hence is processed on first in, first out basis. To avoid interruptions, set the priority of the payslip report as Critical, so that it is executed on priority.

1. Navigate to the copied report in the **/Shared Folders/Custom/Human Capital Management/Payroll/ Regulatory and Tax Reporting** folder.

   > **Note:** You should make any revisions only to the copied version of the report.

2. Click **Edit** and then click **Properties**.
3. On the Report Properties window, under the General tab, select **Critical** in the Job Priority field
4. Click **OK**.

   > **Note:** Setting the report as critical reduces chances of failure when there is an issue with the BI server or a performance issue with a previous report job in the process.

Test the Configured Payslip Template in BI Publisher

To test the configured template, you must first run the delivered template and generate the payslip.

1. Navigate to **/Shared Folders/Human Capital Management/Payroll/ Regulatory and Tax Reporting/ Country Name** folder to open the delivered Online Payslip for the country.
2. Select **Job History** for the delivered report.
3. Clear the value of the fields **Start Processing** and **Owner**.
4. Click **Search** and choose first row with success status.
5. Click **Report Job Name** link.
6. Record the value of these fields: Archive Action Identifier, Delivery Option Identifier, and Payroll Action Identifier.
7. Follow these steps to test your configured report template in the custom folder.
   a. Navigate to **/Shared Folders/Custom/Human Capital Management/Payroll/ Regulatory and Tax Reporting/Country Name** folder and open the report you created.
   b. Enter values for Archive Action Identifier, Delivery Option Identifier, and Payroll Action Identifier fields you noted.
   c. Click **Apply**.
8. Verify that the payslip is generated successfully.

   > **Note:** If the payslip didn't generate successfully, check your configured report and template for errors.

Rate Precision in Payslips

Use the Payslip Rate Precision process configuration parameter to set a fixed, positive integer value as the precision value for rates displayed on the payslip. The default value is two decimal places. Set this parameter before you run the Periodic Payroll Archive process.

A fixed rate precision value ensures ease of implementation, user control, and consistency across different rates and element entries. Setting the rate precision value doesn't impact the calculation of payroll or the accuracy or precision of payments. You are only defining the number of decimal places for the rates shown on the payslip.

The precision value you set for the number of decimal places for the rates displayed on the payslip, is dependent on these two factors:

- Currency: Some currencies require a rate precision value higher than the default value of two.
- Multiplying factor for the rate: The precision value you set for the element rates displayed on the payslip is dependent on how high you expect the quantity to be. For example, if you expect the quantity, say hours to be high, set a precision value higher than the default value of two.

Here are some factors you must consider while setting the precision value.

- The precision value you set on the Archive process applies for the calculation results and appears by default on all reports that use the archived data. However, you can configure your report template to display a value that's lower than the value on the Archive process.
- Any precision value you set on the report template overrides the value you set on the Archive process. For rates needing a lower precision value, you must define it in the report template. You can't set a value that's higher than that on the Archive process.

For example, suppose you want your hourly employees to see four decimal places for rates and the salaried employees to see only two decimal places on their payslips. Set the Payslip Rate Precision process configuration parameter to four decimal places. Then, modify the report template to display the rates with two decimal places only for salaried employees.

Related Topics

- Overview of Online Payslip
- Report Days and Units in Payroll Reports
- How to Configure the Payslip Report Template
- How Do I Set the Payslip Rate Precision Value

Add Bursting to Print Delivery Option

When you enable payslip translation, both the transactional data and the labels on the payslip are translated.

As only one language can be applied to all the labels on a payslip, payslips for different languages must be in their own PDF. Add the Bursting configuration on the Print Delivery option within the Payslip Extract Definition so that payslips for different languages are in their own PDF.

How to Add the Bursting Configuration

Complete the following steps to add Bursting to the Print Delivery option for the payslip:

1. Select the **Extract Definitions** task from **My Client Groups > Show More > Data Exchange** on your Home page.
2. In the Search window, enter **Payslip** in the Name field.
3. Select **Archive Retrieval** in the Type field.
4. Select a legislative data group and click **Search**.
5. Click **Payslip** in the Search Results region.
6. Click the **Deliver** tab in the HCM Extract Definitions: Payslip page.
7. Select the **Printed Payslip** Delivery Option Name row in the Extract Delivery Options section.
8. Complete the following in the Additional Details section.
    a. Select **Default** in the Value column of Bursting.

b. Remove content in the Value column of Locale.
c. Select **Search** in the Attribute column of Locale.
d. In the Search and Select: Attribute window, enter these details.

Field	Value
Parent Data Group	Global Archive Payroll Calculation Breakdown
Attribute	Correspondence Language
Record	Global Calculation Breakdown ID Information

9. Click **Search**, and then **OK**.
10. Click **Save** and then **Submit**.

Related Topics

- Overview of Translating Modified Text

Multilanguage Support for Payslips

The Generate Payslips process is run once each payroll period and it generates the payslip XMLs based on the payroll archive and prepayments data. The application creates the payslip PDFs and stores them in the Document of Records for future reference and retrieval.

Print Payslip PDFs

Some workers may opt for a printed payslip and you must provide individual PDF payslips to them.

The application supports producing all printed payslips in a single file for ease of printing. However, for the payslip labels to be translated, each payslip must have its own individual PDF output file. To enable single PDFs, add the Bursting configuration onto the Print Delivery option within the Payslip extract definition.

For more details on how to add the Bursting option, refer to Adding Bursting to Print Delivery Option: Procedure on the Help Center.

Translate the Payslip

You can now generate individual payslips in the worker's correspondence language of choice. Run the Generate Payslips process just once and generate the payslips for the various workers in a language of their choice depending on what's set as the worker's correspondence language.

The process translates:

- The metadata, the layout labels, and the static text on the payslip template.
- The underlying data that comes from the transactional and setup tables, and the data that the Payroll Archive process archives for the payslip.

Set the process configuration parameter, Enable Payslip Translation, to **Y**, before running the Payroll Archive process. You must set this only once. If you have run the Payroll Archive before setting this parameter, you must roll back the process, set the Enable Payslip Translation parameter to **Y**, and rerun the Payroll Archive process.

Install the Correspondence Language

Although the worker's correspondence language may be set to one of several languages, only those languages that are installed are supported for translation. To determine the number of languages you must install, consider how diverse the worker population is in terms of their preferred correspondence language.

If the correspondence language isn't one of the installed languages, the Payslip is produced in the base language.

To enable translation of the payslip labels, set the Locale property of both Document of Records and Print Delivery options within the Payslip Extract Definition to Correspondence Language. If you don't want the payslip labels to be translated, leave the Locale property blank or set it to the base language, for example, `en-us`, for US English.

For the payslip data that's not delivered by Oracle, the translated values of the data must be available in the application. Enter translated values for the base language and each of the installed languages that needs payslip translation support. For example, if you have created additional element names and its associated balances, you must also enter their translated values in the application. Otherwise, the translated values aren't reflected in the payslip PDFs.

Related Topics

- Overview of Translating Modified Text

Examples of Input Values for Payslip and Check Text

Create element input values to store your information, such as congratulatory messages and detailed earnings information, that you want displayed on checks/cheques or payslips. These scenarios show you how to archive payroll information for this purpose.

Display Earnings by Earned Weekly Period

You want to display earnings details on payslips, such as overtime pay per week within a semimonthly pay period. In this example, before modifying your payslip template, you create an element using the Information element classification. You create these input values in your element and add them to the payroll information to archive:

- Description
- Start Date
- End Date
- Hours
- Rate
- Multiple
- Amount

Display a Message on a Check/Cheque

You want to display a message on a check/cheque, such as a birthday or a congratulations message. In this example, before modifying your check/cheque template, you could create an element using the Information element classification with the following input values:

- Message Title
- Message Description

Related Topics

- Add Text to Payslips and Checks

Add Text to Payslips and Checks

Configure your checks/cheques and payslips to display additional text. Depending on your implementation, in addition to these steps, you may also need a new formula.

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 Payroll to return the values that you want to add.
    b. On the Manage Elements page, edit the information element to:
        - Create a status processing rule associated with your new formula.
        - Add formula result rules to return formula results to the element's input values.
3. On the Manage Enterprise HCM Information page, in the Organization Information EFF section, add the information element and input values.

    > **Note:** The Organization Information EFF configuration is at the enterprise level. For each LDG 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/cheque template or payslip template, as appropriate. Refer to the Report Designer's Guide for Business Intelligence Publisher for more information.

Related Topics

- Examples of Input Values for Payslip and Check Text

FAQ for Payment Methods

How can I display employee work location and department on their payslip or check?

Define a check or payslip template to include the archived payroll information, including the employee's work location and department details.

Use this template in the BI Publisher Report and add the report to the Generate Check Payments or Generate Payslips flow. When you submit the flow, the flow output is automatically generated based on the template included in the BI Publisher Report.

Related Topics

- Add a BI Publisher Report to a Flow

13 Set Up Payroll Process Configuration

Payroll Process Configuration Groups

Payroll process configuration groups provide sets of processing parameters, primarily related to logging and performance.

Select a process configuration group when you run a process, such as a new-hire flow or termination flow, or an extract process or report.

If you don't select a process configuration group, the application uses the parameters in the default group. You must specify the default group in the Process Configuration Group ACTION_PARAMETER_GROUPS profile option.

Here's the list of tasks you can use to set up profile options and default process configuration groups.

Action	Task and Page
Edit predefined process configuration groups	Default Group tab of the Payroll Process Configuration page.
Create additional process configuration groups	Group Overrides tab on the Process Configuration Group page.
Select a process configuration group as the default at the site or user level	Manage Administrator Profile Values task in the Setup and Maintenance area.

To open the Payroll Process Configuration page, use the **Payroll Process Configuration** task under **Show More > Payroll** in **My Client Groups** 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 Payroll Process Configuration task under Show More > Payroll in My Client Groups on the Home page.

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, the process reads values from the PAY_ACTION_PARAMETERS table.

> **Note:** You should understand the concept of array processing and how this affects performance before setting some parameters.

The application doesn't allow a blank value for any parameter. Unless the parameter is required, you must delete the parameter row.

This table describes processing parameters and lists values and predefined default values. These parameters apply to HR applications including payroll and payroll interface.

Parameter	Description	Values
Assignment ID to End Logging	Assignment ID upon which logging ends.	Default: All assignments
Assignment ID to Start Logging	Assignment ID upon which logging starts.	Default: All assignments
Balance Buffer Size	Buffer size for array inserts and updates of latest balances, based on one row per balance. **Tip:** If your trace files show differences between execute and retrieve timings, look at the buffer sizes you're using. Try setting each of these to 100.	Maximum: 1000 Minimum: 1 Default: 500
Batch Error Mode	Determines error notifications for the HCM data loads.	ALL = all rows ANY = any rows NONE = no errors Default: ANY
Chunk Size	Number of payroll relationship actions that process together. See also the Parallel Processing Parameters topic.	Maximum: 16000 Minimum: 1 Default: 20
Disable Locking Code in Check Process Post-Populate Method	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 Common	Yes, No Default: No Only change this value if advised by Oracle Support.

Parameter	Description	Values
	Lookups page and add the lookup code ORA_DISABLE_POST_POP_FIX.	
Element Entry Buffer Size	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.	Maximum: 1000 Minimum: 1 Default: 500
Formula Execution Logging	Sets the logging level to investigate formula code problems. See also the Logging Processing Parameters topic.	Unless the parameter is required, delete the parameter row.
Historic Payment	Removes the validation to look for banks active as of the process date. This validation is 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 Common Lookups page and add the lookup code HISTORIC_PAYMENT.	Yes, No Default: No
Logging Area	Area to log code. See also the Logging Processing Parameters topic.	The values correspond to C-code entries in the form PY_ENTRY, that includes the functional area that has logging enabled.
Logging Category	Helps investigate problems with large volumes of detailed data. See also the Logging Processing Parameters topic.	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. Unless the parameter is required, delete the parameter row.
Manual Task Processing	Determines processing of manual tasks when SOA server is unavailable.	Y, N Default: Y
Maximum Errors Allowed	Number of payroll relationship actions that you can roll back, when rolling back a process.	Minimum: 0 Default: CHUNK_SIZE or 20
Maximum File Size for View Report Output	Maximum size in bytes of the report file to show in the output window. This parameter isn't available by default. To add the parameter, search for the lookup type PAY_ACTION_PARAMETER_TYPE on the Common	Must be a positive number. Default: 10000000

Parameter	Description	Values
	Lookups page and add the lookup code BI_OUTPUT_SIZE.	
Maximum Iterations Allowed per Run Action	Maximum number of iterations allowed per run action within net-to-gross calculations within the payroll run.	Minimum: 0 Default: 15
Maximum Number of Payroll Relationship Actions to Roll Back	Number of payroll relationship actions that you can roll back, when rolling back a process.	Minimum: 1 Default: 50
Multithreaded XML Generation for Extracts	Generates XML for extracts using multiple threads.	Y, N Default: N
New Hire Flow Pattern	Name of the customer-defined flow that's triggered as part of the new hire process.	Unless the parameter is required, delete the parameter row.
Notifications Expiration Offset	Number of days before a payroll flow notification is automatically deleted.	Minimum: 5 Default: 5
Payroll Batch Loader Encryption Type	The type of encryption applied to source files loaded using the HCM data loader.	`PGPSIGNED, PGPUNSIGNED, PGPX509SIGNED, PGPX509UNSIGNED` Unless the parameter is required, delete the parameter row.
Payroll Criteria for Element Eligibility	Enables eligibility by payroll for assignment-level elements.	Yes, No Default: No
Process Timeout	Number of minutes before the Run Balance Generation process times out.	Minimum: 0 Default: No timeouts limit enforced. Unless the parameter is specified, delete the parameter row.
Remove Report Assignment Actions	Removes report processing actions after generating reports.	Yes, No Default: Yes
Run Result Buffer Size	Buffer size for array inserts and updates, based on 1 row for each payroll run result.	Maximum: 1000 Minimum: 1 Default: 500
Shuffle Chunk Processing	Random processing of order chunks for assignment actions.	Yes, No Default: No

Parameter	Description	Values
Suppress Empty XML Tags in Extract Reports	Reduces the size of extract output for reports by excluding tags with blank values in XML output files.	Y, N Default: Y
Termination Flow Pattern	Name of the customer-defined flow that's triggered as part of the termination process.	Unless the parameter is required, delete the parameter row. (No predefined Termination flow pattern).
Threads	Total number of subprocesses that you can run from the Oracle Enterprise Scheduler Service. See also the Parallel Processing Parameters topic.	Minimum: 1 Default: 1
Trace	Enables the database trace facility for application processes written in C only.	Yes, No Default: No
Trace Level	Sets the trace level of the trace event. To generate the finest level of detail, enter the highest value.	1, 4, 8, 12 Default: None
User Messaging	Enables detailed logging of user-readable information to the PAY_MESSAGE_LINES table.	Yes, No Default: No
XML_DATA_SOURCE	For document records delivery options performance purposes, determines if XML is derived from the database.	Y, N Default: Y

Payroll-Specific Processing Parameters

This table lists the processing parameters that are applicable only for Oracle Global Payroll.

Parameter	Description	Values
Accounting Date for Transfer to General Ledger	The date to transfer and post journal entries for costing results to Oracle Fusion General Ledger.	E = Date Earned P = Process Date DP = Date Paid from payroll time periods for calculate payroll and QuickPay only. EVE = For the Partial Period Accrual Reversal process, date earned is used. However, if the date earned isn't defined for the time periods on the Payroll Definition page, the payroll period end date is used.

Parameter	Description	Values
		For the payroll run that includes the actual costs, the process date of the payroll run is used. Default: P
Cost Buffer Size	Buffer size for array insert and select statements when calculating the costing of the payroll run results.	Maximum: 1000 Minimum: 1 Default: 500
Date to Retrieve Assignment Status	Date earned or date paid, used to determine the effective date for checking assignment status in payroll calculations.	E = Date earned P = Date paid Default: P
Earliest Retroactive Processing Date	Sets earliest date that retroactive processes are calculated. Updates made before this date aren't recalculated. **Note:** If you define a static retroactive start date and a rolling retroactive start date, the retropay process uses the latest of the two dates. For example, if the static retroactive start date is 01-JAN-2020 and the rolling retroactive start date is 15-MAR-2019, the retropay process uses a start date of 01-JAN-2020. Controls the start date of the retroactive period for the **Calculate Payroll for Retroactive Changes** flow (retropay) as well as for an individual employee	Date value in `YYYY/MM/DD` format
Extract Data Group for Payroll Register	Limits the records to include in the output file based on the specified data group name.	Default: No data group
Limit Payroll Register Output by Data Group	Enables processing a subset of records to include in the output file when an extract data group parameter value is also specified.	Y, N Default: N
Number of months in rolling period for retroactive changes	Sets the number of months in the retroactive pay rolling period. If you don't want to limit the duration of the retroactive pay period, change the default of 12 month rolling period to 999 months.	Default: 12

Parameter	Description	Values
	Note: You can limit the number of payroll periods included in the retroactive pay process by setting the earliest start date for the process for the process for all retroactive notifications using both the **Earliest Retroactive Processing Date** parameter and this parameter. For example, you may want to set a static start date based on your payroll go-live date and use a rolling period to ensure retroactive pay doesn't calculate for more than a 24 month period. Retroactive pay uses the latest of the two dates when both parameters are set. If you don't want to limit the duration of the retroactive pay period, change the default 12 month rolling period to 999 months.	
Reversal and Balance Adjustment Accounting Date	Accounting date based on one of these dates: • The process date of reversal or balance adjustment • The process end date of the Transfer to Subledger Accounting task. You can use this task to transfer journal entries for costing results to Oracle Fusion General Ledger.	T = Transfer using end date of the Transfer to Subledger Accounting task as the accounting date P = Use process date of the reversal or balance adjustment as the accounting date Default: P
Wage Basis Rules Buffer Size	Used in array selects from the PAY_ TAXABILITY_RULES table within the Payroll Calculation process.	Minimum: 100 Default: 500

Related Topics

- Payroll Process Configuration Groups
- Logging Processing Parameters
- Parallel Processing Parameters

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 application doesn't allow a blank value and you must delete the parameter row if logging isn't required.

This table explains each logging category. It provides the log output information to investigate the problems encountered.

Parameter Value	Logging Category	Description
B	Balance Information	Provides output information that shows the creation and maintenance of balances used during payroll processing.
C	C cache structures information	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.
E	Element entry information	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.
F	Formula information	Provides output information that shows details of formula execution, including formula contexts, inputs, and outputs.
G	General logging information	Provides general information, rather than a specific information type. This parameter doesn't provide sorted output. In general, it's

Parameter Value	Logging Category	Description
		recommended that you choose parameters that provide specific types of information.
I	Balance output information	Provides output information that shows details of values written to the database from the balance buffers.
L	Balance fetching information	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.)
M	Entry or exit routing information	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.
P	Performance information	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.
Q	C cache query information	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.
R	Run results information	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.
S	C cache ending status information	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.
T and Z	PL/SQL detail and PL/SQL output	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.

Parameter Value	Logging Category	Description
		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.
V (USA only)	Vertex tax calculation information	Provides output information that shows the values passed in and out of a third-party Vertex tax engine. This parameter also provides a separate file in the Out directory that shows the internal settings of the Vertex engine. This logging option is available to customers in the USA only.

Formula Execution Logging

Formula execution logging is the code area where logging is performed. This processing parameter mechanism is only available for formula logging in the payroll run. Specify parameter values as a character or combination of characters to determine the area for logging. For example, the string di (the combination of d and i) corresponds to the logging of database item cache access and formula input and output values. The default value is no logging.

> **CAUTION:** Use the dump logging options in rare circumstances only. The T trace option, which generates very large amounts of data, would significantly slow down processing.

The following table lists formula execution logging parameter values and its details.

Parameter Value	Meaning
c	Change contexts
d	Database item cache access
D	Database item cache dump
f	Formula cache access
F	Formula cache dump
I	Formula input/output values
m	Miscellaneous

Parameter Value	Meaning
n	Nested calls
s	SQL execution (database item and PL/SQL formula function calls)
T	Trace (very large level that provides the inputs and outputs of every call made when executing a formula)
w	Working storage area access
W	Working storage area dump
1	Level 1 (combination of c. f, i, and m)
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)

Related Topics

- Payroll Process Configuration Groups
- Payroll Process Configuration Parameters
- Parallel Processing Parameters

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.

Here's a list of parameters that you can use for parallel processing.

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.
- Large chunk size values aren't desirable.

Related Topics

- Payroll Process Configuration Groups
- Payroll Process Configuration Parameters
- Logging Processing Parameters

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.

14 Set Up Auditing and Data Validation

Auditing Business Objects

Audit Payroll Business Objects

Set up auditing policies to maintain a history of changes to your important data: what changed, who changed it, and when.

The audit tracks changes to attributes of payroll business objects made using the application pages, web services, or payroll processes, which use Oracle Enterprise Scheduler.

You can view the audit history to determine how a business object obtained its current value and to compare old and new values. To view the history or to create an audit report from the Audit History work area, you require appropriate duty roles and privileges. Enterprises typically assign the following two audit duty roles to the application implementation consultant and master data management application roles:

- Audit trail management, which determines the objects audited
- Audit trail report viewing to view the audit history

Payroll Business Objects

When you set up auditing for payroll, you configure Oracle Fusion Applications business objects on the Manage Audit Policies page in the Setup and Maintenance 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.

This table lists the payroll business objects you can set up for auditing payroll. You track changes to attributes specified for these objects.

Payroll Business Object	Description
Assigned Payroll	Holds date-effective attributes about payrolls assigned to a worker.
Assigned Payroll More Details	Holds details that aren't date-effective about the payroll assigned to a worker.
Calculation Card	Holds values required for calculating payroll components.
Calculation Card Component	Holds the definition of a component that represents one or more logically related payroll components.
Calculation Card Component Detail	Holds the input values of a person's calculation card.

Payroll Business Object	Description
Calculation Reporting Card	Defines the tax reporting units that report the calculation.
Calculation Reporting Card Usage	Attaches a reporting card to a person record.
Element Entry	Holds earning and deductions details for a person.
Element Entry Value	Holds the values of the compensation and benefits granted to a person.
Payroll Calculation Range Value	Defines the values or sets of values used in the calculation of a value definition.
Payroll Calculation Value Definition	Defines how a value is calculated in payroll processing.
Personal Payment Method	Holds the payment method details for a person.

Related Topics

- Audit Policies
- Audit Configuration for Business Object Attributes
- Audit Reports

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.

If you don't want an application to be audited, you can stop the audit process by setting the Audit Level option to **None**. Also, note that there's no specified retention period for the audited data or the logs. Follow your company policy for retaining or removing such data.

> **Note:** You won't be able to enable audit if you're working in a sandbox. If you try to set up audit while you're in a sandbox, you will see the message "Audit setup is disabled in a sandbox". You'll also notice that the buttons associated with the audit functionality are disabled.

Related Topics

- Audit Configuration for Business Object Attributes
- Overview of Audit Configuration

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.

The 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.

For business objects based on flexfields, select the Flexfields (Additional Attributes) check box to view, add, or remove flexfield attributes. The selected objects are audited.

> **Note:** You can't audit LOB (BLOB, CLOB, and NCLOB), rich text, and long text attributes.

Starting and Stopping Audit

The business object is ready for audit after you select its attributes and save the configuration changes. However, to start auditing, the audit level for Oracle Applications Cloud must be set to **Auditing** on the Manage Audit Policies page.

To stop auditing an object, you can deselect the entire object and save the configuration. As a result, all its selected attributes are automatically deselected and aren't audited. To continue to audit the business object with select

attributes, deselect those attributes that aren't to be audited. When users view the audit history for an application, they can specify the period for which they want the results. Therefore, make a note of when you start and stop auditing an application.

For example, users intend to view the audit history of an object for the previous week, but auditing for that object was stopped last month. They wouldn't get any audit results for that week, because during the entire month that object wasn't audited. Even if you enable audit for that object today, users can't get the wanted results because audit data until today isn't available.

Note: When users export the report summary to a Microsoft Excel file, there's a limit on the number of rows that are displayed in the file.

- For Oracle Fusion Middleware products, the maximum limit is 25000. By default, the limit is set as 10000. You can change this limit using the FND_AUDIT_FMW_EVENT_LIMIT profile option.
- For Oracle Fusion Application Business Objects, the maximum limit is 10000 per table. This is set as the default value. Sometimes, the actual rows returned might be more than the limit set, because a single transaction can update multiple tables. To decrease this limit, you can create the FND_AUDIT_EXPORT_ENTITY_LIMIT profile option and set a lesser value for it.

  See *Why is it taking so long to get search results when exporting audit summary of Fusion Application Business Objects?*

Audit Reports

You can use the Audit Reports work area to 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 View Audit History (FND_VIEW_AUDIT_HISTORY_PRIV) privilege assigned to it. For appropriate assignment of roles and privileges, check with your security administrator.

Audit Events

Transactional events in the application trigger the audit process based on the create, update, and delete operations. For events to trigger the audit process for the business objects, you must first enable the objects for auditing.

These are the events that trigger the audit process.

Transactional Event	When the Audit Activity is Triggered	Audit Report Content
Create	Whenever business object data is created and stored in the database	• Name of the created object • Name of the user who created the object • Time of creation
Update	Whenever the existing business object data is updated	• Both old and updated values of the object • Name of the user who updated the object • Time of updating

Transactional Event	When the Audit Activity is Triggered	Audit Report Content
Delete	Whenever the existing business object data is removed from the database	• The last value that the object attributes contained • Name of the user who deleted the object

The event details are stored in the audit table. The attributes of the audited object data can be used in lookups and foreign keys to display values in the audit history. The application supports displaying the audited information according to the language settings configured.

For Oracle Fusion Middleware products, events such as failed sign-in attempts are used as triggers. In absence of an audit table, the information is stored in the sandbox and presented only in English.

Note: This topic focuses on the create, update, and delete event types available in Fusion Applications. For details on events used in the Oracle Fusion Middleware products, refer to the Oracle Fusion Middleware documentation. See: *Introduction to Oracle Fusion Middleware Audit Framework*

Related Topics

- View Audit Reports

Data Validation

Overview of Payroll Data Validation Report

Before you run payroll or any other statutory processes or reports, the required HR and payroll data setup must be complete for all your workers. Missing or noncompliant data can impact legal processes or reports.

The Payroll Data Validation Report provides details of missing or statutorily noncompliant data at the worker and organization level. Prior to running the payroll process or any other report, run the Payroll Data Validation Report. You can then take corrective action as necessary to complete the data setup and correct noncompliant data.

During the implementation phase, add the business rules and validation messages at the enterprise or legislative data group level. These validations are in addition to the country-specific validations that are predefined in the application.

Validation Levels

The data group you select when adding validation rules to the Data Validation Report determines the level of validation. For example, you might have a validation rule at the tax reporting unit level or at the person details level. When adding a validation, you must ensure a database item exists for the attribute for which you're adding the validation.

Set Up Validation Rules

Use the delivered formula 'Global Attribute Mandatory Check' to set up validations to identify missing data. You add the validations to the Data Validation Report extract definition. Here's the summary of the required steps to set up the validation rules:

1. Identify a suitable short name for the attribute for which you want to add the validation, for example, `ASG_JOB_CODE`. Prefix it with `CST` to mean user-defined. Therefore, the short name should be `CST_ASG_JOB_CODE`.
2. Set up a lookup code to control the validation. For mandatory validations, that you set up using the delivered formula, set up the lookup code as a short name suffixed by `>MC`. For example, `CST_ASG_JOB_CODE>MC`.
3. Based on the level at which you need the validation, you must create the records and data elements in the appropriate data group. Identify the relevant data group to add the validation and create a record in the group. For example, add assignment level validations to the Assignment Data Group.

   Note: A database item must exist for the attribute for which you're adding the validation.
4. Add the validation and create the extract definition attributes.
5. Generate and compile the formula at the report record.
6. Run the appropriate Payroll Data Validation Report to include the validations.

Control the Validations

Use the delivered `ORA_HRX_GLB_VALIDATION_OBJECTS` lookup type to set up a lookup code that you can use to control the validation. For example, you can use this lookup code to add multiple country tags to a validation. Alternately, if the validation is no more valid for the country, remove the previously added country tag from the lookup code.

Note: If you don't add a country tag, the application doesn't trigger any validation.

Validation Types

The validations can be simple or complex.

The application triggers simple validations if you haven't provided a value for an attribute required for a report or a process. For example, the Tax Reporting Registration Number is missing at the organization level or the National Identifier value is missing for a worker. You can create a simple validation by using the delivered formula 'Global Attribute Mandatory Check' and the appropriate database item group.

The application triggers complex validations when there's more than one attribute included in the validation. For example, a value is missing for a National Identifier Type pertaining to a worker.

For coding complex validations, Oracle recommends that you use data elements of type Rule with a user-defined Rule Formula to perform the validation. You must deliver these data elements in a record of type Formula.

User-Defined Rule Formula

For coding complex validations, Oracle recommends that you use extract attributes of type Rule with a user-defined Rule Formula to perform the validation. Consider the following for coding user-defined Rule Formula:

- Check if the formula is of type Extract Rule.
- Check that the lookup code exists for the short code of the data element, and is enabled for the legislation code, for which the report is run.
- Check if the formula is associated with the correct data element. Since this is a user-defined formula, check and run only if short code matches.

- Perform the validation to return validation message text or return a NULL value. The message text should be fewer than 240 characters or the application considers only the first 240 characters of the message.

Data Security

By default the report is submitted through an elevated user that has full data access and is secured through the list of values on the report parameters. However, you can configure the Data Validation Report to run based on the profile of the user who submits the report. For example, if a user has access to only employees within a specific payroll or department, you can configure the report to check data only for those employees.

Validation Rules for Data Validation Report

You can add validation rules to the Data Validation Report to identify missing data required to run a process or report. You can run the report and make relevant corrections to complete the employer or payroll-related data.

Use the **Extract Definitions** task in the **Data Exchange** area in **My Client Groups** on the Home page, to add a validation rule to the Data Validation Report extract definition.

Rule Formula

Use the delivered formula 'Global Attribute Mandatory Check' to set up validations to identify missing data. You add the validations to the Data Validation Report extract definition.

This formula includes certain important enhancements such as supporting translated messages. It also offers the ability to control the validations without you deleting the validation already configured by you or delivered by Oracle. It's not mandatory for you to migrate your existing validations from the 'Global Null Check Rule' formula to the new one. Oracle recommends migrating to the new formula to make use of the benefits.

Validation Levels

This table describes the validation rules at the various levels.

Validation Level	Description
Employee	Add simple validations for a missing attribute at the worker level. For example, if the National Identifier value is missing for a worker.
Organization	Add simple validations for a missing attribute at the organization level. For example, a missing Tax Reporting Registration Number.
Repeating Child Entity of a Worker	Add validations at the repeating child entity of a worker. For example, you may add a validation for a missing IBAN number for one of the multiple payment methods that a worker has. You can add a validation to specify the details of the attribute value (IBAN Number). This attribute value is missing for the Entity Type (Personal Payment Method) and for the Entity Name (Personal Payment Method Name).
Repeating Child Entity of the Organization	Add validations at the repeating child entity of an organization. For example, add a validation for a missing SWIFT Code for one of the multiple organization payment methods that's valid for a payroll statutory unit. You can add a validation to specify the details of the attribute value (SWIFT Code). This attribute value is missing for the Entity Type (Organization Payment Method) and for the Entity Name (Organization Payment Method Name).

Validation Level	Description

Data Groups

The data group you select when adding validation rules to the Data Validation Report determines the level of validation. For example, you might have a validation rule at the tax reporting unit level or at the worker details level.

The processes associated with the Data Validation Report extract definition are:

- Run Payroll Data Validation Report
- Run Worker Data Validation Report
- Data Validation Report for Payroll Interface

These reports use different data groups to report data validation. You must select a data group for any validation rules you add based on the type of data and the level you want the validation to occur.

Payroll Data Validation Report

Add validation rules to these data groups to report payroll-related data validation:

- Payroll Statutory Units
- Tax Reporting Units
- Payroll Relationships
- Payroll Assignments

Worker Data Validation Report

Add validation rules to these data groups to report worker-related data validation:

- Payroll Statutory Units
- Legal Employers
- Reporting Establishments
- Work Relationships
- Person Details
- Assignments

Data Validation Report for Payroll Interface

Add validation rules to these data groups to report worker-related and payroll-related data validation for Global Payroll Interface:

- Payroll Group
- Payroll Relationship Group
- Work Relationships
- Assignments
- Payroll Relationships

- Payroll Assignments

Usage of Tags

The report output has different sections for legal employer, reporting establishment, person, and so on. The validations reported in the different sections is based on the tag that's added for rule data element. Consider these conditions while using tags for adding validation rules for Data Validation Report.

- For reporting validations at organization level, add the validations to Organization Data Groups and the related tags, as given in the table here.

Validation Level	Data Group	Tag
Legal Employer	Legal Employers	`LEMP_RULE_TEXT`
Establishment	Reporting Establishments	`REP_EST_RULE_TEXT`
Payroll Statutory Unit	Payroll Statutory Units	`PSU_RULE_TEXT`
Tax Reporting Unit	Tax Reporting Units	`TRU_RULE_TEXT`

- For reporting validations at worker level, add the validations to the corresponding data group and the predefined tags as given in the table here.

Validation Level	Data Group	Tag
Employee or payroll relationship level validations	Identify appropriate data groups (Example: Assignment).	`RULE_TEXT`

- For reporting organization validations or the validations of other entities in a separate table, add the validations to the corresponding data group and the predefined tags as given here.

Validation Level	Data Group	Tag
All levels other than employee or organization	Identify appropriate data groups (Example: Assignment).	`OTHERS_RULE_TEXT`

Related Topics

- Set Up a Lookup Code to Control the Rules for Data Validation Reports
- Overview of Payroll Data Validation Report
- Payroll Data Validation Report
- Add Rules to Data Validation Reports

Set Up a Lookup Code to Control the Rules for Data Validation Reports

Use the delivered ORA_HRX_GLB_VALIDATION_OBJECTS lookup type to set up a lookup code that you can use to control a validation for the Data Validation Report.

You can then use this lookup code to add multiple country tags to a validation. Alternately, you can remove a previously added country tag from the lookup code, if the validation is no more valid for the country.

Note: If you don't tag a country, the application doesn't trigger any validation.

To create a lookup code:

1. In the Setup and Maintenance area, select the **HCM Extract Lookups** task.
2. Search for and select **HCM Extract Lookups**.
3. Click **Create**.
4. Enter these lookup code details.

Field	Description
Lookup Code	Enter a lookup code suitable for the attribute or entity to be validated. If you want to use the Oracle delivered formula for mandatory attribute validation, enter suffix as **>MC** n the lookup code, for example **CST_PERSON_ADDRESS_LINE 1>MC**.
Display Sequence	Enter a unique value for the lookup code. It is recommended to use a sequence number, between 201 to 500, for the user-defined lookup codes.
Start Date	Enter 01/01/0001.
End Date	Enter 12/31/4712.
Meaning	Enter a suitable meaning for the lookup code, for example, Person Address Line 1 Check.
Description	Enter a suitable description, for example, Person Address Line 1 Check.

Field	Description
Tag	Tag an appropriate country or countries, for which the validation is to be performed. For example, `+FR`. **Note:** If no Tag is set up, the application doesn't perform the validation for any country.

5. Click **Save**.

Related Topics

- Overview of Payroll Data Validation Report
- Payroll Data Validation Report
- Add Rules to Data Validation Reports

Add Rules to Data Validation Reports

This example demonstrates how you can add a validation rule to the Data Validation Report extract definition.

Before you make changes to the extract, select a legislative data group. When you submit your changes for a new rule, the validation is available for the selected legislative data group. Depending on the validation rule and the legislative 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's exported by the Global Payroll Interface process to a third-party payroll provider.

Before you add the validation rule, ensure that a database item exists to retrieve the value to be validated. The contexts required by the database item are provided by the block level to which you add the validation. For example, suppose you're adding the new validation to the Person Details data group. You are adding a rule to check whether each person's Person Address Line 1 attribute has a value. If there is no value, the report displays an error message. A database item must exist for the person address line 1 attribute. Create the records and data elements in the appropriate data group based on the level at which you need the validation.

How to Create the Validation

To create a validation:

1. In the Name field, enter **Data Validation Report**.
2. Select **Extract Definitions** task from the **Data Exchange** area under **My Client Groups**.
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 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. Enter these details in the **Create Extract Record** section.

Field	Value
Sequence	Enter a unique value for the records within the Data Group. It is recommended to use a sequence number between 200 and 600. **Note:** Two records in the same Data Group can't use the same sequence number.
Name	Person Address Details
Type	Detail record
Process Type	Fast Formula

   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.

Field	Description
Name	Enter a suitable name, for example, Person Address Line 1 Attribute. This name is used in the validation message.
Tag Name	Person_Address_Line 1_Attribute
Short Code	Enter a suitable name to match the lookup code and remove the suffix, '`>MC`', for example, `CST_PERSON_ADDRESS_LINE_1`.
Start Date	01/01/0001

Field	Description
End Date	12/31/4712
Data Type	Enter a value appropriate to the data that you want to check. For example, Text for address details.
Type	Database item group
Database Item Group	Person Address Line 1
Output Label	Person Address Line 1
Output Column	6

> **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).

c. Click **Save and Close**.

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.

Field	Value
Name	Person Address Line 1 Rule
Tag Name	RULE_TEXT

Field	Value
	Note: Enter this value exactly.
Short Code	`CST_PERSON_ADDRESS_LINE_1>MC` **Note:** The short code must include the short code of the database item attribute you created followed by a space and the suffix: `>MC`. The short code is case-sensitive.
Start Date	01/01/0001
End Date	12/31/4712
Data Type	Text
Type	Always set as Rule.
Rule	Global Attribute Mandatory Check
Output Label	Enter a value same as the Short Code, for example, `CST_PERSON_ADDRESS_LINE_1-RULE`.
Output Column	Enter a unique value within the record, 26.
Results Display Option	Summary and detail

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**.

Data Security in Payroll Data Validation Reports

Configure the Data Validation Report to run based on the profile of the user who submits the report.

For example, if a user has access to employees only within a specific payroll or department, you can configure the report to only report data for those employees. The access the user has is defined by the data security profile attached to the user's role.

Here are the tasks required to configure and run the report based on the profile of the user submitting the report:

1. Sign in as IT Security Manager and define HCM data roles and setup data security. Assign the data roles to the application user as per the requirement of your enterprise.
2. Sign in as Payroll Manager and secure the 'Payroll Data Validation Report' at the Legislative Data Group level.
3. Sign in as application user to whom the privileges are assigned and run the report.

Define Data Roles and Assign Data Roles to the Application User

No predefined HCM data roles exist. While creating an HCM data role, include a job role. The secured HCM object types that the job role accesses are identified automatically, and sections for the appropriate security profiles appear. Select or create security profiles for those object types in the HCM data role.

For each object type, you can include only one security profile in an HCM data role, which is known as Security Profile. Consider the following to complete the setup.

- You must have the IT Security Manager Job role to perform this task.
- To create an HCM data role, use the Assign Security Profiles to Role task in the Setup and Maintenance work area.
- For more information on setting up the data security as per the requirement of the enterprise, see Oracle Human Capital Management Cloud Securing HCM.

Here are the steps required to configure the report based on the profile of the user submitting the report.

1. Search and select the **Payroll Flow Patterns** task from **Payroll** in **My Client Groups** on your Home page.
2. Search for the **Run Payroll Data Validation Report** flow pattern.
3. Select the required **Legislative Data Group**.
4. Click **Edit**.
5. Click **Go to Task** and click **Edit**.
6. Select the row and click the **Edit** on the tool bar for the row.
7. Select the **Secure Process or Report** check box and click **Save**.
8. Alternately, you can click on **Remove all Updates**.

Repeat these steps for each Legislative Data Group, where the setting must apply. This configuration, although done on the delivered flow pattern, is preserved during patching and upgrades.

Submit Report

When you submit the report, consider the following:

- Select the Payroll Statutory Unit (PSU) from a secured list of values. If the user's data security is restricted by the PSU, then the user can only run the report for that PSU they have access to, even if the report is run as the elevated user by default.
- If the user's data access is restricted based on other attributes like department or payroll, configure the report based on the user profile. This is only if you must restrict the report to the profile of the user submitting the report and only data for the department or payroll is reported.

Worker Data Validation Report for Mexico

Run the Worker Data Validation Report to generate a list of workers with missing or noncompliant data. Use this report to verify if the required data setup for all workers for statutory reporting is complete.

As a payroll manager, you can run this report and make relevant corrections to complete the HR data. This is a prerequisite task to check for any missing data before running statutory reports.

Run Worker Data Validation Report

1. From the home page, navigate to **My Client Groups** > **Data Exchange** > **HCM Extracts** > **Submit Extracts**
   or
   My Client Groups > **Payroll** > **Flow Submission and Results** > **Submit a Flow**.
2. Select a Mexico legislative data group.
3. Select the **Run Worker Data Validation Report** from the list of processes or reports.
4. Enter the required **Payroll Flow** name for the process to be run.
5. Select the **Schedule**.
6. Use the **Effective As-of Date** field to specify the effective date of the payroll process to be run. The data status is verified as of the specified effective date.
7. Select the **Legal Employer** for whom the report is to be run.
8. Click **Submit** and then click **Refresh** to view the task completion status.
9. When the status is **Completed**, click the **Worker Data Validation Report.pdf** link to download and save the report.
10. The report generates data with the following details:
    - Person Name
    - Person Number
    - Validation Message

Worker Data Validation Criteria

The worker data validation checks for missing values in the worker records for the **Effective As of Date** as listed here:

The report displays the worker records with the details of all the missing information.

1. The date of birth is available.
2. A valid work location is specified.
3. A valid national identifier (CURP) is entered.
4. The first name and/or paternal last name is available.
5. A new hire date and/or an adjusted service date for rehired employees is specified.
6. The legal address is set for the employees.

Payroll Data Validation Report for Mexico

Run the Payroll Data Validation Report to validate your HR and payroll data. Use this report to verify if the required data setup for all workers for the payroll run or process is complete.

As a payroll manager, you can run this report and make relevant corrections to complete the payroll-related data. This is a prerequisite task to check for any missing data before running all the payroll processes.

Run Payroll Data Validation Report

1. From the home page, navigate to **My Client Groups** > **Payroll** > **Flow Submission and Results** > **Submit a Flow**.
2. Select a Mexico legislative data group.
3. Select the **Run Payroll Data Validation Report** from the list of processes or reports.
4. Enter the required **Payroll Flow** name for the process that's being run. Enter a value each time the process is run.
5. Select the **Schedule**.
6. Use the **Effective As-of Date** field to specify the effective date of the payroll process to include in the report. The data status is verified as of the selected effective date.
7. Select the **Payroll Statutory Unit** for which the report is to be run.
8. Click **Submit** and then click **Refresh** to view the task completion status.
9. When the status is **Completed**, click the **Payroll Data Validation Report.pdf** link to download and save the report.
10. The report generates data with the following details:
    - Missing CFDI data in the legislative data group and legal entity.
    - Missing tax reporting unit data
    - Missing payroll statutory unit data

    The messages for a payroll statutory unit on missing data setup for social security management are sorted by territory, social security type, and contribution type.

Legislative Data Group (LDG) Validation Criteria

The LDG data validation checks all the CFDI keys and CFDI concepts as listed here:

1. The CFDI key must not exceed 15 characters.
2. The CFDI concept must not exceed 100 characters.

> **Note:** A validation message is displayed for invalid CFDI key or concept information.

Legal Entity (Payroll Statutory Unit) Validation Criteria

The payroll data validation checks the legal entity for the criteria as listed here:

1. The CFDI PAC confirmation key exists.
2. The CFDI Fiscal Regime is entered.
3. A Social Security Work Risk Classification is selected for the LE.

> **Note:** A validation message is displayed for each criteria that isn't met in the validation report.

Tax Reporting Unit(TRU) Validation Criteria

The TRU data validation checks include the criteria as provided here:

1. The legal employer's registration(TRU RFC) exists. This is required for social security reporting.

2. The legal employer's registration has a valid check digit (TRU RFC).
3. The TRU waybill number exists in the TRU, if set to yes
4. If the Transmitter TRU exists (if set to yes), the transmitter TRU name needs to be blank.
5. If the Transmitter TRU isn't added (if set to No), the waybill number need to be empty and transmitter TRU name is required.

> **Note:** A validation message is displayed for each criteria that isn't met in the validation report.

Employee Validation Criteria

The employee validation checks include the criteria as listed.

1. The date of birth is available.
2. A valid work location is specified.
3. A valid national identifier (CURP) is entered.
4. The first name and/or paternal last name is available.
5. A new hire date and/or an adjusted service date for rehired employees is specified.
6. An assignment category is selected.
7. A social insurance salary type is selected.
8. The element entry for Average SDI is added.
9. A reduced working week value is selected for the employee.
10. A leaving reason needs to be entered for employees with a terminated work relationship.
11. For employees who have a change in TRU, a leaving reason is entered on the employee tax card.
12. The TRU association has been created on the employee tax card.
13. The association details are linked to an assignment.
14. The fiscal regime is selected for the employee.
15. The legal address is set for the employees.
16. The disabilities data is specified that are related to more than one absence.
17. Disability ID needs to be included on the Absences card entry for the associated absence.
18. For employees with a terminated work relationship, a valid termination date exists.
19. Each person have a feed to the DBC balance.

> **Note:** A validation message is displayed for each criteria that isn't met.