Oracle Fusion Cloud Human Resources

How do I set up statutory deductions calculation card for India?

FA Latest

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G37800-01

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1 Set up statutory deductions calculation card for India

Overview

This playbook provides the steps payroll implementors need to configure the statutory deductions calculation cards for their organization.

It also includes information to migrate the calculation cards and associate the calculation card to the corresponding tax reporting units for statutory deductions.

This playbook includes the tasks for these areas:

- Run the feature upgrade to migrate the employees' calculation cards.
- Set up the calculation cards for statutory deductions components.
- Use HSDL to upload payroll relationship calculation cards.

Calculation Cards for Deductions at Different Levels for India

A predefined Statutory Deductions calculation card is created when a person is hired, if the product extension is set to Payroll or Payroll Interface.

Use the cards to record information specific to a person or organization. Calculation card entries override default values defined at other levels. For India payroll, only the personal calculation card (payroll relationship level) is applicable.

Here's the priority of information, from the highest to the lowest:

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)

Each component on calculation card relates to an element, such as an income tax deduction. You need to associate a separate tax reporting unit to the employee for each statutory deduction through the calculation card.

Association of TRU decides which rates and rules at the tax reporting unit level apply to the calculation of the respective components. You can enter specific rates or other values for the person, which might override default values held on a calculation value definition. For example, professional tax exemption.

You can also store other statutory information related to the employee, such as Universal Account Number (UAN).

Run Feature Upgrade

You need to run the feature upgrade flow to migrate all the employees to the new statutory deduction calculation cards for India payroll.

The **Migrate India Employees to New Tax Card** flow identifies all the employees with the old calculation card associated with the most recent payroll relationship for a specific legislative data group.

Here's how you can run the feature upgrade:

> **Note:** **My Client Groups** > **Payroll** > **Submit a Flow**

1. Select the **Run Feature Upgrade** flow and the legislative data group.
2. Select **Migrate India Employees to New Tax Card** task.
3. Submit the flow.

Results:

The task fetches the details of the card components, component details, value definitions, associated pay entry and element entry details for the old calculation card and deletes all the details. For employees who don't have the new calculation card, the task inserts the new calculation cards along with the statutory deduction components and creates the pay entry and element entry usage associated with the new calculation card.

> **Note:** The various tasks included in this feature upgrade flow are provided here: *Guidelines for Loading Calculation Cards*

Guidelines for Loading Calculation Cards

Use HCM Data Loader for bulk-loading and maintaining payroll data.

You can navigate to the HCM Data Loader (HDL) 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.

Use the HCM Data Loader to load these payroll objects:

- Calculation Cards

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

Creating the Files

1. Run the SQL statements in insert.sql. This generates the output with the required metadata for the HDL file along with the merge statements for each assignment for which the new statutory deductions card needs to be added.

   New card needs to be added for these assignments. Here's an example:

   ```
   METADATA|CalculationCard|EffectiveStartDate|CardSequence|AssignmentNumber|DirCardDefinitionName|
   LegislativeDataGroupName
   ```

```
METADATA|CardComponent|EffectiveStartDate|CardSequence|ComponentSequence|AssignmentNumber|
DirCardDefinitionName|LegislativeDataGroupName|DirCardCompDefName|ParentComponentSequence|
ParentDirCardCompDefName
METADATA|ComponentDetail|EffectiveStartDate|CardSequence|ComponentSequence|DirInformationCategory|
LegislativeDataGroupName|AssignmentNumber|DirCardDefinitionName|DirCardCompDefName|FLEX:Deduction
 Developer DF|taxRegime(Deduction Developer DF=HRX_IN_DIR_INCOME_TAX)
 MERGE|CalculationCard|1990/01/01|1|E955160008175673|Statutory Deductions|ZHRX_IN_Vision_LDG_Two
 MERGE|CardComponent|1990/01/01|1|1|E955160008175673|Statutory Deductions|ZHRX_IN_Vision_LDG_Two|Income
 Tax||
 MERGE|CardComponent|1990/01/01|1|1|E955160008175673|Statutory Deductions|ZHRX_IN_Vision_LDG_Two|
Aggregation Information||
MERGE|ComponentDetail|1990/01/01|1|1|HRX_IN_DIR_INCOME_TAX|ZHRX_IN_Vision_LDG_Two|E955160008175673|
Statutory Deductions|Income Tax|HRX_IN_DIR_INCOME_TAX|Y
```

2. For each assignment number picked up by the query, there are 4 rows as shown.
3. Create a file **CalculationCard.dat** and copy the contents generated from step 1 into the file and save. Compress (.zip) the file using a file name of your choice (example: CalculationCard_Insert.zip).
4. Execute the SQL statement provided in the Delete.sql file. This gives the list of records that need to be deleted. If there are more than one card attached to a single assignment, then there will be two rows with different CardSequence (example: 1,2)

   Here's an example:

   ```
   METADATA|CalculationCard|EffectiveStartDate|CardSequence|AssignmentNumber|DirCardDefinitionName|
   LegislativeDataGroupName
    DELETE|CalculationCard|1990/01/01|1|E955160008175673|Deduction Information|ZHRX_IN_Vision_LDG_Two
   ```

5. Create a file **CalculationCard.dat** and copy the contents generated from step 4 and compress the file using a suitable file name (example: CalculationCard_Delete.zip)

   For each assignment number there are four rows in the output.

Insert SQL Query

Use the SQL statements in this Insert SQL query to create the output with the required metadata for the HDL file along with the merge statements for each assignment.

```
select stmt from
(select 'METADATA|CalculationCard|EffectiveStartDate|CardSequence|AssignmentNumber|DirCardDefinitionName|
LegislativeDataGroupName' stmt, '0' a_num,0.1 row_name from dual
union
select 'METADATA|CardComponent|EffectiveStartDate|CardSequence|ComponentSequence|AssignmentNumber|
DirCardDefinitionName|LegislativeDataGroupName|DirCardCompDefName|ParentComponentSequence|
ParentDirCardCompDefName' stmt, '0' a_num,0.2 row_name from dual
union
select 'METADATA|ComponentDetail|EffectiveStartDate|CardSequence|ComponentSequence|DirInformationCategory|
LegislativeDataGroupName|AssignmentNumber|DirCardDefinitionName|DirCardCompDefName|FLEX:Deduction Developer
 DF|taxRegime(Deduction Developer DF=HRX_IN_DIR_INCOME_TAX)' stmt, '0' a_num,0.3 row_name from dual
union
select distinct 'MERGE|CalculationCard'||'|'||to_char(card.effective_start_date,'YYYY/MM/
DD')||'|'||'1'||'|'||ASSIGNMENT_NUMBER||'|'||
(select display_name from fusion.pay_dir_card_definitions_vl where BASE_DISPLAY_NAME =
 'ORA_HRX_IN_RESP_DEDUCTION_CARD'
and legislation_code='IN')||'|'||ldg.name stmt,ASSIGNMENT_NUMBER a_num,1 row_name
from fusion.pay_pay_relationships_dn rel,
 fusion.per_legislative_data_groups_vl ldg,
 fusion.pay_rel_groups_dn relg,
 fusion.pay_dir_cards_f card,
 fusion.pay_dir_card_definitions_vl def,
 fusion.per_periods_of_service ppos
where rel.LEGISLATIVE_DATA_GROUP_ID = ldg.LEGISLATIVE_DATA_GROUP_ID
and ldg.LEGISLATION_CODE = 'IN'
and rel.PAYROLL_RELATIONSHIP_ID = relg.PAYROLL_RELATIONSHIP_ID
```

```
and relg.GROUP_TYPE = 'A'
and rel.payroll_relationship_id = card.PAYROLL_RELATIONSHIP_ID
and card.DIR_CARD_DEFINITION_ID = def.DIR_CARD_DEFINITION_ID
and def.BASE_DISPLAY_NAME = 'IN_DEDUCTION_CARD'
and not exists ( select 1 from fusion.pay_payroll_rel_actions act
where act.PAYROLL_RELATIONSHIP_ID = rel.PAYROLL_RELATIONSHIP_ID)
and card.effective_start_date =
(select max(effective_start_date) from fusion.pay_dir_cards_f where PAYROLL_RELATIONSHIP_ID=
 rel.PAYROLL_RELATIONSHIP_ID)
and ppos.person_id=rel.person_id
and ppos.legislation_code='IN'
and nvl(ppos.actual_termination_date,to_date('31-12-4712','DD-MM-YYYY')) > trunc(sysdate)
AND ppos.period_of_service_id = ( SELECT MAX(period_of_service_id) FROM fusion.per_periods_of_service WHERE
 person_id = rel.person_id)
union
select distinct 'MERGE|CardComponent'||'|'||to_char(card.effective_start_date,'YYYY/MM/DD')||'|'||'1|
1'||'|'||ASSIGNMENT_NUMBER||'|'||
(select display_name from fusion.pay_dir_card_definitions_vl where BASE_DISPLAY_NAME =
 'ORA_HRX_IN_RESP_DEDUCTION_CARD'
and legislation_code='IN')||'|'||ldg.name||'|'||'Income Tax||' stmt,ASSIGNMENT_NUMBER a_num,2 row_name
from fusion.pay_pay_relationships_dn rel,
 fusion.per_legislative_data_groups_vl ldg,
 fusion.pay_rel_groups_dn relg,
 fusion.pay_dir_cards_f card,
 fusion.pay_dir_card_definitions_vl def,
 fusion.per_periods_of_service ppos
where rel.LEGISLATIVE_DATA_GROUP_ID = ldg.LEGISLATIVE_DATA_GROUP_ID
and ldg.LEGISLATION_CODE = 'IN'
and rel.PAYROLL_RELATIONSHIP_ID = relg.PAYROLL_RELATIONSHIP_ID
and relg.GROUP_TYPE = 'A'
and rel.payroll_relationship_id = card.PAYROLL_RELATIONSHIP_ID
and card.DIR_CARD_DEFINITION_ID = def.DIR_CARD_DEFINITION_ID
and def.BASE_DISPLAY_NAME = 'IN_DEDUCTION_CARD'
and not exists ( select 1 from fusion.pay_payroll_rel_actions act
where act.PAYROLL_RELATIONSHIP_ID = rel.PAYROLL_RELATIONSHIP_ID)
and card.effective_start_date =
(select max(effective_start_date) from fusion.pay_dir_cards_f where PAYROLL_RELATIONSHIP_ID=
 rel.PAYROLL_RELATIONSHIP_ID)
and ppos.person_id=rel.person_id
and ppos.legislation_code='IN'
and nvl(ppos.actual_termination_date,to_date('31-12-4712','DD-MM-YYYY')) > trunc(sysdate)
AND ppos.period_of_service_id = ( SELECT MAX(period_of_service_id) FROM fusion.per_periods_of_service WHERE
 person_id = rel.person_id)
union
select distinct 'MERGE|CardComponent'||'|'||to_char(card.effective_start_date,'YYYY/MM/DD')||'|'||'1|
1'||'|'||ASSIGNMENT_NUMBER||'|'||
(select display_name from fusion.pay_dir_card_definitions_vl where BASE_DISPLAY_NAME =
 'ORA_HRX_IN_RESP_DEDUCTION_CARD'
and legislation_code='IN')||'|'||ldg.name||'|'||'Aggregation Information||' stmt,ASSIGNMENT_NUMBER a_num,3
 row_name
from fusion.pay_pay_relationships_dn rel,
 fusion.per_legislative_data_groups_vl ldg,
 fusion.pay_rel_groups_dn relg,
 fusion.pay_dir_cards_f card,
 fusion.pay_dir_card_definitions_vl def,
 fusion.per_periods_of_service ppos
where rel.LEGISLATIVE_DATA_GROUP_ID = ldg.LEGISLATIVE_DATA_GROUP_ID
and ldg.LEGISLATION_CODE = 'IN'
and rel.PAYROLL_RELATIONSHIP_ID = relg.PAYROLL_RELATIONSHIP_ID
and relg.GROUP_TYPE = 'A'
and rel.payroll_relationship_id = card.PAYROLL_RELATIONSHIP_ID
and card.DIR_CARD_DEFINITION_ID = def.DIR_CARD_DEFINITION_ID
and def.BASE_DISPLAY_NAME = 'IN_DEDUCTION_CARD'
and not exists ( select 1 from fusion.pay_payroll_rel_actions act
where act.PAYROLL_RELATIONSHIP_ID = rel.PAYROLL_RELATIONSHIP_ID)
and card.effective_start_date =
```

```
(select max(effective_start_date) from fusion.pay_dir_cards_f where PAYROLL_RELATIONSHIP_ID=
 rel.PAYROLL_RELATIONSHIP_ID)
and ppos.person_id=rel.person_id
and ppos.legislation_code='IN'
and nvl(ppos.actual_termination_date,to_date('31-12-4712','DD-MM-YYYY')) > trunc(sysdate)
AND ppos.period_of_service_id = ( SELECT MAX(period_of_service_id) FROM fusion.per_periods_of_service WHERE
 person_id = rel.person_id)
union
select distinct 'MERGE|ComponentDetail'||'|'||to_char(card.effective_start_date,'YYYY/MM/DD')||'|'||'1|
1'||'|'
||'HRX_IN_DIR_INCOME_TAX|'||ldg.name||'|'||ASSIGNMENT_NUMBER||'|'||
(select display_name from fusion.pay_dir_card_definitions_vl where BASE_DISPLAY_NAME =
 'ORA_HRX_IN_RESP_DEDUCTION_CARD'
and legislation_code='IN')||'|Income Tax|HRX_IN_DIR_INCOME_TAX|Y' stmt,ASSIGNMENT_NUMBER a_num,4 row_name
from fusion.pay_pay_relationships_dn rel,
 fusion.per_legislative_data_groups_vl ldg,
 fusion.pay_rel_groups_dn relg,
 fusion.pay_dir_cards_f card,
 fusion.pay_dir_card_definitions_vl def,
 fusion.per_periods_of_service ppos
where rel.LEGISLATIVE_DATA_GROUP_ID = ldg.LEGISLATIVE_DATA_GROUP_ID
and ldg.LEGISLATION_CODE = 'IN'
and rel.PAYROLL_RELATIONSHIP_ID = relg.PAYROLL_RELATIONSHIP_ID
and relg.GROUP_TYPE = 'A'
and rel.payroll_relationship_id = card.PAYROLL_RELATIONSHIP_ID
and card.DIR_CARD_DEFINITION_ID = def.DIR_CARD_DEFINITION_ID
and def.BASE_DISPLAY_NAME = 'IN_DEDUCTION_CARD'
and not exists ( select 1 from fusion.pay_payroll_rel_actions act
where act.PAYROLL_RELATIONSHIP_ID = rel.PAYROLL_RELATIONSHIP_ID)
and card.effective_start_date =
(select max(effective_start_date) from fusion.pay_dir_cards_f where PAYROLL_RELATIONSHIP_ID=
 rel.PAYROLL_RELATIONSHIP_ID)
and ppos.person_id=rel.person_id
and ppos.legislation_code='IN'
and nvl(ppos.actual_termination_date,to_date('31-12-4712','DD-MM-YYYY')) > trunc(sysdate)
AND ppos.period_of_service_id = ( SELECT MAX(period_of_service_id) FROM fusion.per_periods_of_service WHERE
 person_id = rel.person_id)
)

order by a_num,row_name
```

Delete SQL Query

Use the SQL statements in this Delete SQL query to generate the list of records that need to be deleted.

```
select stmt from
(select 'METADATA|CalculationCard|EffectiveStartDate|CardSequence|AssignmentNumber|DirCardDefinitionName|
LegislativeDataGroupName' stmt, 1 row_num from dual
union
select 'DELETE|CalculationCard|'||to_char(rel.start_date,'YYYY/MM/DD')||'|'||CARD_SEQUENCE||'|'||
ASSIGNMENT_NUMBER||'|'||DISPLAY_NAME||'|'||ldg.name stmt, 2 row_num
from fusion.pay_pay_relationships_dn rel,
 fusion.per_legislative_data_groups_vl ldg,
 fusion.pay_rel_groups_dn relg,
 fusion.pay_dir_cards_f card,
 fusion.pay_dir_card_definitions_vl def,
 fusion.per_periods_of_service ppos
where rel.LEGISLATIVE_DATA_GROUP_ID = ldg.LEGISLATIVE_DATA_GROUP_ID
and ldg.LEGISLATION_CODE = 'IN'
and rel.PAYROLL_RELATIONSHIP_ID = relg.PAYROLL_RELATIONSHIP_ID
and relg.GROUP_TYPE = 'A'
and rel.payroll_relationship_id = card.PAYROLL_RELATIONSHIP_ID
and card.DIR_CARD_DEFINITION_ID = def.DIR_CARD_DEFINITION_ID
and def.BASE_DISPLAY_NAME = 'IN_DEDUCTION_CARD'
```

```
and not exists ( select 1 from fusion.pay_payroll_rel_actions act where act.PAYROLL_RELATIONSHIP_ID =
 rel.PAYROLL_RELATIONSHIP_ID)
and ppos.person_id=rel.person_id
and ppos.legislation_code='IN'
and nvl(ppos.actual_termination_date,to_date('31-12-4712','DD-MM-YYYY')) > trunc(sysdate)
AND ppos.period_of_service_id = ( SELECT MAX(period_of_service_id) FROM fusion.per_periods_of_service WHERE
 person_id = rel.person_id)
)
order by row_num
```

Importing and Loading the Files

1. From the home page, click **My Client Groups > Data Exchange**.
2. On the Data Exchange page, click **Import and Load Data**.
3. Click **Import File** on the page header.
4. In the File Explorer, drag the .zip file created in step 5 of **Creating the Files** task (CalculationCard_Delete.zip) to add the file.

   Or, click **Choose File** to search and select your file.

   > **Note:** You need to load the CalculationCard_Delete.zip before loading CalculationCard_Insert.zip

5. Click **Submit**.
6. Click **OK** on the confirmation page.
7. When the import and load process is complete, the old card **Deduction Information** needs to be deleted from the list of assignment number in the file.
8. Repeat the same set of steps to load the file created in Step 3 of **Creating the Files**. Example: CalculationCard_Insert.zip
9. When the import and load process is complete, the new card **Statutory Deductions** needs to be created for the list of assignment number in the file.
10. Validate that the new card **Statutory Deductions** is created for the employee.
11. Query for the employee using the Person Management screen.
12. Navigate to **Payroll > Calculation Cards**.

    The calculation card displays as **Statutory Deductions** with the description **Statutory deduction information for India**.

Set Up Calculation Cards for Statutory Deductions

You can use the statutory deduction calculation card to record the information specific to a person.

Calculation card entries override default values defined at other levels. The details you capture are effective from the **Effective As-Of Date** field. If you remove any record details, the fields will be end-dated based on the Effective As-Of Date field.

Before you start

Here are the prerequisite tasks you need to do before setting up the statutory deduction calculation card for an individual:

1. Tax reporting units created for all the statutory deduction tax components.
2. Tax reporting unit associated with the legal entity and legal reporting units.
3. Payroll statutory unit calculation card

Note: My Clients Groups > **Payroll** > **Calculation Cards**

Set Up the Statutory Deduction Calculation Card

1. Using the person number or name, search for the required employee.
2. In the Calculation Card page, search for the available calculation cards associated with the employee using the **Effective As-Of Date**.
3. Click the Statutory Deduction Calculation Card and expand the Associations section.
4. Add the tax reporting units for the various tax legislation components:
    a. Click **Add**.
    b. Set the **Effective Start Date** and select the **Income Tax TRU**.

        Note:
        - You can't set the start date as the Effective Start Date field. This is a read-only field and based on the **Effective As-Of Date** field.

    c. Repeat steps 1 and 2 for each of the tax legislation components:
        - Provident fund
        - Employee State Insurance
        - Labour Welfare Fund
        - Professional Tax
        - National Pension Scheme.

    Note: You need to associate all the TRUs for the various tax components to the employee's calculation card, before capturing the tax information in the **Taxes** and **Social Insurance and Pension** sections.

5. In the **Taxes** section, you can add the income tax, professional tax and previous employment information.
    a. Income tax: Select the tax regime and complete the investment declarations.
    b. Professional Tax: Select the **Exempted from PT Contribution** checkbox, if applicable, and enter the reason for exemption in the **Exemption Reason** field.
    c. Enter the previous employment information, if the employee has joined in the middle of the financial year.
6. In the **Social Insurance and Pension** section, add the provident fund, employee state insurance, Labour welfare fund, and NPS information.
    a. Enter the following details for Provident Fund:

Field	Description
Universal Account Number	Enter the universal account number. This is a 12 digit authentication number, assigned to an employee and their employer, to contribute to the employee Provident Fund.
Provident Fund Number	Enter the provident fund number. This is a 22 digit alphanumeric number given to each employee in an organization that provides the PF benefits.

Field	Description
Employee Pension Scheme Number	Enter the employee pension scheme account number.
PF or EPS Contribution	Enter the contribution to provident fund or employee pension scheme.
Override EPS Age	Select the required age range to override the EPS age.
Voluntary PF Amount	Enter the amount for voluntary PF contribution.
Voluntary PF Percentage	Enter the percentage for voluntary PF contribution.

Save the provident fund details.

b. Employee State Insurance: You can view the employee's IP Number.
   - Select the **Use Disability Benefits** checkbox, if the employee is eligible for this benefit.

     Note: There's no wage ceiling for the coverage of employees with disability. If an employee is disabled, they will continue to be covered in ESI irrespective of their ESI eligible wages. The employer is exempted from payment of employer's share of contribution on the wages paid to the employees with disability for a maximum period of 10 years from the date of commencement of the contribution period in which such employee with disability is employed.

c. Labour Welfare Fund:
   - Select the **Exempted from LWF Contribution** checkbox, if the employee is exempted from LWF contribution and enter the reason for exemption.
   - Select the **Supervisory Capacity for LWF** checkbox, if the employee is in supervisor capacity as per the LWF rules.
   - Click OK.

d. National Pension Scheme(NPS): Enter the NPS information if the employee has enrolled in NPS.
   - Enter the **Employee PRAN** number.
   - Select the **Employee Contribution Type Tier 1** from the list and enter the **Employee Contribution Value Tier 1** value for Tier 1 and Tier 2.
   - Select the **Employer Contribution Type** from the list and enter the **Employer Contribution Value**.
   - Click OK.

Note: Calculation card entries override the default values defined at the NPS TRU level.

Use HSDL to Upload Payroll Relationship Calculation Card Info for India

You can use the HCM Spreadsheet Data Loader (HSDL) to perform mass upload of your organization's calculation card info.

There are multiple predefined HSDL templates to help you.

1. From **My Client Groups**, click **Data Exchange**.
2. Click **Run Spreadsheet Data Loader**.
3. Search for and select one of these spreadsheet templates.

Template Name	What it Does
Load Calculation Card for HRA	Loads the HRA investment declaration, proof submission and proof approval info
Load Calculation Card for House Loan	Loads the house loan investment declaration, proof submission and proof approval info
Load Calculation Card for ChapterVIA	Loads the chapter VIA investment declaration, proof submission and proof approval info
Load Calculation Card for Other Income	Loads the other income investment declaration, proof submission and proof approval info
Load Calculation Card for All Component	Loads all component declaration, proof submission, and proof approval info.