

Oracle Fusion Cloud Human Resources

**How do I set up grades, grade rates,
and grade ladders?**



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1 Grades

Overview of Grades

You can create grades on the grades page to record the level of compensation for workers.

A grade is an attribute of a person's assignment, and can be used in the following ways:

- Include grades in a grade rate, and associate ranges that you can use when validating a person's salary amount.
- Organize grades in a sequence within a grade ladder to manage employee progression through grade steps.
- Associate rates with grades in a grade ladder so that default salaries are automatically assigned based on these rates.
- Include a list of valid grades for a job or position so that you can default or validate values on an assignment.

Grades and Sets

You assign each grade to a set. If you assign a grade to the common set, then the grade is available for use in all business units.

To limit a grade to a single business unit, you can assign it to a set that's specific to that business unit.

Related Topics

- [Overview of Grade Rates](#)
- [Overview of Grade Ladders](#)

Grade Steps

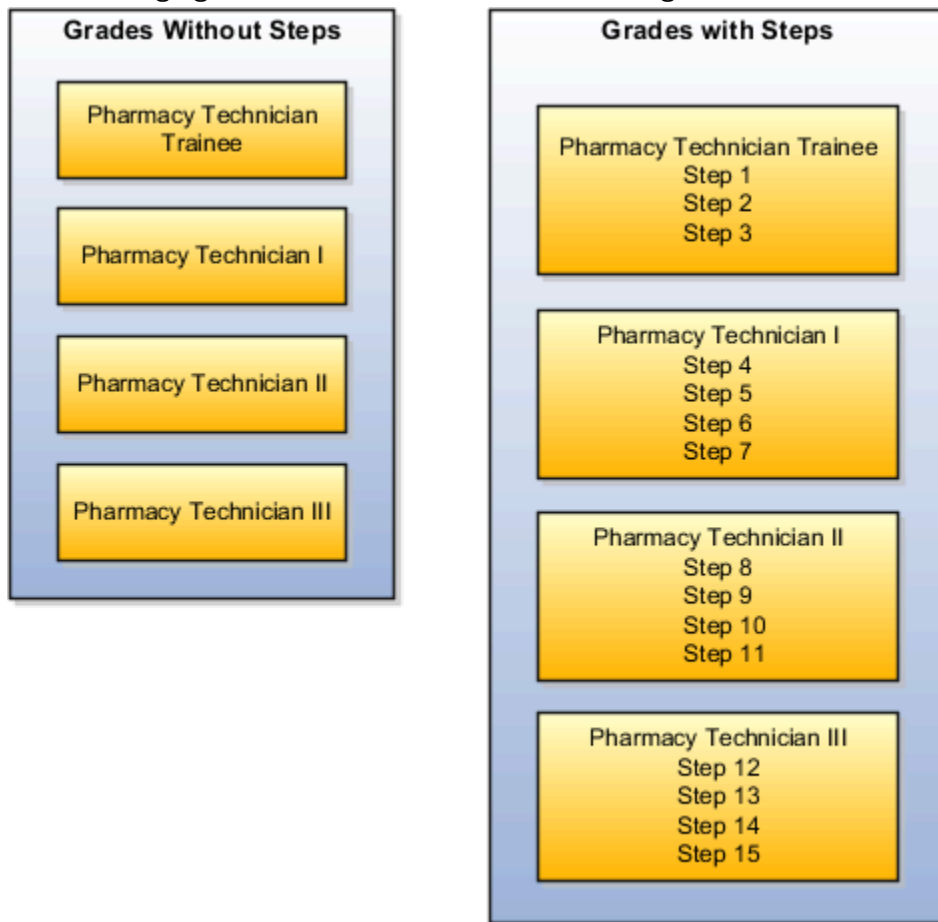
Grade steps are increments of a grade. You can set up grades with or without grade steps.

The GRADE_TYPE attribute denotes whether the grade has steps or not. The attribute is set when you add at least one step to your grade. It's not displayed on the Grades page, but it's used for other pages and validations.

A step is unique within a grade. You can use the same step names in different grades, but there's no relationship between steps with the same name. For example, Step 1 in Grade A is different from Step 1 in Grade B.

This figure illustrates the difference between grades with steps and without steps.

The following figure illustrates the difference between grades with and without steps.



Related Topics

- [Ceiling Step](#)

Ceiling Step

A ceiling step is the highest step within a grade to which a worker may progress.

When a worker reaches the ceiling step within a grade, any further progress must be made by moving the worker manually to a higher step or grade. A ceiling step is required when you define a grade.

In many cases, the ceiling step is the last step in the grade. For example, if the grade has steps 1 through 5, step 5 is the ceiling step.

The **Run Grade Step Progression** process uses the ceiling step when evaluating workers for progression.

You may have situations where you want a step other than the last step to be the ceiling. For example, in a grade with steps 1 through 5, you may indicate that step 4 is the ceiling step, and workers can progress automatically from step 1 to step 4. They can move beyond step 4 only if you move them manually.

2 Grade Rates

Overview of Grade Rates

A grade rate is a list of grades, where each grade can have these associated attributes: minimum, maximum, midpoint, and value.

You can use grade rates in these ways:

- To define salary ranges.
- To define rate values within a grade ladder when your grades don't have steps.

Here are some key points about grade rates:

- You can create grade rates on the grade ladders page or the grade rates page.
- When you create a grade rate, you specify common attributes such as rate type, currency, frequency, annualization factor, and legislative data group.
- You add your grades to the grade rate, and associate grade rate values which are the minimum, maximum, midpoint, and value amounts for each grade.
- You can have as few or as many grade rates as you like. And you can include the same grade in more than one grade rate.
- Once you create a grade rate, you can't update the legislative data group.

Rate Types

The types of rates that you can set up depend on the values for the lookup type `GRADE_PAY_RATE_TYPE`.

Examples of rate types are salary, bonus, and overtime pay. Salary is the most common rate type because it's the only one that's used for salary ranges and grade ladders.

Related Topics

- [Overview of Grades](#)
- [Overview of Grade Ladders](#)

Grade Rate Used to Define Salary Ranges

To define salary ranges, you include a grade rate in your salary basis definition.

If the person's assignment grade is included in the grade rate that's associated with their salary basis, then the salary range will display when you view the person's salary. Sometimes, the salary basis and grade rate may have different frequencies. For example, one of them may be hourly and the other may be monthly. In such cases, the amounts are converted to the frequency of the salary basis.

Grade rates used in salary range can be created on the Grade Rates page, or you can use a grade rate that was created on the Grade Ladders page.

If you're using your grade rate in a salary basis, enter the minimum, maximum, and midpoint. You can use the same grade rate in more than one salary basis.

Grade Rate Used in a Grade Ladder

A grade rate is used in a grade ladder when the grades don't have steps.

You create the grade rate in the Grade Ladders page by specifying a rate name, and other attributes such as currency, frequency, and annualization factor, while you're creating your grade ladder.

If you're using your grade rate in a grade ladder, enter the value. Enter the minimum, maximum and midpoint only if you want to also use the grade rate in a salary basis.

If your grade rate was created within the Grade Ladders page, you won't be able to view or edit it on the Grade Rates page. You need to make any required updates on the Grade Ladders page.

Grade Rates and Legislative Data Groups

You need to assign a legislative data group to each grade rate.

Depending on how your enterprise is configured, you may have several legislative data groups. You can set up grades that are shared across different areas of your business, and enter rates that are specific to each legislative data group.

Note: If you need to change the legislative data group for a grade rate, you must first change the grade rate to inactive, and then create a new grade rate with the correct legislative data group.

3 Grade Ladders

Overview of Grade Ladders

Grade ladders are a sequence of the grades to which a worker is eligible to progress, along with a compensation value associated with that grade or with the steps within the grade.

You use grade ladders when everyone with a certain grade or a certain step within a grade is paid the same amount. A grade ladder is often associated with a union contract. You can create and manage grade ladders on the grade ladders page.

Note: You can reuse grades in different grade ladders.

When you create a grade ladder, you can choose one of these options:

- **Progression Grade Ladder for Grades with Steps**
- **Progression Grade Ladder for Grades Without Steps**
- **Grade Ladder for Grades with Steps**

Use a progression grade ladder if you want to do any of the following:

- Default the person's salary from the rates on the grade ladder during HR actions such as Hire, Promote, or Transfer.
- Use the **Run Grade Step Progression** batch process to automatically move the assignment to the next grade or step within the grade, based on eligibility. The process can optionally update the salary with the associated rate.
- Use the **Synchronize Grade Step Rates** batch process to update salary records after you've updated the rates on the grade ladder.

Ladders Where Grades Don't Have Steps

If you chose **Progression Grade Ladder for Grades Without Steps** when you created the grade ladder, the grade type will be set to **Grade**.

When you set up this type of ladder, only grades without steps are available to add to the ladder. You can't create a grade ladder with a combination of both grades without steps and grades with steps.

You define grade rates when you set up the grade ladder, and the grade rate values are unique for this ladder. You can't share grade rates between grade ladders.

Ladders Where Grades Have Steps

If you chose **Progression Grade Ladder for Grades with Steps** or **Grade Ladder for Grades with Steps** when you created the grade ladder, the grade type will be set to **Grade with steps**. When you set up this type of ladder, only grades with steps are available to add to the ladder.

You define step rates when you set up the ladder, and the step rate values are unique to each ladder. You can't share step rates between grade ladders.

Note: You can add rates to a grade with steps, when you add the grade to a grade ladder.

Related Topics

- [Overview of Grades](#)
- [Overview of Grade Rates](#)
- [How can I add rates to grade steps?](#)

Create a Progression Grade Ladder

Here's how you create a progression grader ladder to use with the Run Grade Step Progression and Synchronize Grade Step Rate processes, or to default the amounts from grade ladder rates during HR actions.

If you aren't using batch processes, you still need to include some required fields which will be noted in the instructions.

Before you start

Make sure of the following:

- The group that you want to associate the ladder with exists. Selecting a group for the ladder is optional, but if needed, add the group to the **ORA_CMP_GSP_GRADE_LADDER_GRP** lookup using the Lookups task.
- The grades exist. If needed, create them using the **Grades** task.

Here's what to do

1. Create the grade ladder.
 - a. On the Grade Ladders page, click **Add**, and then choose either **Progression Grade Ladder for Grades with Steps** or **Progression Grade Ladder for Grades Without Steps**.
 - b. Complete the ladder details. Keep these key considerations in mind when making certain selections.

Field	Considerations
Progression Increment	<p>When Grade Type is Grade, you can specify whether to evaluate only the next grade in the ladder or all grades.</p> <p>When Grade Type is Grade with step, you can specify how many steps to evaluate and whether to stop at the ceiling step.</p> <p>If you're not using the batch processes: Select any value because this required field applies only to grade step progression processing.</p>
Transaction Date	<p>Set the date for the updated assignment record created by the Run Grade Step Progression process. To make it the same date as the effective date of the process, select Process run date.</p> <p>If you're not using the batch processes: Select any value because this required field applies only to grade step progression processing.</p>

Field	Considerations
Confirmation Type	<p>To have people accept or reject proposed progressions as part of their review, select Manual.</p> <p>To have the Run Grade Step Progression process accept the proposals and updates as part of its processing, select Automatic.</p> <p>If you're not using the batch processes: Select any value because this required field applies only to grade step progression processing.</p>
Assignment Action	<p>If people leave the actions blank when they submit a process, it uses this action.</p> <p>If you're not using the batch processes: Select any value because this required field applies only to grade step progression processing.</p>
Grade Ladder Group	<p>To include the ladder with other progression grade ladders in a single batch for progression processing, select the appropriate group.</p>

- c. Complete the salary update details. Keep these key considerations in mind when making certain selections.

Field	Considerations
Include Salary Updates	<p>You're specifying how the Run Grade Step Progression process updates a person's assignment and salary records.</p> <ul style="list-style-type: none"> - No (default): The process updates the grade or step value on the assignment, but not the salary amount. - Yes: The process updates the grade or step value on the assignment record. It also updates the salary record with the associated rate from the grade or step. - When you select Yes, you can configure more attributes related to salary updates and rate synchronization. <p>If you want to default the salary from grade ladder rates, you need to select Yes.</p>
Salary Calculation Method	<p>To calculate salary using the rates from your progression grade ladder, select Use grade step rate. You can also choose to write a formula to determine the rate.</p> <p>If you want to default the salary from grade ladder rates, you need to select Use grade step rate. Formulas aren't supported for salary default.</p>
Transaction Date	<p>To use the assignment date as the date for the updated salary record the Run Grade Step Progression process creates, select Grade step change date.</p> <p>If you're not using the batch processes: Select any value because this required field applies only to grade step progression processing.</p>
Salary Adjustment Type	<p>To prorate the rates from the grade ladder according to the person's assignment FTE value, select an adjustment type.</p>

- d. Complete the rate synchronization details. Keep these key considerations in mind when making certain selections.

Field	Considerations
Transaction Date	<p>Set the date for the updated salary record created by the Synchronize Grade Step Rates process:</p> <ul style="list-style-type: none">- To make it the same date as the effective date of the process, select Process run date.- To make it the same date as when the rate changed on the grade ladder, select Grade step rate change date. <p>If you're not using the batch processes: Select any value because this required field applies only to grade step progression processing.</p>
Confirmation Type	<p>To have people accept or reject salary updates as part of their review, select Manual.</p> <p>To have the Synchronize Grade Step Rates process accept the proposals and updates as part of its processing, select Automatic.</p> <p>If you're not using the batch processes: Select any value because this required field applies only to grade step progression processing.</p>

2. Add a rate definition.

- a. Give the rate a name. It's good practice to use the same name as your grade ladder, but you can also use a different name.
- b. Specify the legislative data group. It should be the same legislative data group that you used for the grade ladder.
- c. Set the rate type to **Salary**.
- d. Choose the frequency and annualization factor.
- e. The currency will default from the legislative data group.
- f. Set the rate as a progression rate.

3. Add grades.

- a. Search for and select a grade to add. Your Grade Type selection decides which grades you see in the list, meaning, whether the grades have steps or not.
- b. When you add a grade after the first grade, select a position for the grade in the grade ladder. You can add it at the beginning of the grade ladder, at the end, before a specific grade, or after a specific grade.

4. Add rate values.

- a. If your grades have steps, click the link in the **Step Rate Values** column to add rate values to each step.
- b. If your grades don't have steps, enter the grade rate values directly in the table.

Related Topics

- [Overview of Grade Step Progression Processing](#)
- [Basic Process to Default Salary Amounts from Grade Ladder Rates](#)

Difference Between Grade Ladders and Progression Grade Ladders

On the Grade Ladders page, you can choose to create a grade ladder or a progression grade ladder.
Here are the differences between them:

Progression Grade Ladder	Grade Ladder
<ul style="list-style-type: none">• Required if you're using grade step progression or rate synchronization processes.• Enables population of worker salary record from grade or step rates during employment transactions.• Includes additional required attributes.• Can have grades with steps or grades without steps.• Only one rate is allowed for each progression grade ladder. This could be either a grade rate or step rate.• Associated with a single legislative data group.	<ul style="list-style-type: none">• Can only have grades with steps.• Can have one or more rates, which could be either grade rates or step rates.

4 Set Up Grades, Grade Rates, and Grade Ladders

Lookup Types for Grades

The Lookup type for Grades task identifies the lookup type for managing grades that has an extensible configuration level.

The GRADE_PAY_RATE_TYPE lookup type identifies compensation components you want to set up for grade rates. The predefined values are salary, bonus, and overtime. Review these lookup values, and update them as appropriate to suit enterprise requirements.

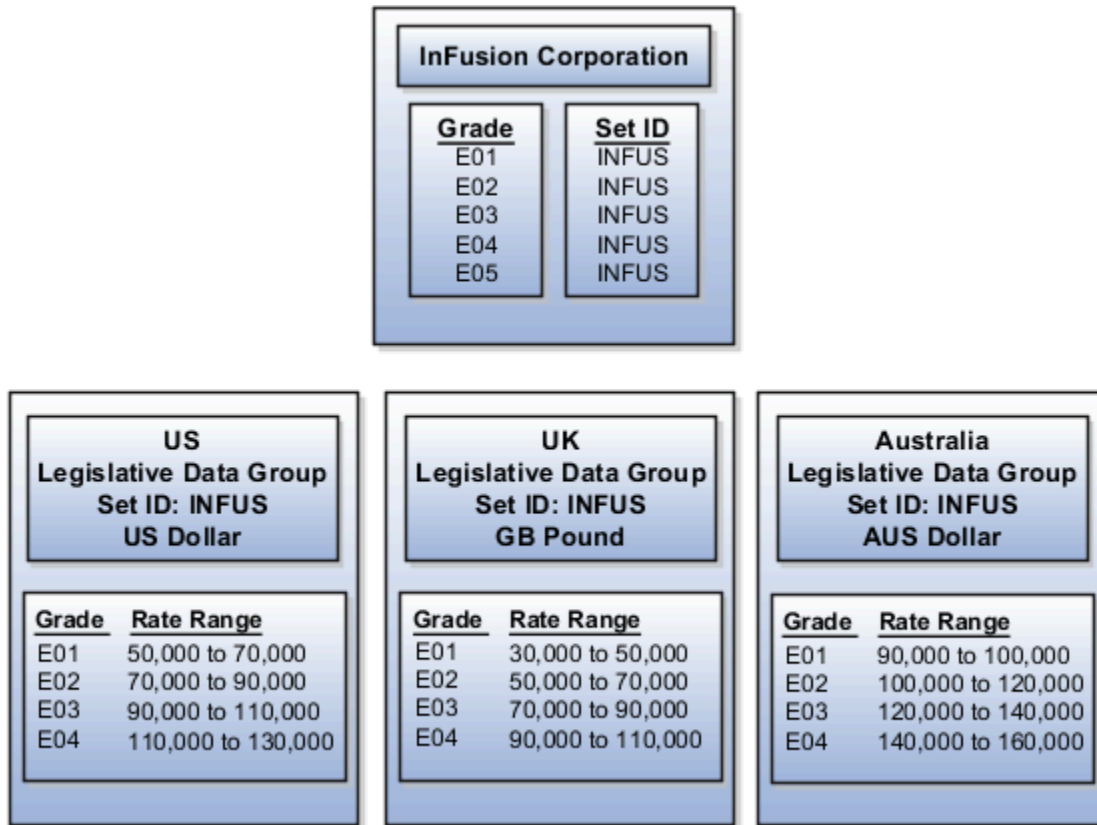
How Grades, Grade Rates, and Sets Work with Legislative Data Groups

You assign grades to sets. And you assign grade rates to legislative data groups.

If you have grades that are common across multiple business units, you can:

- Assign them to the set that's associated with business units.
- Set up grade rates that are specific to each legislative data group.

The following figure illustrates how you can use sets to share grades across multiple business units and change the grade rates for each legislative data group.



Grades and Sets

Sets enable you to share grades that are common across business units in your enterprise. You can assign grades to either a specific set or to the common set. If you assign the grade to the common set, then the grade is available for use in all business units.

Grade Rates and Legislative Data Groups

While grades may be common across different areas of your enterprise, grade rates vary among the countries in which you employ people.

For example, let's say your enterprise has engineer jobs in the United States, the United Kingdom, and Australia. Then you can set up grades for a set that's shared between the countries. However, you will have to set up different grade rates for each country in the applicable currency.

Related Topics

- [Overview of Grades](#)
- [Overview of Grade Rates](#)

How Grades and Grade Ladders Work with Jobs and Positions

You can use grades, grade rates, and grade ladders in jobs and positions.

When you set up a job, you can specify a default grade ladder, as well as a list of valid grades for the job.

When you set up a position, you can specify a default grade ladder and a list of valid grades for the position. You can also define the entry grade and entry step for the position.

Related Topics

- [How You Match Position Valid Grades with Job Grades](#)
- [Considerations for Enforcing Grades at Assignment Level](#)

How You Match Position Valid Grades with Job Grades

You can enforce that valid grades of the position match with valid grades of the associated job by setting this profile option value to yes: Validation to Match Position's Valid Grades With Job Valid Grades Enabled.

When the profile option is enabled, only valid grades specified in the selected job can be added in the position. An error is shown when you add grades that aren't specified for the job.

A new position inherits the valid grades defined in the selected job. Valid grades for the position are those that are active and associated with the common set or the set associated with the business unit. Valid grades are used in assignments that use the position and subsequently in payroll calculation.

How Grades, Grade Rates, and Grade Ladders Work with Compensation

A grade rate can be linked to the salary basis within the salary record. In such cases, a worker's salaries are validated using the grade rate values.

For example, let's assume an assignment record for a worker indicates they're in Grade A1 with the salary of USD 40000.00:

- The grade rate that's attached to their salary basis includes their Grade A1, and it has a minimum value of 30,000 and maximum value of 50,000.00 USD. Therefore, the salary is within the grade rate range and no warnings are issued.
- If their manager or a human resource (HR) specialist changes their salary to 55,000.00 USD, a warning is issued that the new salary is outside their salary range, because it's higher than the maximum value.

Compa-ratios and salary range positions for workers are calculated using the minimum and maximum amounts from the grade rate.

Grade ladders are used for grade step progression processes and to default salaries from grade ladder rates.

Related Topics

- [How You Validate Salary Changes with the Grade Range](#)
- [Overview of Grade Step Progression Processing](#)
- [Basic Process to Default Salary Amounts from Grade Ladder Rates](#)

How Grades and Grade Ladders Work with Payroll

Payroll elements can reference grades in the eligibility criteria.

For example, let's assume you want to process a bonus for all workers who are at grade level A2. To accomplish this, you would create an earnings element for the bonus and specify A2 for the grade in the eligibility criteria. The result of this setup, when combined with additional eligibility criteria that may be applied, is that when payroll is processed, workers who are at grade level A2 and who meet the additional eligibility criteria would receive the bonus.

You can also create payroll rate definitions using the grade details. For example, you can calculate the annual salary rate based on the grade ladder, grade, and grade step information defined for an employee.

Related Topics

- [Overview of Rate Definitions](#)
- [Rates Based on Grades Details](#)
- [Payroll Element Eligibility](#)

Configure Profile Options for Selecting Valid Grades on Assignments

When you update assignments, the list of grades you can choose from is determined based on the values of two profile options:

Profile Option	Description
PER_ENFORCE_VALID_GRADES	<p>The default value of this site-level profile option is No. When the value is No:</p> <ul style="list-style-type: none">• The user can select from all the grades. <p>If you set the value of this site-level profile option to Yes:</p> <ul style="list-style-type: none">• Users can select a grade only from the list that you defined for the job or position:<ul style="list-style-type: none">○ If users select both job and position for the assignment, they can select grades that are valid for the position only.

Profile Option	Description
	<ul style="list-style-type: none">○ If valid grades are defined for neither job nor position, then users can select from all grades.
PER_DEFAULT_GRADE_FROM_JOB_POSITION	<p>The default value of this site-level profile option is No. When the value is No:</p> <ul style="list-style-type: none">• The user can select from all the grades. <p>If you set this site-level profile option to Yes and there's only one valid grade for a job or position:</p> <ul style="list-style-type: none">• That grade is used by default in the assignment.○ If an entry grade is defined for a position, then that grade is used by default when the user creates a new assignment.

Grade and Grade Ladder on Worker Assignment

Grades and grade ladders are attributes on a worker's assignment.

Selecting Grade Ladder for Worker Assignment

Enter a grade ladder on a worker's assignment when you want to include the assignment in grade step progression processes or when you want to have the salary defaulted from rates on the grade ladder.

The Include in grade step progression attribute allows you to include or exclude an assignment from the grade step progression processes.

Selecting Grade for Worker Assignment

If you're using grade ladders, once you enter the grade ladder on the assignment, you need to choose a grade that belongs to the grade ladder. And, if your grades have steps, you also need to enter the step.

Irrespective of whether you're using grade ladders, you need to enter a grade on the assignment when you want to use grade rates to validate the salary ranges. The grade rate is stored on the salary basis that's associated with the worker's salary record.

Related Topics

- [How You Include an Assignment in Grade Step Progression Processing](#)
- [Overview of Grade Step Progression Processing](#)
- [Basic Process to Default Salary Amounts from Grade Ladder Rates](#)
- [How You Validate Salary Changes with the Grade Range](#)

5 Create Grades, Steps, and Grade Ladders

Create Grades, Steps, and Ladders

In this example, you're an HR Specialist creating grades, steps, and ladders.



Let's say you're adding one grade and 3 grade steps in this example. Let's look at the steps to enter the key values for the new grades, steps, and ladders. For other fields, you can use the default values. At the end, we've shown you an example for creating a progression grade ladder where the grades have steps.

Note: You need to complete each task in the given order.

Task	Description
1	Create grades and enter the grade steps. Note: Repeat this task for every grade in your grade ladder.
2	Create a grade ladder.
Example	Create a progression grade ladder for grades with steps.

1. Task 1: Create grades and enter the grade steps.

- On your Home page, click **My Client Groups > Workforce Structures > Grades**.
- Click **Add Grade**.
- Enter a start date. For example, Jan 1, 2025.
- Select a grade set. For example, Common Set.
- Enter these values for name and code.

Field	Value
Name	Mfg00
Code	Mfg00

- In the **Grade Steps** section, click **Add**.
- Enter these values.

Field	Value
Number	1

Field	Value
Name	Step 1

- h. Click the check mark icon after adding the values for every grade step.
- i. Repeat the above three steps to create grade steps with the following numbers and names.

Number	Name
2	Step 2
3	Step 3

Your ceiling step will be defaulted as you go. It's often the highest step in the grade.

- j. To set a different step as the ceiling step, select the step and click the **Set as Ceiling Step** button.
 - k. Click **Submit**.
2. Repeat **Task 1** for every grade in your grade ladder.
- a. Use these values for creating the next grade.

Field	Value
Start Date	Jan 1, 2025
Grade Set	Common Set
Name	Mfg01
Code	Mfg01

- b. In the **Grade Steps** section, create grade steps with the following numbers and names.

Number	Name
1	Step 1
2	Step 2
3	Step 3
4	Step 4
5	Step 5

3. Task 2: Create a grade ladder, which puts your grades into sequence.

- a. Go to **My Client Groups > Workforce Structures > Grade Ladders**.
- b. Click **Grade Ladders**.
- c. Click **Add**.

Use one of these options to create grade ladders:

Option	Description
Progression Grade Ladder for Grades with Steps	If you're using grade step progression and you need to create a progression grade ladder for grades with steps.
Progression Grade Ladder for Grades Without Steps	If you're using grade step progression and you need to create a progression grade ladder for grades without steps.
Grade Ladder for Grades with Steps	If you don't want to create a progression grade ladder.

In this example, we'll create a progression grade ladder where the grades have steps.

- d. Click **Progression Grade Ladder for Grades with Steps**.
- e. Enter or select these values, as applicable.

Field	Value or Description
Effective Start Date	Set a date of your choice.
Name	Manufacturing GSP
Grade Type	Defaults based on the type of grade ladder you selected. In this example, it defaults to Grade with steps .
Grade Set	Determines the grades you'll have available to add to this grade ladder. Select Common Set , which is the same set you used earlier.
Legislative Data Group	Select the legislative data group. For example, US Legislative Data Group.
Progression Increment	Select Next step in grade, stop if ceiling .
Grade Ladder Group	(Optional) Select a value from the drop-down list if required.
Progression Date Code	Select Process run date .
Progression Confirmation Type	Select Manual .
Assignment Action	Select Automated Grade Step Progression .

- f. (Optional) If you want to take the rate from your grade ladder to update the worker's salary and their assignment, select the **Include salary updates** checkbox.

- g. Select the remaining attributes in the **Salary update** section that determine how the **Run Grade Step Progression** process calculates the proposed salary.

Field	Select this value
Salary Calculation Method	Use grade step rate
Salary Date Code	Grade step change date
Salary Adjustment Type	FTE not equal to 1
Salary Action	Automated Grade Step Progression

- h. In the **Rate synchronization** section, select these attributes that determine how the process calculates the proposed salary. This section is used for the second batch process, Synchronize Grade Step Rates.

Field	Select this value
Rate Synchronization Date Code	Grade step rate change date
Rate Synchronization Confirmation Type	Manual
Rate Synchronization Action	Grade Step Rate Synchronization
Salary Action	Automated Grade Step Progression

- i. In the **Rates** section, click **Add** to add a rate.
j. Enter or select these values, as applicable.

Field	Value or Description
Name	Manufacturing GSP Give it an intuitive name that's unique across all the rates.
Legislative Data Group	Select US Legislative Data Group , which is the same legislative data group that you selected earlier.
Rate Type	Salary Grade step progression requires that the rate type is Salary.
Frequency	Monthly

- k. Confirm that the **Annualization Factor** and **Currency** values are displayed correctly and then click the check mark.
After you save your rate selections, the rate is automatically marked as the **Progression rate**.
l. In the **Grades** section, click **Add** to add grades.

- m. In the **New Grade** panel drawer, select the **Grade Name** as **Mfg00** and click **Add**.
The **Grade Code** and **Grade Set** are automatically populated.
- n. Add as many grades as you need to.
By default, additional grades are placed at the end, but you can change the placement by selecting the required option from the **Grade Placement** list.
- o. After you've added all your grades, enter your step rate values. In the **Mfg00** row, click the **3 Steps** link.
- p. In the panel drawer for **Step rate values**, enter the rates for each of the steps by clicking the **Edit** icon or double-clicking the cell.

After you enter the value for each row, click the check mark on the row.

Sequence	Value
1	2000
2	2500
3	3000

- q. After you enter the rates, you can apply these changes and move to the next set of rates by clicking **Apply and Next**, or cycle through the rates using the **Next** and **Previous** arrows.
- r. Enter these values for the next set of rates by clicking the **Edit** icon.
After you enter the value for each row, click the check mark on the row.

Sequence	Value
1	2000
2	2500
3	3000
4	3500
5	4000

- s. After you enter all the rates, click **Apply and Close**.
- t. After you enter all your rate values, click **Submit**.

6 Examples

Examples of Grades, Grade Rates, and Grade Ladders

The following examples illustrate how InFusion Corporation might set up different types of grades, rates, and ladders for the different types of jobs within the company. The examples include grade structures for administrative workers, managers, senior executives, and line workers.

Note: All amounts in the examples are US dollars.

Grades with Steps

The grade structure for annual salary amounts for administrative workers in InFusion Corporation includes five grades, and each grade includes five steps.

- When workers move from one grade to another in this ladder, they don't always start at step 1 of a grade.
- The next step is based on their previous salary plus two steps.

For example, a worker could move from Step 5 in Grade 1 to Step 3 in Grade 2.

The following table lists the five grades, steps, and the rates associated with them for administrative workers at InFusion Corporation.

Grade	Step 1	Step 2	Step 3	Step 4	Step 5
1	17,803	18,398	18,990	19,579	20,171
2	20,017	20,493	21,155	21,717	21,961
3	21,840	22,568	23,296	24,024	24,752
4	24,518	25,335	26,152	26,969	27,786
5	27,431	28,345	29,259	30,173	31,087

To set up your grade structure to reflect this table, perform the following tasks:

- Set up five different grades and add five steps for each grade.
- Set up a grade ladder using the Grades with Steps type, and select all five grades.
- Set up step rates for annual salary amounts using the rates in the preceding table.

Grades Without Steps

The grade structure for annual salary amounts for level 3 managers at InFusion Corporation includes grades without steps. The grade rates are fixed amounts.

The following table lists the grades and associated rates for level 3 managers at InFusion Corporation.

Grade	Annual Salary Amount
1	103,900
2	111,800
3	119,900
4	127,800
5	135,900
6	143,700
7	151,800
8	155,500

To set up your grade structure to reflect this table, perform the following tasks:

- Set up eight separate grades.
- For each grade, enter the rates from the preceding table.
- Set up a grade ladder with the Grades type and add all eight grades to the ladder.

Grades with Grade Rate Ranges

The grade structure for annual salary amounts for senior executives at InFusion Corporation includes grades with no steps, and the rates are set up using ranges.

The following table lists the rate range for senior executives at InFusion Corporation.

Grade	Minimum Annual Salary Amount	Maximum Annual Salary Amount
SNREXEC	154,300	243,900

To set up a grade structure to reflect this table, perform the following tasks:

- Create a single grade.

- Create a grade rate and enter the minimum and maximum amounts from the preceding table for the grade rate range.

Grade Ladders with Hourly Amounts

The grade structure for line workers at InFusion Corporation includes grades with steps, and the rates are hourly amounts.

The following table lists the hourly rates for line workers at InFusion Corporation.

Grade	Step 1	Step 2	Step 3	Step 4	Step 5
1	10.64	11.07	11.49	11.96	12.40
2	11.77	12.27	12.76	13.24	13.72
3	12.92	13.46	13.98	14.55	15.07
4	14.03	14.63	15.21	15.80	16.39
5	15.20	15.83	16.46	17.12	17.75

To set up your grade structure to reflect this table, perform the following tasks:

- Create five grades, each with five steps.
- Set up a grade ladder using the Grades with Steps type, and select all five grades.
- Set up step rates for hourly amounts using the rates in the table.

Example of Setting Up Grade Ladders for Spine Point Requirements

This example illustrates how you can use grades, rates, and a grade ladder to represent spine points. You manage grade ladders using the Grade Ladders task in the Workforce Structures work area.

Spine Points

Some public sector organizations in the United Kingdom (UK) use spine points to structure their grades. Each spine point corresponds to one or more steps within a grade, as grades often overlap each other.

Grade Structure

You can use grade ladders to meet the requirements of a grade structure with spine points. The following table illustrates a grade structure with spine points that's similar to the one used for university workers in the UK.

Spine Point	Salary	Grade	
1	25,674		1
2	26,361		
3	27,068		
4	27,796		
5	30,394		
6	31,778	2	
7	32,648		
8	33,542		
9	34,466		
10	35,425		
11	38,441		
12	39,510		3
13	40,634		
14	41,746		
15	42,914		
16	44,118		
17	45,358		

To set up grades for the spine point structure, you must:

- Create three grades with steps and name each step using the spine point number.
- Create a grade ladder with all three grades.
- Create step rates with annual salary amounts.

Resulting Grades, Rates, and Grade Ladder

The following table lists the grades and steps needed to meet the requirements of the grade structure with spine points.

Grade Name	Steps	Ceiling Step
Grade 1	<ul style="list-style-type: none"> • Spine Point 1 • Spine Point 2 • Spine Point 3 • Spine Point 4 • Spine Point 5 	Spine Point 5

Grade Name	Steps	Ceiling Step
	<ul style="list-style-type: none"> Spine Point 6 	
Grade 2	<ul style="list-style-type: none"> Spine Point 6 Spine Point 7 Spine Point 8 Spine Point 9 Spine Point 10 Spine Point 11 Spine Point 12 	Spine Point 11
Grade 3	<ul style="list-style-type: none"> Spine Point 12 Spine Point 13 Spine Point 14 Spine Point 15 Spine Point 16 Spine Point 17 	Spine Point 17

The following table lists the grades, steps, and rates to add to the ladder.

Grade Name	Steps	Rates
Grade 1	<ul style="list-style-type: none"> Spine Point 1 Spine Point 2 Spine Point 3 Spine Point 4 Spine Point 5 Spine Point 6 	<ul style="list-style-type: none"> 25, 674 26, 631 27, 068 27, 796 30, 394 31, 778
Grade 2	<ul style="list-style-type: none"> Spine Point 6 Spine Point 7 Spine Point 8 Spine Point 9 Spine Point 10 Spine Point 11 Spine Point 12 	<ul style="list-style-type: none"> 31, 778 32, 648 33, 542 34, 466 35, 425 38, 441 39, 510
Grade 3	<ul style="list-style-type: none"> Spine Point 12 Spine Point 13 Spine Point 14 Spine Point 15 Spine Point 16 	<ul style="list-style-type: none"> 39, 510 40, 634 41, 746 42, 914 44, 118

Grade Name	Steps	Rates
	<ul style="list-style-type: none">Spine Point 17	<ul style="list-style-type: none">45,358

Related Topics

- [Examples of Grades, Grade Rates, and Grade Ladders](#)